



STATE OF NORTH CAROLINA

FINANCIAL STATEMENT REVIEW REPORT OF

ALAMANCE COMMUNITY COLLEGE

GRAHAM, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR

FINANCIAL STATEMENT REVIEW REPORT OF

ALAMANCE COMMUNITY COLLEGE

GRAHAM, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

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THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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Ralph Campbell, Jr.
State Auditor

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REVIEWER'S TRANSMITTAL

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

This report presents the results of our financial statement review of Alamance 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 Alamance 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 Alamance 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
Alamance Community College
Graham, North Carolina

We have reviewed the accompanying Statement of Net Assets of Alamance 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 cursive script that reads "Ralph Campbell, Jr.".

Ralph Campbell, Jr.
State Auditor

May 12, 2004

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Alamance Community College provides this *Management's Discussion and Analysis* of the College's financial statements and related matters for the readers of the College's financial report. This narrative overview primarily addresses the fiscal year ended June 30, 2003. We encourage readers to consider this information in conjunction with the College's financial statements, which follow.

The College first implemented the new reporting model promulgated by the Governmental Standards Board in its Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, as adopted by the State of North Carolina, in the year ended June 30, 2002. The year ended June 30, 2003 is the first year for which comparative data is available, and some comparisons are made in this *Management's Discussion and Analysis*. It is often difficult to assign meaning to such comparisons without several years' information, so those comparisons will be limited to cases where comparison is meaningful.

Financial Highlights

Net Assets - The assets of the College exceeded its liabilities by \$13.2 million, and that amount is reported as "Net Assets". Of this amount, \$1.6 million was reported as "Unrestricted" net assets. Unrestricted net assets represent the amount available to be used to meet the College's ongoing obligations to its students, the community and its creditors.

Changes in Net Assets - The College's net assets increased by \$541 thousand, a 4.3% increase, in fiscal 2002-03.

Operating Loss - Under the new reporting model, first implemented in the previous year, State and county funding for the basic programs of the College, which makes up over 60% of the College's operating funds, is considered a nonoperating revenue. Consequently, the College will always report a large operating loss, which will be largely, if not entirely, offset by State aid, county appropriations and other nonoperating revenues. The operating loss in fiscal year 2002-03 was \$12.1 million, which was offset, in part, by \$11.1 million in State aid and county appropriations.

Increase in Cash and Cash Equivalents - Cash and cash equivalents increased by \$883 thousand, including an increase of \$612 thousand in current unrestricted, \$41 thousand in current restricted and \$230 thousand in noncurrent restricted cash and cash equivalents. This is largely offset by a decrease in short-term investments of \$505 thousand. Including cash and cash equivalents as well as short-term investments, the net overall increase is \$378 thousand, of which \$271 thousand is restricted.

Overview of the Financial Statements

Under the new reporting model, the College is considered to be a "Business Type Activity", that is, an activity normally intended to recover all or a significant portion of its cost through

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

user fees and charges to external users of goods and services. The financial statements are intended to provide a view of the College's operations in a manner similar to a private sector business. The financial statements and the notes to the financial statements provide both short-term and long-term information about the College's financial position.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes can be found immediately following the financial statements.

Net Assets - Over time, net assets serve as a useful indicator of financial position. The College's net assets totaled \$13.2 million at the end of fiscal 2002-03 compared to \$12.7 million at the end of the previous year.

Alamance Community College - Net Assets

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
Current Assets	\$ 1,897,088	\$ 2,038,626
Capital Assets	11,022,466	11,001,574
Other Assets	<u>180,115</u>	<u>591,873</u>
Total Assets	<u>13,099,669</u>	<u>13,632,073</u>
Current Liabilities	227,626	247,171
Noncurrent Liabilities	<u>196,635</u>	<u>168,515</u>
Total Liabilities	<u>424,261</u>	<u>415,686</u>
Invested in Capital Assets	11,022,466	11,001,574
Restricted Net Assets	452,488	594,304
Unrestricted Net Assets	<u>1,200,454</u>	<u>1,620,509</u>
Total Net Assets	<u>\$ 12,675,408</u>	<u>\$ 13,216,387</u>

The largest portion of those net assets (83.2%) reflects the College's investment in capital assets, such as land, buildings, equipment and infrastructure (roads, parking lots, landscaping and other immovable assets). The College has no debt related to these capital assets. The College uses these assets to provide services to its students and the community, consequently these assets are not available for future spending.

An additional portion of the College's net assets (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining portion (12.3%) of net assets is unrestricted and may be used to meet the College's ongoing obligations to students, suppliers and the community. Internally imposed designations of resources are not considered to be restrictions on the use of net assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Changes in Net Assets - The College's net assets increased by \$541 thousand, or 4.3%, in 2002-03 compared to a decrease of \$647 thousand (4.9%) decrease in fiscal 2001-02. The components of these changes can be categorized as follows:

	2001-02	2002-03
Operating Revenues	\$ 5,139,852	\$ 5,919,789
Operating Expenses (Excluding Depreciation)	(15,771,795)	(17,381,769)
Depreciation Expense	(618,229)	(618,035)
Net Operating Loss	(11,250,172)	(12,080,015)
State and County Appropriations	10,431,189	11,113,957
Other Nonoperating Items	(43,674)	435,836
Net Loss Before Other Items	(862,657)	(530,222)
State and County Capital Appropriations	548,320	1,071,200
Net Income (Loss) Before Special Items	(314,337)	540,978
Special Items	(332,500)	
Increase (Decrease) in Net Assets	\$ (646,837)	\$ 540,978

Depreciation expense is shown separately since these are the first two years in which Alamance Community College has recognized depreciation on its financial statements. Were it not for the recognition of depreciation expense, net income before special items would be \$1,159,013 in 2002-03 and the net loss before special items in 2001-02 would become net income of \$304 thousand rather than the deficit of \$314 thousand shown. Depreciation is the greatest single quantitative difference from the presentation in prior years.

The special item shown in 2001-02 is the recognition of a one-time charge for the loss of leasehold improvements at the College's Burlington Center when the lessor became bankrupt. Special items, by their nature, are expected to be non-recurring.

Operating and Nonoperating Revenues - The operating expenses of the College are funded by a combination of operating and nonoperating revenues. Together these revenues are expected to offset the operating expenses other than depreciation. In fiscal year 2002-03, these revenues totaled \$17.5 million, compared to operating expenses (excluding depreciation) of \$17.4 million. In fiscal year 2001-02, these revenues totaled \$15.6 million, compared to operating expenses (excluding depreciation) of \$15.8 million.

Capital Assets

The College's investment in capital assets amounts to \$19.7 million, less accumulated depreciation of \$8.7 million, leaving a net book value of \$11.0 million. This investment in capital assets consists of land, buildings, equipment, infrastructure and construction in progress.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Changes to capital assets include \$376 thousand of construction in progress on a new administrative and learning resource center building. The remaining \$235 thousand increase in assets consists of parking lot construction and paving (\$102 thousand) building renovations (\$36 thousand) and routine equipment purchases (\$97 thousand). Depreciation totaled \$618 thousand.

Financial Position and Results of Operations

The laws and regulations dealing with the funding of community colleges in North Carolina present several problems for users of financial reports. Funding of the educational program is provided primarily by allotments from the State, and the colleges are not permitted to accumulate reserves appropriate to the size of the operation. The operating budget of this College is about \$19.5 million and the unrestricted net assets available for appropriation totals only \$1.6 million or about 8% of the annual budget. Much of this \$1.6 million is earmarked for specific purposes and, while not restricted by outside authority, would be used for ordinary operations only as a last resort. This tends to make the College's financial position appear somewhat precarious. In reality, however, the College relies on the State to provide the financial backing for its operations and consequently does not need to maintain a larger fund balance.

On the other hand, reliance on the State can have the affect of distorting the results of operations. As noted above, in the 2002-03 fiscal year, cash and cash equivalents combined with short-term investments increased by 21.6% while the College's net assets increased by 4.3%. This appears to be a very good year, despite the loss, before other items, of \$530 thousand. In fact, although the immediate financial condition of the College is still sound, the increase in net assets and liquid assets occurred because the College was unable to pay for the supplies, materials, equipment and even the faculty and staff required to operate at sustainable levels.

The College reverted 1.8% of the State operating allotment, or \$253 thousand in the 2002-03 year. In addition, \$935 of the State allotment was not spent because the State did not have sufficient cash to fund operations. Under North Carolina law this money also reverts to the State so that a total of nearly \$1.2 million or 8.8% of the State allotment was lost to the College. This does not appear in the financial statements. Both receipts and expenditures are lower than they would have been if funding had been available and any immediate or long-term impact on the operational effectiveness of the College is not evident.

Economic Outlook

In the last two years and continuing into the near future, the College faces two major challenges - continuing enrollment growth and the State's economic crisis. Enrollment growth of over 20% in the 2001-2002 and 2002-2003 years strained the capacity of the College, both in its physical facilities and its faculty and staff. Plans are in place for two new buildings that will address the physical space limitations, but no additional space will be available for at least a year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

The strain on faculty resources has begun to improve. In the 2002-2003 fiscal year, funding for growth was eventually provided, and the College was able to hire additional faculty to meet the demand for the spring semester. The budget for the 2003-04 year again includes funding for growth and much of the growth funding will be available for faculty.

Still there are several hurdles that must be overcome. While the College's funding for growth more than offset cuts in community college base funding, the cuts were disproportionately large in administrative and support areas, while the growth funding was predominately funding for direct instruction. This will result in a transfer of funding from administrative and support to instruction at a time when the College's growth has placed a strain on such necessary functions as student services, financial aid, the learning resource center and the business office.

Another matter that is directly related to the State's financial crisis is the requirement for all community colleges to hold 4.5% of allotted funds for possible reversion to the State in 2003-2004. As in recent years, if State revenues are not sufficient to fund the original allotments, the funding will be lost. Because of the reduction in available funds for administrative and support functions, the 4.5% of the budget held for reversion consists largely of faculty funding. Even if funding becomes available, it is unlikely that the held funds will be released early enough in the year to use them as intended.

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

Current Assets:

Cash and Cash Equivalents	\$	1,716,097.30
Restricted Cash and Cash Equivalents		74,737.74
Short-Term Investments		44,870.49
Receivables, Net (Note 3)		63,173.56
Inventories		55,032.20
Prepaid Items		84,715.14
Total Current Assets		2,038,626.43

Noncurrent Assets:

Restricted Cash and Cash Equivalents		295,003.22
Restricted Due from Primary Government		296,869.22
Capital Assets - Nondepreciable, Net (Note 4)		809,225.74
Capital Assets - Depreciable, Net (Note 4)		10,192,348.13
Total Noncurrent Assets		11,593,446.31

Total Assets		13,632,072.74
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LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 5)		164,329.03
Deferred Revenue		82,842.25
Funds Held for Others		19,686.28
Total Current Liabilities		266,857.56

Noncurrent Liabilities:

Long-Term Liabilities (Note 6)		148,828.70
Total Noncurrent Liabilities		148,828.70
Total Liabilities		415,686.26

NET ASSETS

Invested in Capital Assets		11,001,573.87
Restricted for:		
Expendable:		
Scholarships and Fellowships		15.97
Capital Projects		560,658.68
Other		33,629.03
Unrestricted		1,620,508.93
Total Net Assets	\$	13,216,386.48

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

Alamance 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)	\$	2,363,531.98
Federal Grants and Contracts		2,694,823.08
State and Local Grants and Contracts		158,387.63
Nongovernmental Grants and Contracts		121,683.36
Sales and Services, Net (Note 8)		581,362.46
Total Operating Revenues		5,919,788.51
EXPENSES		
Operating Expenses:		
Personal Services		11,942,312.37
Supplies and Materials		1,299,026.21
Services		1,563,622.52
Scholarships and Fellowships		2,244,714.77
Utilities		332,093.30
Depreciation		618,035.16
Total Operating Expenses		17,999,804.33
Operating Loss		(12,080,015.82)
NONOPERATING REVENUES		
State Aid		9,342,456.93
County Appropriations		1,771,500.00
Noncapital Grants		368,430.94
Investment Income, Net		43,346.95
Other Nonoperating Revenues		24,059.47
Net Nonoperating Revenues		11,549,794.29
Loss Before Other Revenues, Expenses, Gains, and Losses		(530,221.53)
State Capital Aid		474,765.34
County Capital Appropriations		274,532.45
Capital Grants		321,901.96
Increase in Net Assets		540,978.22
NET ASSETS		
Net Assets, July 1, 2002		12,675,408.26
Net Assets, June 30, 2003	\$	13,216,386.48
The accompanying notes to the financial statements are an integral part of this statement.		

Alamance Community College		
Statement of Cash Flows		
For the Fiscal Year Ended June 30, 2003		Exhibit C
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Customers		\$ 5,968,666.65
Payments to Employees and Fringe Benefits		(11,936,091.91)
Payments to Vendors and Suppliers		(3,285,451.80)
Payments for Scholarships and Fellowships		(2,249,128.99)
Other Payments		(5,515.21)
Net Cash Used by Operating Activities		(11,507,521.26)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Aid Received		9,342,456.93
County Appropriations		1,771,500.00
Noncapital Grants Received		453,097.35
Net Cash Provided by Noncapital Financing Activities		11,567,054.28
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Capital Aid Received		292,542.18
County Capital Appropriations		274,532.45
Capital Grants Received		321,901.96
Proceeds from Sale of Capital Assets		60.00
Acquisition and Construction of Capital Assets		(612,353.97)
Net Cash Provided by Capital and Related Financing Activities		276,682.62
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments		504,712.12
Investment Income		42,111.20
Net Cash Provided by Investing Activities		546,823.32
Net Increase in Cash and Cash Equivalents		883,038.96
Cash and Cash Equivalents, July 1, 2002		1,202,799.30
Cash and Cash Equivalents, June 30, 2003		\$ 2,085,838.26
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss		\$ (12,080,015.82)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense		618,035.16
Miscellaneous Nonoperating Income		29,590.03
Changes in Assets and Liabilities:		
Receivables, Net		9,640.52
Inventories		(10,503.83)
Prepaid Items		(75,313.16)
Accounts Payable and Accrued Liabilities		(4,222.36)
Deferred Revenue		33,388.00
Funds Held for Others		(33,669.84)
Compensated Absences		5,550.04
Net Cash Used by Operating Activities		\$ (11,507,521.26)

<i>Alamance Community College</i>		
<i>Statement of Cash Flows</i>		<i>Exhibit C</i>
<i>For the Fiscal Year Ended June 30, 2003</i>		<i>Page 2</i>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Current Assets:		
Cash and Cash Equivalents	\$	1,716,097.30
Restricted Cash and Cash Equivalents		74,737.74
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		295,003.22
Total Cash and Cash Equivalents - June 30, 2003	\$	2,085,838.26
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Increase in Receivables Related to Nonoperating Income	\$	182,223.16
The accompanying notes to the financial statements are an integral part of this statement.		

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ALAMANCE 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. Alamance 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, savings accounts, money market accounts, overnight repurchase agreements, 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. Investments** - This classification includes long-term fixed income investments, repurchase agreements, equity investments, mutual funds, money market funds, certificates of deposit, limited partnerships, real estate investment trusts, real estate, and other asset holdings by the College. Except for money market funds, certificates of deposit, real estate not held by a governmental external investment pool, and other asset holdings, investments are accounted for at fair value, as determined by quoted market prices, or an amount determined by management if quoted market prices are not available. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.
- Money market funds, certificates of deposit, real estate not held by a governmental external investment pool, and other asset holdings are reported at cost, if purchased, or at fair value or appraised value at date of gift, if donated.
- F. Receivables** – Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, State and local governments, private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.
- G. Inventories** – Inventories, consisting of expendable supplies, are valued at cost using either the first-in, first-out, last invoice cost, or average cost

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

method. Merchandise for resale is valued using the retail inventory method.

- H. Capital Assets** – Capital assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Library books are 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 75 years for general infrastructure, 10 to 50 years for buildings, and 3 to 15 years for equipment.

- I. 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.
- J. Noncurrent Long-Term Liabilities** – Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.
- K. Compensated Absences** - The College's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 15 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 15 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. Therefore, in years when the compensated absences balance is expected to increase, no portion of the balance is classified as current.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

M. Scholarship Discounts – Student tuition and fees revenues and certain other revenues from College charges are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. The scholarship discount is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students or by third parties on the students’ behalf. Student financial assistance grants, such as Pell grants, and other federal, State, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship discount.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting.

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with General Statute 115D-58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina or with the State Treasurer's Investment Pool. Also, the College may establish time deposit accounts, money market accounts, and certificates of deposit. At year-end, cash on hand was \$1,600.00. The carrying amount of cash on deposit was \$2,129,108.75 and the bank balance was \$2,272,051.34.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Cash on deposit at year end consisted of the following:

	Book Balance	Bank Balance
Cash on Deposit with State Treasurer	\$ 1,628,085.41	\$ 1,628,085.41
Cash on Deposit with Private Financial Institutions	501,023.34	643,965.93
	\$ 2,129,108.75	\$ 2,272,051.34

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.

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, \$142,588.42 of the bank balance was covered by federal depository insurance, and \$501,377.51 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).

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

Generally, funds belonging to the College may be invested in the form of investments pursuant to General Statute 159-30(c), as follows: obligations of or fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; prime quality commercial paper bearing specified

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

ratings and banker's acceptances; The North Carolina Capital Management Trust, an SEC registered mutual fund; repurchase agreements; and evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of or fully guaranteed by the United States government, which are held by a specified bank or trust company or any state in the capacity.

At June 30, 2003, the College held certificates of deposit in the amount of \$44,870.49 which is not subject to categorization of custodial credit risk. The aforementioned certificates of deposit are a component of the deposit totals reported in the deposits section of this note.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2003 were as follows:

	<u>Gross Receivables</u>	<u>Less Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Current Receivables:			
Students	\$ 89,701.51	\$ 33,201.00	\$ 56,500.51
Accounts	829.05		829.05
Investment Earnings	3,826.18		3,826.18
Other	2,017.82		2,017.82
	<u>2,017.82</u>	<u>33,201.00</u>	<u>2,017.82</u>
Total Current Receivables	<u>\$ 96,374.56</u>	<u>\$ 33,201.00</u>	<u>\$ 63,173.56</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	Adjustments	Increases	Decreases	Balance June 30, 2003
Capital Assets, Nondepreciable:					
Land	\$ 271,721.12	\$ 0.00	\$ 0.00	\$ 0.00	\$ 271,721.12
Construction in Progress	<u>170,568.67</u>	<u>(6,766.45)</u>	<u>373,702.40</u>		<u>537,504.62</u>
Total Capital Assets, Nondepreciable	<u>442,289.79</u>	<u>(6,766.45)</u>	<u>373,702.40</u>		<u>809,225.74</u>
Capital Assets, Depreciable:					
Buildings	16,148,784.63	6,766.45	29,310.36		16,184,861.44
Machinery and Equipment	1,740,246.38		97,384.44	9,964.00	1,827,666.82
General Infrastructure	<u>789,412.18</u>		<u>102,335.96</u>		<u>891,748.14</u>
Total Capital Assets, Depreciable	<u>18,678,443.19</u>	<u>6,766.45</u>	<u>229,030.76</u>	<u>9,964.00</u>	<u>18,904,276.40</u>
Less Accumulated Depreciation:					
Buildings	6,503,872.75		432,271.50		6,936,144.25
Machinery and Equipment	964,501.86		141,786.21	4,373.44	1,101,914.63
General Infrastructure	<u>629,891.94</u>		<u>43,977.45</u>		<u>673,869.39</u>
Total Accumulated Depreciation	<u>8,098,266.55</u>		<u>618,035.16</u>	<u>4,373.44</u>	<u>8,711,928.27</u>
Total Capital Assets, Depreciable, Net	<u>10,580,176.64</u>	<u>6,766.45</u>	<u>(389,004.40)</u>	<u>5,590.56</u>	<u>10,192,348.13</u>
Capital Assets, Net	<u>\$ 11,022,466.43</u>	<u>\$ 0.00</u>	<u>\$ (15,302.00)</u>	<u>\$ 5,590.56</u>	<u>\$ 11,001,573.87</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Amount
Accounts Payable	\$ 101,919.55
Accrued Payroll	44,555.58
Other	<u>17,853.90</u>
Total Accounts Payable and Accrued Liabilities	<u>\$ 164,329.03</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Balance June 30, 2003</u>
Compensated Absences	\$ 143,278.66	\$ 5,550.04	\$ 148,828.70
Total Long-Term Liabilities	<u>\$ 143,278.66</u>	<u>\$ 5,550.04</u>	<u>\$ 148,828.70</u>

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	\$ 98,756.40
2005	175,474.32
2006	133,004.32
2007	76,534.32
2008	<u>2,252.86</u>
Total Minimum Lease Payments	<u>\$ 486,022.22</u>

Rental expense for all operating leases during the year was \$247,139.51.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 8 - REVENUES

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

	Gross Revenues	Less Scholarship Discounts	Less Allowance for Uncollectibles	Net Revenues
Operating Revenues:				
Student Tuition and Fees	\$ 2,900,494.83	\$ 533,002.85	\$ 3,960.00	\$ 2,363,531.98
Sales and Services:				
Sales and Services of Auxiliary Enterprises:				
Dining	\$ 61,072.80	\$ 0.00	\$ 0.00	\$ 61,072.80
Student Activities	36,217.00			36,217.00
Bookstore	81,610.00			81,610.00
Parking	36,382.00			36,382.00
Daycare	264,920.37		2,362.00	262,558.37
Other	18,300.68			18,300.68
Sales and Services of Education and Related Activities	85,221.61			85,221.61
Total Sales and Services	\$ 583,724.46	\$ 0.00	\$ 2,362.00	\$ 581,362.46

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	\$ 7,522,013.81	\$ 862,726.26	\$ 306,637.55	\$ 0.00	\$ 0.00	\$ 0.00	\$ 8,691,377.62
Academic Support	1,319,395.86	116,593.77	27,833.09				1,463,822.72
Student Services	739,224.19	45,262.18	47,471.90				831,958.27
Institutional Support	1,773,226.01	160,221.83	384,710.68				2,318,158.52
Operations and Maintenance of Plant	202,334.89	9,317.33	735,795.67		332,093.30		1,279,541.19
Student Financial Aid	159,678.39		22,080.20	2,244,714.77			2,426,473.36
Auxiliary Enterprises	226,439.22	104,904.84	39,093.43				370,437.49
Depreciation						618,035.16	618,035.16
Total Operating Expenses	\$ 11,942,312.37	\$ 1,299,026.21	\$ 1,563,622.52	\$ 2,244,714.77	\$ 332,093.30	\$ 618,035.16	\$ 17,999,804.33

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$10,527,271.32, of which \$7,021,266.55 was covered under the Teachers' and State Employees' Retirement System. Total employee contributions for pension benefits for the year were \$421,276.05. 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, \$134,789.98, and \$361,665.09, 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 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 \$6,825.32 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$56,622.00 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 \$81,028.12 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 \$164,999.76. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the fiscal year ended June 30, 2003, the College's total contribution to the DIPNC was \$36,510.59. 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 and a \$50,000 deductible.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$292,221.52 and on other purchases were \$32,635.71 at June 30, 2003.
- B. Pending Litigation and Claims** – The College is a party to litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. College management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the College.
- C. 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)

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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 \$6,659,227 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 - ALAMANCE COMMUNITY COLLEGE FOUNDATION

The Alamance Community College Foundation 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 \$283,176.38 for the year ended June 30, 2003.

NOTE 15 - SUBSEQUENT EVENTS

On October 6, 2003, the College entered into a construction contract for a new Administrative, Student Service, and Learning Resource Center Building. The new commitment on construction contracts total \$5,570,293.

Alamance 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
Projects Approved by the State Board							
Student Services/Learning Resources Center/ Administration Building - Project No. 1129	Jan 2001	\$ 2,000,000.00	\$ 4,500,000.00	\$ 6,500,000.00	\$ 313,553.81	4.82%	Jun 2005
Renovations Project Phase I - Bridge - Project No. 1201	Jul 2001	100,000.00		100,000.00	99,999.04	100.00%	Aug 2002
Renovations Project Phase II - Classrooms - Project No. 1302	Dec 2002	127,105.00		127,105.00	60,811.27	47.84%	Sep 2004
Allied Health Building - Project No. 1130	Jan 2003	3,747,351.00		3,747,351.00			Feb 2006
Projects Pending Approval by the State Board							
Renovations - Old Student Services Area	Mar 2004	240,000.00		240,000.00			
Renovations - Old LRC Area	Mar 2004	240,000.00		240,000.00			
Renovations - Old Business Area	Mar 2004	150,000.00		150,000.00			
Renovations Project Phase III	Jun 2004	100,000.00		100,000.00			
Renovations Project Phase IV	Jun 2005	100,000.00		100,000.00			
Renovations - Child Development Center	Dec 2005	220,000.00		220,000.00			
Renovations - Parking Lots	Jun 2006	150,000.00		150,000.00			
Total All Projects		\$ 7,174,456.00	\$ 4,500,000.00	\$ 11,674,456.00	\$ 474,364.12		
<p>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.</p>							

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Director, Fiscal Research Division

June 22, 2004

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