



STATE OF NORTH CAROLINA

FINANCIAL STATEMENT REVIEW REPORT OF

HALIFAX COMMUNITY COLLEGE

WELDON, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2004

OFFICE OF THE STATE AUDITOR

LESLIE W. MERRITT, JR., CPA, CFP

STATE AUDITOR

FINANCIAL STATEMENT REVIEW REPORT OF

HALIFAX COMMUNITY COLLEGE

WELDON, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2004

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THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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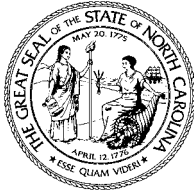
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STATE OF NORTH CAROLINA
Office of the State Auditor

Leslie W. Merritt, Jr., CPA, CFP
State Auditor

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REVIEWER'S TRANSMITTAL

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

This report presents the results of our financial statement review of Halifax Community College, a component unit of the State of North Carolina, for the year ended June 30, 2004. Our review was made by authority of Article 5A of Chapter 147 of the *North Carolina General Statutes* and was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a review is to achieve limited assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with accounting principles generally accepted in the United States of America.

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 Halifax Community College. As a result of our review, we are not aware of any material modifications necessary for the accompanying financial statements 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.

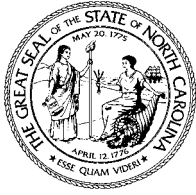
North Carolina General Statutes require the State Auditor to make reports available to the public. Copies of review reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

Leslie W. Merritt, Jr.

Leslie W. Merritt, Jr., CPA, CFP
State Auditor

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STATE OF NORTH CAROLINA
Office of the State Auditor

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Trustees
Halifax Community College
Weldon, North Carolina

We have reviewed the accompanying basic financial statements of Halifax Community College, a component unit of the State of North Carolina, as of and for the year ended June 30, 2004, as listed in the table of contents. We conducted our review 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, 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.

Leslie W. Merritt, Jr.

Leslie W. Merritt, Jr., CPA, CFP
State Auditor

May 10, 2005

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Purpose

The information in this section is intended to provide a general overview of the College's financial statements and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information. For more information, please contact the Business Office at 252-536-2551.

Overview of the Financial Statements

Halifax Community College's discussion and analysis provides a summary of the College's financial statements and a comparison of prior year information. Halifax Community College Foundation, Inc. is blended into the financial statements for Halifax Community College. The Foundation had total net assets of \$645,948.79 at June 30, 2004.

Institutional Assets

The assets of the College are divided between current and noncurrent assets. Current assets include cash, short-term investments, receivables, inventories, and notes receivable.

Current Assets

	<u>2004</u>	<u>2003</u>	<u>Difference</u>
Cash and Cash Equivalents	\$ 1,240,296.10	\$ 1,133,427.22	\$ 106,868.88
Short-Term Investments	126,339.06	114,872.92	11,466.14
Receivables	299,816.86	156,066.48	143,750.38
Inventories	135,904.50	127,480.94	8,423.56
Notes Receivable	426.98	1,653.84	(1,226.86)
Total Current Assets	\$ 1,802,783.50	\$ 1,533,501.40	\$ 269,282.10

Noncurrent assets include cash, notes receivable, due from the State for construction projects, endowment investments, and capital assets.

Noncurrent Assets

	<u>2004</u>	<u>2003</u>	<u>Difference</u>
Cash and Cash Equivalents	\$ 13,651.60	\$ 21,758.95	\$ (8,107.35)
Notes Receivable	300.00	300.00	
Due from Primary Government	257,456.15	483,700.37	(226,244.22)
Endowment Investments	460,334.75	434,121.76	26,212.99
Capital Assets	15,620,740.91	12,348,723.47	3,272,017.44
Total Noncurrent Assets	16,352,483.41	13,288,604.55	3,063,878.86
Total Assets	<u>\$ 18,155,266.91</u>	<u>\$ 14,822,105.95</u>	<u>\$ 3,333,160.96</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The College's capital assets are stated at their purchase price or, in the case of donations, assigned a fair market value when they are accepted. The College records purchases as a capital asset when the purchased items cost more than \$5,000 at the date of purchase and have a useful life or more than one year. Library books are not included as assets.

The College uses straight-line depreciation to determine the current value of capital assets. In general, infrastructure is depreciated over a 10 to 25 year period, buildings are depreciated over a 15 to 40 year period, and equipment is depreciated in three to 15 years, depending on the expected useful life of the infrastructure, equipment, or building. This is done in accordance to the North Carolina Community College System Class Codes and Useful Lives Chart.

Institutional Liabilities

The College's liabilities are divided between current liabilities payable within 12 months and noncurrent liabilities that extend beyond a year. Long-term liabilities include the portion of accrued employee annual leave that will not be paid within the next fiscal year, calculated at the current salary rates for each employee, consistent with the institution's leave policies.

Liabilities	<u>2004</u>	<u>2003</u>	<u>Difference</u>
Current	\$ 205,292.92	\$ 187,680.77	\$ 17,612.15
Long-Term	568,926.67	479,591.30	89,335.37
Total Current Assets	<u>\$ 774,219.59</u>	<u>\$ 667,272.07</u>	<u>\$ 106,947.52</u>

Net Assets

Net Assets are a measure of the value of all the College's assets after liabilities and depreciation are deducted. The College's net assets increased by \$3,226,213.44 for the fiscal year to \$17,381,047.32.

Net Assets	<u>2004</u>	<u>2003</u>	<u>Difference</u>
Invested in Capital Assets	\$ 15,620,740.91	\$ 12,348,723.47	\$ 3,272,017.44
Restricted	1,016,918.19	972,025.98	44,892.21
Unrestricted	743,388.22	834,084.43	(90,696.21)
Total Net Assets	<u>\$ 17,381,047.32</u>	<u>\$ 14,154,833.88</u>	<u>\$ 3,226,213.44</u>

Revenues

The College's revenues are classified as operating and nonoperating revenues. Operating revenues include student tuition and fees, federal, State and local grants and contracts, and the revenue received from sales and services, principally comprised of the revenue received from

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

the bookstore, vending and food service operation. Student tuition, though identified as revenue, is remitted back to the State Treasurer and is not netted against the College's State aid identified as nonoperating revenue. The operating revenue, federal grants and contracts in the amount of \$5,087,480.00, accrues from the College's participation in the Federal Title IV financial aid programs, including Pell Grants of \$3,192,814.00.

Operating Revenues

	<u>2004</u>	<u>2003</u>	<u>Difference</u>
Student Tuition and Fees, Net	\$ 740,182.67	\$ 1,048,577.43	\$ (308,394.76)
Federal Grants and Contracts	5,087,480.00	1,810,040.81	3,277,439.19
State/Local Grants and Contracts	187,091.90	90,313.52	96,778.38
Sales and Service, Net	440,451.80	260,967.90	179,483.90
Total Operating Revenues	<u>\$ 6,455,206.37</u>	<u>\$ 3,209,899.66</u>	<u>\$ 3,245,306.71</u>

Nonoperating revenue comprise the major portion of the College's income and include formula allocations from the North Carolina State Board of Community Colleges for current expense, equipment, and capital improvements as well as funds appropriated from the Halifax and Northampton County Board of Commissioners.

Nonoperating Revenues

	<u>2004</u>	<u>2003</u>	<u>Difference</u>
State Aid	\$ 6,657,973.85	\$ 6,549,952.45	\$ 108,021.40
County Appropriations	981,745.00	836,745.00	145,000.00
Noncapital Grants	552,632.29	1,449,576.45	(896,944.16)
Noncapital Gifts	76,367.15	77,631.90	(1,264.75)
Investment Income	49,498.99	40,496.90	9,002.09
Other Nonoperating Revenues	128,933.06	161,261.13	(32,328.07)
Total Nonoperating Revenues	<u>\$ 8,447,150.34</u>	<u>\$ 9,115,663.83</u>	<u>\$ (668,513.49)</u>

Capital Contributions

Capital contributions are received from appropriations from the North Carolina State Board of Community Colleges under a formula allocation for educational equipment and library books. The Board also provides construction funds as a part of the North Carolina 2000 Higher Education Bond Referendum and previous legislative action providing funds for renovations and repairs.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

Capital Contributions

	<u>2004</u>	<u>2003</u>	<u>Difference</u>
State Capital Aid	\$ 2,967,606.21	\$ 6,317,733.13	\$ (3,350,126.92)
County Capital Appropriations	32,500.00	30,360.00	2,140.00
Capital Grants		725,950.00	(725,950.00)
Total Capital Contributions	<u>3,000,106.21</u>	<u>7,074,043.13</u>	<u>(4,073,936.92)</u>
Total Revenues	<u>\$ 17,902,462.92</u>	<u>\$ 19,399,606.62</u>	<u>\$ (1,497,143.70)</u>

Operating Expenses

The operating expenses of the College, totaling \$14,676,249.48, are comprised principally of the direct cost of personnel and their fringe benefits. Operating expenses increased by \$1,851,788.19 over the prior year.

Significant Capital Assets Activities

The College was authorized \$8,273,039.00 from the 2000 North Carolina Higher Education Bond Referendum, and \$1,500,000.00 from the US Department of Economic Development Administration for new construction.

The following contractual amounts have been paid for projects listed:

1. Project #1090 Allied Health / Auditorium	\$9,155,265.17
2. Project # 1292 Wellness / Fitness Center	<u>560,129.64</u>
TOTAL PROJECTS	\$9,715,394.81

Economic Forecast

Halifax Community College believes that the economic future of the College looks very good. We have discussions in progress with our two service counties (Halifax and Northampton) which should address our needs. Forecasts from the State Office of Budget and Management indicate that the State's economy is slowly improving and that this should allow funding for initiatives already approved by the State legislature regarding salaries.

Halifax Community College
Statement of Net Assets
June 30, 2004

Exhibit A-1

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,200,701.48
Restricted Cash and Cash Equivalents	39,594.62
Short-Term Investments	102,004.16
Restricted Short-Term Investments	24,334.90
Receivables, Net (Note 4)	149,816.86
Inventories	135,904.50
Notes Receivable, Net (Note 4)	426.98
	<hr/>
Total Current Assets	1,652,783.50
	<hr/>

Noncurrent Assets:

Restricted Cash and Cash Equivalents	13,651.60
Receivables (Note 4)	150,000.00
Restricted Due from Primary Government	257,456.15
Endowment Investments	460,334.75
Notes Receivable (Note 4)	300.00
Capital Assets - Nondepreciable, Net (Note 5)	134,800.00
Capital Assets - Depreciable, Net (Note 5)	15,485,940.91
	<hr/>
Total Noncurrent Assets	16,502,483.41
	<hr/>

Total Assets	18,155,266.91
	<hr/>

LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 6)	132,298.22
Funds Held for Others	20,643.31
Long-Term Liabilities - Current Portion (Note 7)	52,351.39
	<hr/>
Total Current Liabilities	205,292.92
	<hr/>

Noncurrent Liabilities:

Long-Term Liabilities (Note 7)	568,926.67
	<hr/>
Total Liabilities	774,219.59
	<hr/>

NET ASSETS

Invested in Capital Assets	15,620,740.91
Restricted for:	
Nonexpendable:	
Scholarships and Fellowships	460,334.75
Expendable:	
Scholarships and Fellowships	211,537.16
Capital Projects	345,046.28
Unrestricted	743,388.22
	<hr/>
Total Net Assets	\$ 17,381,047.32
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The accompanying notes to the financial statements are an integral part of this statement.

***Halifax Community College
Statement of Revenues, Expenses, and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2004***

Exhibit A-2

REVENUES

Operating Revenues:	
Student Tuition and Fees, Net (Note 8)	\$ 740,182.67
Federal Grants and Contracts	3,312,297.06
State and Local Grants and Contracts	187,091.90
Sales and Services, Net (Note 8)	440,451.80
	<hr/>
Total Operating Revenues	4,680,023.43
	<hr/>

EXPENSES

Operating Expenses:	
Personal Services	9,332,611.26
Supplies and Materials	1,413,298.61
Services	1,289,642.88
Scholarships and Fellowships	1,988,874.55
Utilities	333,039.38
Depreciation	318,782.80
	<hr/>
Total Operating Expenses	14,676,249.48
	<hr/>
Operating Loss	(9,996,226.05)
	<hr/>

NONOPERATING REVENUES

State Aid	6,657,973.85
County Appropriations	981,745.00
Noncapital Grants	1,553,765.23
Noncapital Gifts	76,367.15
Investment Income	49,498.99
Other Nonoperating Revenues	128,933.06
	<hr/>
Net Nonoperating Revenues	9,448,283.28
	<hr/>
Loss Before Other Revenues	(547,942.77)
	<hr/>
State Capital Aid	2,967,606.21
County Capital Appropriations	32,500.00
Capital Grants	774,050.00
	<hr/>
Increase in Net Assets	3,226,213.44

NET ASSETS

Net Assets, July 1, 2003	14,154,833.88
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Net Assets, June 30, 2004	\$ 17,381,047.32
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The accompanying notes to the financial statements are an integral part of this statement.

***Halifax Community College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004***

Exhibit A-3

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 4,677,111.44
Payments to Employees and Fringe Benefits	(9,192,745.99)
Payments to Vendors and Suppliers	(3,053,270.04)
Payments for Scholarships and Fellowships	(1,988,874.55)
Other Receipts	126,834.43
	<hr/>
Net Cash Used by Operating Activities	(9,430,944.71)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Aid Received	6,657,973.85
County Appropriations	981,745.00
Noncapital Grants Received	1,768,444.41
Noncapital Gifts	76,367.15
	<hr/>
Cash Provided by Noncapital Financing Activities	9,484,530.41

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

State Capital Aid Received	2,967,606.21
County Capital Appropriations	32,500.00
Capital Grants Received	624,050.00
Proceeds from Sale of Capital Assets	21,343.61
Acquisition and Construction of Capital Assets	(3,612,143.85)
	<hr/>
Net Cash Used by Capital and Related Financing Activities	33,355.97

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	277,172.50
Investment Income	49,498.99
Purchase of Investments and Related Fees	(314,851.63)
	<hr/>
Net Cash Provided by Investing Activities	11,819.86

Net Increase in Cash and Cash Equivalents	98,761.53
Cash and Cash Equivalents, July 1, 2003	1,155,186.17
	<hr/>
Cash and Cash Equivalents, June 30, 2004	\$ 1,253,947.70

**RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (9,996,226.05)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	318,782.80
Provision for Uncollectible Loans and Write-Offs	1,526.86
Miscellaneous Nonoperating Income	128,933.06
Changes in Assets and Liabilities:	
Receivables, Net	17,514.66
Inventories	(8,423.56)
Accounts Payable and Accrued Liabilities	14,417.23
Deferred Revenue	(20,426.65)
Funds Held for Others	(2,098.63)
Compensated Absences	115,055.57
	<hr/>
Net Cash Used by Operating Activities	\$ (9,430,944.71)

***Halifax Community College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2004***

Exhibit A-3

Page 2

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current Assets:	
Cash and Cash Equivalents	\$ 1,200,701.48
Restricted Cash and Cash Equivalents	39,594.62
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	<u>13,651.60</u>
Total Cash and Cash Equivalents - June 30, 2004	<u><u>\$ 1,253,947.70</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Change in Fair Value of Investments	\$ 20,813.17
Increase in Receivables Related to Nonoperating Income	161,565.04
Capital Asset Write-Offs	21,343.61

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

HALIFAX COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

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. Halifax 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 of the College and the component unit for which the College's Board of Trustees is financially accountable. The College's component unit is blended in the financial statements. The blended component unit, although legally separate, is, in substance, part of the College's operations and therefore, is reported as if it was part of the College.

Blended Component Unit - Although legally separate, Halifax Community College Foundation, Inc. is reported as if it was part of the College. The Foundation is governed by a 16-member board consisting of one ex officio director and 15 elected directors. The Foundation's purpose is to aid, support, and promote teaching, research, and service in the various educational, scientific, scholarly, professional, artistic, and creative endeavors of the College. Because the elected directors of the Foundation are appointed by the members of the Halifax Community College Board of Trustees and the Foundation's sole purpose is to benefit Halifax Community College, its financial statements have been blended with those of the College.

Separate financial statements for the Foundation may be obtained from the College Controller's Office, P.O. Drawer 809, Weldon, NC 27890, or by calling (252) 536-7243. Other related foundations and similar nonprofit corporations for which the College is not financially accountable are not part of the accompanying financial statements.

- B. Basis of Presentation** - The accompanying financial statements are presented in accordance with accounting principles generally accepted in

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

- 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 petty cash, cash on deposit with private bank accounts, savings accounts, and money market accounts.
- E. Investments** - This classification includes long-term fixed income investments, mutual funds, and money market funds. Except for money market funds, 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 in the fair value of investments is recognized as a component of investment income.

Money market funds, 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 and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded net of estimated uncollectible amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

G. Inventories - Inventories, consisting of expendable supplies and merchandise for resale are stated at the lower of cost or market value using the first-in, first-out method.

H. Capital Assets - Capital assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Library books are 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 method over the estimated useful lives of the assets, generally 10 to 25 years for general infrastructure, 15 to 40 years for buildings, and 3 to 15 years for equipment.

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

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 30 days which can be carried forward each January 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. Under this policy, the accumulated vacation leave for each employee at June 30th equals the leave carried forward at the previous December 31st plus the leave earned, less the leave taken between January 1st and June 30th.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 July 1, 2003. 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.

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship discount.

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

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

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

NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with General Statute 115D-58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina or with the State Treasurer's Investment Pool. Also, the College may establish time deposit accounts, money market accounts, and certificates of deposit. At year end, cash on hand was \$2,655.55. The carrying amount of cash on deposit was \$1,251,292.15 and the bank balance was \$1,307,218.24. All of the cash was on deposit with private financial institutions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

Of the cash on deposit with private financial institutions at June 30, 2004, \$162,638.07 of the bank balance was covered by federal depository insurance, and \$1,144,580.17 was covered by collateral held by the depository's agent in the name of the College under the dedicated method described above.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

general obligations of North Carolina local governments; certain venture capital limited partnerships; and the obligations or securities of the North Carolina Enterprise Corporation.

Investments of the College's component unit, the Foundation, are subject to and restricted by General Statute 36B "Uniform Management of Institutional Funds Act" (UMIFA) and any requirements placed on them by contract or donor agreements.

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

A summary of the College's investments at June 30, 2004 is presented below:

	Fair Value			Total
	Risk Category			
	1	2	3	
Categorized Investments:				
U.S. Government Securities	\$ 199,764.00	\$ 0.00	\$ 0.00	\$ 199,764.00
Corporate Bonds	218,819.24			218,819.24
Total Categorized Investments	\$ 418,583.24	\$ 0.00	\$ 0.00	418,583.24
Investments Not Categorized:				
Mutual Funds				139,102.02
Money Market Funds				28,988.55
Total Investments Not Categorized				168,090.57
Total Investments				\$ 586,673.81

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - ENDOWMENT INVESTMENTS

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

Investment return of the College's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure. To the extent that the income for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the College uses accumulated income from restricted, expendable net asset endowment balances to make up the difference.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2004 were as follows:

	<u>Gross Receivables</u>	<u>Less Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Current Receivables:			
Students	\$ 105,910.31	\$ 59,307.79	\$ 46,602.52
Accounts	110,899.94	7,685.60	103,214.34
Intergovernmental	150,000.00		150,000.00
Total Current Receivables	<u>\$ 366,810.25</u>	<u>\$ 66,993.39</u>	<u>\$ 299,816.86</u>
Notes Receivable:			
Notes Receivable - Current:			
Institutional Student Loan Programs	<u>\$ 84,855.87</u>	<u>\$ 84,428.89</u>	<u>\$ 426.98</u>
Notes Receivable - Noncurrent:			
Vocational Technical Loan	<u>\$ 300.00</u>	<u>\$ 0.00</u>	<u>\$ 300.00</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, 2004, is presented as follows:

	Balance July 1, 2003	Adjustments	Increases	Decreases	Balance June 30, 2004
Capital Assets, Nondepreciable:					
Land	\$ 134,800.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 134,800.00
Construction in Progress	6,094,865.77	(9,448,123.63)	3,353,257.86		
Total Capital Assets, Nondepreciable	<u>6,229,665.77</u>	<u>(9,448,123.63)</u>	<u>3,353,257.86</u>		<u>134,800.00</u>
Capital Assets, Depreciable:					
Buildings	8,586,175.03	9,448,123.63			18,034,298.66
Machinery and Equipment	1,330,288.51		119,701.99	21,343.61	1,428,646.89
General Infrastructure	173,330.35		139,184.00		312,514.35
Total Capital Assets, Depreciable	<u>10,089,793.89</u>	<u>9,448,123.63</u>	<u>258,885.99</u>	<u>21,343.61</u>	<u>19,775,459.90</u>
Less Accumulated Depreciation:					
Buildings	3,349,462.12		216,980.04		3,566,442.16
Machinery and Equipment	531,273.84		87,856.35		619,130.19
General Infrastructure	90,000.23		13,946.41		103,946.64
Total Accumulated Depreciation	<u>3,970,736.19</u>		<u>318,782.80</u>		<u>4,289,518.99</u>
Total Capital Assets, Depreciable, Net	<u>6,119,057.70</u>	<u>9,448,123.63</u>	<u>(59,896.81)</u>	<u>21,343.61</u>	<u>15,485,940.91</u>
Capital Assets, Net	<u>\$ 12,348,723.47</u>	<u>\$ 0.00</u>	<u>\$ 3,293,361.05</u>	<u>\$ 21,343.61</u>	<u>\$ 15,620,740.91</u>

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2004 were as follows:

	Amount
Accounts Payable	\$ 71,824.02
Accrued Payroll	60,474.20
Total Accounts Payable and Accrued Liabilities	<u>\$ 132,298.22</u>

NOTE 7 - LONG-TERM LIABILITIES

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

	Balance July 1, 2003	Additions	Reductions	Balance June 30, 2004	Current Portion
Compensated Absences	\$ 506,222.49	\$ 115,055.57	\$ 0.00	\$ 621,278.06	\$ 52,351.39

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	\$ 1,488,327.42	\$ 727,593.65	\$ 20,551.10	\$ 740,182.67
Sales and Services:				
Sales and Services of Auxiliary Enterprises:				
Patron Fees - Cosmetology	\$ 25,090.50	\$ 0.00	\$ 0.00	\$ 25,090.50
Patron Fees - Child Care	206,214.07		12,396.75	193,817.32
Esthetician Fees	1,053.00			1,053.00
Patron Fees - Dental Hygiene	2,512.50			2,512.50
Bookstore	864,432.46	742,939.42	3,270.80	118,222.24
Vending	28,759.79			28,759.79
The Center	64,173.05			64,173.05
Other	6,823.40			6,823.40
Total Sales and Services	\$ 1,199,058.77	\$ 742,939.42	\$ 15,667.55	\$ 440,451.80

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	\$ 5,304,355.23	\$ 225,769.86	\$ 382,138.11	\$ 3,450.00	\$ 0.00	\$ 0.00	\$ 5,915,713.20
Public Service	2,726.23	5,971.41	14,070.42				22,768.06
Academic Support	1,059,769.83	18,392.01	21,412.11				1,099,573.95
Student Services	896,743.98	55,665.55	107,601.89				1,060,011.42
Institutional Support	1,601,932.96	75,678.16	452,629.03				2,130,240.15
Operations and Maintenance of Plant	349,234.92	385,304.52	132,582.91		333,039.38		1,200,161.73
Student Financial Aid			8,310.00	1,985,424.55			1,993,734.55
Auxiliary Enterprises	117,848.11	646,517.10	170,898.41				935,263.62
Depreciation						318,782.80	318,782.80
Total Operating Expenses	\$ 9,332,611.26	\$ 1,413,298.61	\$ 1,289,642.88	\$ 1,988,874.55	\$ 333,039.38	\$ 318,782.80	\$ 14,676,249.48

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*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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, 2004, these rates were set at .22% of covered payroll for employers and 6% of covered payroll for members.

For the year ended June 30, 2004, the College had a total payroll of \$7,855,998.73, of which \$6,854,976.40 was covered under the Teachers' and State Employees' Retirement System. Total employee and employer contributions for pension benefits for the year were \$411,298.46 and \$15,080.95, respectively. The College made one hundred percent of its annual required contributions for the years ended June 30, 2004, 2003, and 2002, which were \$15,080.95, \$0.00, and \$125,958.48, 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 \$27,574.76 for the year ended June 30, 2004.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 \$59,610.00 for the year ended June 30, 2004.

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 \$29,423.38 for the year ended June 30, 2004.

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 3.2% of the covered payroll under the Teachers' and State Employees' Retirement System for these health care benefits. For the fiscal year ended June 30, 2004, the College's total contribution to the Plan was \$219,359.24. 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. Employer contributions are established in the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Appropriations Bill by the General Assembly. The College was not required to contribute to the DIPNC for the fiscal year ended June 30, 2004. 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. Except for a reduction in the public officers' and employees' liability insurance from \$11,000,000 to \$5,000,000, 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 \$5,000,000 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. 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 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 paid from county and institutional funds

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

are covered by commercial insurance with coverage of \$100,000 and a \$1,000 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.

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.

Teachers and students are covered for malpractice through HealthCare Providers Services Organization. Students pay \$16 per year for coverage, while teachers are covered for free. The limits of liability are \$2,000,000 each claim and \$4,000,000 aggregate.

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. There were no employer contributions required for the current fiscal year.

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 - COMMUNITY COLLEGE GENERAL OBLIGATION BONDS

The 1999-2000 Session of the General Assembly of North Carolina authorized the issuance of \$600 million 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.

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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 \$149,812.00 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.

***Halifax Community College
Schedule of General Obligation Bond Project Authorizations,
Budgets, and Expenditures
For Project-to-Date as of June 30, 2004***

Schedule 1

Capital Improvement Projects	Original Projected Start Date	Revised/ Actual Start Date	General Obligation Bonds Authorized	Other Sources	Total Project Budget	Amount Expended	Percent Completed	Original Expected Completion Date	Revised/ Actual Completion Date
<i>Projects Approved by the State Board</i>									
Allied Health Classroom Building Project #1090	May 2002	May 2002	\$ 7,673,039.00	\$ 2,042,678.00	\$ 9,715,717.00	\$ 9,155,265.17	94.23%	Nov 2003	Dec 2005
Fitness/Wellness Center Project #1292	Nov 2002	Jul 2003	600,000.00		600,000.00	560,129.64	93.35%	Jan 2004	Aug 2004
Repairs/Renovations Project #1165	Feb 2001	Feb 2001	811,569.00		811,569.00	547,619.04	67.48%	Jul 2006	Jul 2006
Total All Projects			\$ 9,084,608.00	\$ 2,042,678.00	\$ 11,127,286.00	\$ 10,263,013.85			

Note: The 1999-2000 Session of the General Assembly of North Carolina authorized the issuance of \$600 million of general obligation bonds of the State, as subsequently approved by a vote of qualified voters of the State, to provide funds for capital improvements for the North Carolina Community College System. The projects listed on this schedule are those funded or to be funded by bond proceeds from the general obligation bonds authorized by Senate Bill 912.

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

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President, Halifax Community College
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Director, Fiscal Research Division

June 20, 2005

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