

# STATE OF NORTH CAROLINA

## FINANCIAL STATEMENT REVIEW REPORT OF

**SURRY COMMUNITY COLLEGE**

**DOBSON, 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**

**SURRY COMMUNITY COLLEGE**

**DOBSON, NORTH CAROLINA**

**FOR THE YEAR ENDED JUNE 30, 2004**

**STATE BOARD OF COMMUNITY COLLEGES**

**THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

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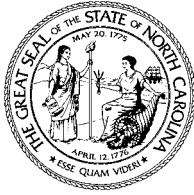
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STATE OF NORTH CAROLINA  
Office of the State Auditor

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

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**REVIEWER'S TRANSMITTAL**

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

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

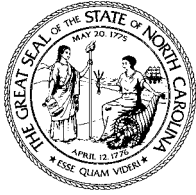
*Leslie W. Merritt, Jr.*

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

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Office of the State Auditor

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**INDEPENDENT ACCOUNTANT'S REVIEW REPORT**

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Board of Trustees  
Surry Community College  
Dobson, North Carolina

We have reviewed the accompanying financial statements of Surry Community College, a component unit of the State of North Carolina, and its discretely presented component unit, as of and for the year ended June 30, 2004, which collectively comprise Surry Community College's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the College's management. We did not review the financial statements of the Surry Community College Foundation, Inc., which represents 100% of the College's discretely presented component unit. Those financial statements were audited by other accountants whose report thereon has been furnished to us, and our report, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other accountants.

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

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT (CONCLUDED)

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

April 25, 2005

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of Surry Community College's Financial Statements presents Management's Discussion and Analysis of the College's financial activity during the fiscal year ended June 30, 2004. This section should be read in conjunction with the College's basic financial statements and the related notes to the financial statements.

This annual report consists of financial statements, prepared in accordance with Governmental Accounting Standards Board (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 College's financial activity is considered to be a single business-type activity and accordingly, is reported within a single column on the basic financial statements. The basic financial statements consist of three statements. These statements are featured below with brief descriptions of each.

The first statement, Statement of Net Assets, includes all assets and liabilities. The Statement of Net Assets is presented in a classified format and is classified by current unrestricted, current restricted, or noncurrent. The second statement, Statement of Revenues, Expenses, and Changes in Net Assets, presents the revenue and expenses for the fiscal year. Revenue and expenses are classified as operating or nonoperating. The final statement, Statement of Cash Flows, presents the sources from which the College received cash and uses for which the cash was spent. The Cash Flow Statement is presented in the direct method, with a reconciliation between operating income (loss) and net cash provided (used) by operating activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Comparative data for the current and prior year is presented in a condensed format as follows:

### Condensed Statement of Net Assets

	2004	2003	Change
<b>Assets</b>			
Capital Assets, Net	\$ 15,938,613.87	\$ 13,064,455.00	\$ 2,874,158.87
Other Assets	3,916,284.68	2,418,193.08	1,498,091.60
<b>Total Assets</b>	<b>19,854,898.55</b>	<b>15,482,648.08</b>	<b>4,372,250.47</b>
<b>Liabilities</b>			
Long-Term Liabilities	508,211.87	417,997.26	90,214.61
Other Liabilities	729,548.25	560,529.32	169,018.93
<b>Total Liabilities</b>	<b>1,237,760.12</b>	<b>978,526.58</b>	<b>259,233.54</b>
<b>Net Assets</b>			
Invested in Capital Assets	15,938,613.87	13,064,455.00	2,874,158.87
Restricted - Expendable	1,622,046.34	410,368.41	1,211,677.93
Unrestricted	1,056,478.22	1,029,298.09	27,180.13
<b>Total Net Assets</b>	<b>\$ 18,617,138.43</b>	<b>\$ 14,504,121.50</b>	<b>\$ 4,113,016.93</b>

For the year ended June 30, 2004, the College's net assets increased to \$18.6 million from \$14.5 million at June 30, 2003. This increase is due primarily to the four major construction projects that are currently in progress on the main campus of Surry Community College. Total net assets as of June 30, 2004, consist of investment in capital assets (85%), restricted (9%) and unrestricted (6%).

Long-term liabilities increased by \$90,214.61 and consisted entirely of compensated absences. Other liabilities increased by \$169,018.93 due primarily to the four major construction projects mentioned above.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **Condensed Statement of Revenues, Expenses, and Changes in Net Assets**

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Operating Revenues	\$ 6,909,951.78	\$ 6,570,413.14	\$ 339,538.64
Nonoperating Revenues	12,963,432.70	13,113,134.06	(149,701.36)
Capital Contributions	<u>7,600,982.83</u>	<u>1,847,262.28</u>	<u>5,753,720.55</u>
<b>Total Revenues</b>	<u>27,474,367.31</u>	<u>21,530,809.48</u>	<u>5,943,557.83</u>
<b>Operating Expenses</b>	(23,361,350.38)	(20,580,713.33)	(2,780,637.05)
<b>Net Assets</b>			
Increase in Net Assets	4,113,016.93	950,096.15	3,162,920.78
Beginning Net Assets	<u>14,504,121.50</u>	<u>13,554,025.35</u>	<u>950,096.15</u>
Ending Net Assets	<u>\$ 18,617,138.43</u>	<u>\$ 14,504,121.50</u>	<u>\$ 4,113,016.93</u>

Operating revenues increased by \$339,538.64 in fiscal year 2004. This increase can be attributed to an increase in the federal Pell program as well as an increase in student tuition.

Operating expenses increased by \$2,780,637.05 in fiscal year 2004 and capital contributions increased \$5,735,720.55. These increases were caused primarily by the four major construction projects mentioned earlier. Total revenues increased relative to the change in operating, nonoperating, and capital contributions.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Condensed Statement of Cash Flows

	<u>2004</u>	<u>2003</u>	<u>Change</u>
Operating Activities			
Received from Customers	\$ 7,151,298.65	\$ 6,418,649.23	\$ 732,649.42
Payments to Employees	(13,705,950.25)	(13,263,633.88)	(442,316.37)
Miscellaneous Activities	<u>(9,014,559.21)</u>	<u>(6,787,753.27)</u>	<u>(2,226,805.94)</u>
Net Cash Used by Operating Activities	<u>(15,569,210.81)</u>	<u>(13,632,737.92)</u>	<u>(1,936,472.89)</u>
Financing Activities			
State Aid Received	11,014,356.34	10,635,273.89	379,082.45
County Appropriations	1,328,590.14	1,203,506.84	125,083.30
Miscellaneous Activities	<u>600,784.53</u>	<u>1,191,378.30</u>	<u>(590,593.77)</u>
Net Cash Provided by Noncapital Financing	<u>12,943,731.01</u>	<u>13,030,159.03</u>	<u>(86,428.02)</u>
Cash Flows From Capital Activities			
State Capital Aid Received	4,122,722.20	1,710,777.19	2,411,945.01
County Capital Appropriations	50,000.00	321,802.16	(271,802.16)
Capital Grants Received	1,709,370.91	801,805.97	907,564.94
Capital Gifts Received		62,800.00	(62,800.00)
Acquisition and Construction of Capital Assets	<u>(3,280,980.86)</u>	<u>(2,717,226.87)</u>	<u>(563,753.99)</u>
Net Cash Provided by Capital Activities	<u>2,601,112.25</u>	<u>179,958.45</u>	<u>2,421,153.80</u>
Cash Flows From Investing Activities			
Interest on Investments	<u>19,701.69</u>	<u>29,975.03</u>	<u>(10,273.34)</u>
Net Cash Provided by Investing Activities	<u>19,701.69</u>	<u>29,975.03</u>	<u>(10,273.34)</u>
Net Decrease in Cash	(4,665.86)	(392,645.41)	387,979.55
Cash - July 1,	<u>1,277,995.36</u>	<u>1,670,640.77</u>	<u>(392,645.41)</u>
Cash - June 30,	<u>\$ 1,273,329.50</u>	<u>\$ 1,277,995.36</u>	<u>\$ (4,665.86)</u>

The majority of operating activities are payments from students for tuition and payments to employees for wages and fringe benefits. Current expense appropriation from the State of North Carolina accounts for 85% of total cash from financing activities. The only cash provided from investing activities is interest earned on checking and Short-Term Investment Fund (STIF) accounts.

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

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The College was authorized in 2000 by the General Assembly of North Carolina to receive \$9,482,827.00 over a six-year period for capital improvements. As of June 30, 2004, the College's remaining authorization was \$5,214,431.00, which will significantly impact future construction projects. There are currently no other known facts, decisions or conditions, which will have a significant effect on the financial position (net assets) or results of operations (revenues, expenses, and changes in net assets) of Surry Community College.

***Surry Community College***  
***Statement of Net Assets***  
***June 30, 2004***

***Exhibit A-1***

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 980,760.80
Restricted Cash and Cash Equivalents	228,692.50
Receivables (Note 3)	424,888.64
Due from State of North Carolina Component Units	20,000.00
Inventories	230,217.59
Notes Receivable (Note 3)	4,706.28
	<hr/>
Total Current Assets	1,889,265.81
	<hr/>

Noncurrent Assets:

Restricted Cash and Cash Equivalents	63,876.20
Restricted Due from Primary Government	1,963,142.67
Capital Assets - Nondepreciable (Note 4)	3,937,581.97
Capital Assets - Depreciable, Net (Note 4)	12,001,031.90
	<hr/>
Total Noncurrent Assets	17,965,632.74
	<hr/>

Total Assets

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19,854,898.55

**LIABILITIES**

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 5)	530,692.30
Deferred Revenue	126,470.42
Funds Held for Others	72,385.53
	<hr/>
Total Current Liabilities	729,548.25

Noncurrent Liabilities:

Long-Term Liabilities (Note 6)	508,211.87
	<hr/>

Total Liabilities

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1,237,760.12

**NET ASSETS**

Invested in Capital Assets	15,938,613.87
Restricted for:	
Expendable:	
Loans	18,944.00
Capital Projects	1,573,317.30
Other	29,785.04
Unrestricted	1,056,478.22
	<hr/>
Total Net Assets	\$ 18,617,138.43
	<hr/> <u><u>18,617,138.43</u></u>

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

***Surry 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)	\$ 2,513,285.32
Federal Grants and Contracts	2,860,834.65
Sales and Services, Net (Note 8)	1,461,407.87
Other Operating Revenues	74,423.94

Total Operating Revenues	6,909,951.78
--------------------------	--------------

**EXPENSES**

Operating Expenses:

Salaries and Benefits	13,808,611.12
Supplies and Materials	5,150,023.28
Services	1,827,297.49
Scholarships and Fellowships	1,637,535.55
Utilities	316,774.30
Depreciation	621,108.64

Total Operating Expenses	23,361,350.38
--------------------------	---------------

Operating Loss	(16,451,398.60)
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**NONOPERATING REVENUES**

State Aid	11,014,356.34
County Appropriations	1,328,590.14
Noncapital Grants	441,658.28
Noncapital Gifts	159,126.25
Investment Income	19,701.69

Total Nonoperating Revenues	12,963,432.70
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Loss Before Other Revenues	(3,487,965.90)
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State Capital Aid	5,874,611.92
County Capital Appropriations	50,000.00
Capital Grants	1,676,370.91

Increase in Net Assets	4,113,016.93
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**NET ASSETS**

Net Assets, July 1, 2003	14,504,121.50
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Net Assets, June 30, 2004	\$ 18,617,138.43
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The accompanying notes to the financial statements are an integral part of this statement.

**Surry 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	\$ 7,151,298.65
Payments to Employees and Fringe Benefits	(13,705,950.25)
Payments to Vendors and Suppliers	(7,368,615.07)
Payments for Scholarships and Fellowships	(1,652,848.31)
Collection of Loans to Students	1,316.53
Other Receipts	5,587.64

Net Cash Used by Operating Activities (15,569,210.81)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Aid Received	11,014,356.34
County Appropriations	1,328,590.14
Noncapital Grants Received	441,658.28
Noncapital Gifts	159,126.25

Net Cash Provided by Noncapital Financing Activities 12,943,731.01

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

State Capital Aid Received	4,122,722.20
County Capital Appropriations	50,000.00
Capital Grants Received	1,709,370.91
Acquisition and Construction of Capital Assets	(3,280,980.86)

Net Cash Provided by Capital and Related Financing Activities 2,601,112.25

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment Income	<u>19,701.69</u>
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Net Decrease in Cash and Cash Equivalents (4,665.86)

Cash and Cash Equivalents, July 1, 2003 1,277,995.36

Cash and Cash Equivalents, June 30, 2004 \$ 1,273,329.50

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

Operating Loss	\$ (16,451,398.60)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation Expense	621,108.64
Changes in Assets and Liabilities:	
Receivables	229,950.26
Inventories	(15,134.53)
Notes Receivable	1,316.53
Accounts Payable and Accrued Liabilities	(46,939.21)
Deferred Revenue	(10,162.86)
Funds Held for Others	11,834.35
Compensated Absences	90,214.61

Net Cash Used by Operating Activities \$ (15,569,210.81)

***Surry 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	\$	980,760.80
Restricted Cash and Cash Equivalents		228,692.50
Noncurrent Assets:		
Restricted Cash and Cash Equivalents		<u>63,876.20</u>
Total Cash and Cash Equivalents - June 30, 2004	\$	<u><u>1,273,329.50</u></u>

**NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

Assets Acquired through Assumption of a Liability	\$	214,286.65
Increase in Receivables Related to Nonoperating Income		1,751,889.72

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

***Surry Community College Foundation, Inc.***  
***Statement of Financial Position***  
***June 30, 2004***

***Exhibit B-1***

**ASSETS**

Cash and Cash Equivalents:	
Cash in Bank	\$ 137,621.29
Cash with State Treasurer	1,539,482.80
Investments:	
Money Market Funds	24,632.22
Mutual Funds	938,676.23
Corporate Common Stock	426,884.33
Investments in Real Estate	<u>398,000.00</u>
Total Assets	<u>3,465,296.87</u>

**LIABILITIES**

Current Liabilities:	
Accounts Payable	380.88
Notes Payable - Current	<u>7,764.26</u>
Total Current Liabilities	8,145.14
Notes Payable - Long Term	<u>254,698.57</u>
Total Liabilities	<u>262,843.71</u>

**NET ASSETS**

Unrestricted	321,502.90
Temporarily Restricted	448,031.86
Permanently Restricted	<u>2,432,918.40</u>
Total Net Assets	<u>\$ 3,202,453.16</u>

See Note 1 in the Notes to the Financial Statements



**Surry Community College Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2004**

**Exhibit B-2**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Donations	\$ 86,166.65	\$ 85,639.19	\$ 200,661.30	\$ 372,467.14
Investment Return	1,407.27	4,982.22		6,389.49
Endowment Income	6,308.28	160,588.61	15,088.71	181,985.60
Fundraising Income	58,969.00	1,000.00	1,125.00	61,094.00
Rental Income	15,850.00			15,850.00
Other Income	464.52	35.73		500.25
Transfers In		2,000.00	1,260.55	3,260.55
	<u>169,165.72</u>	<u>254,245.75</u>	<u>218,135.56</u>	<u>641,547.03</u>
<b>Total Revenues, Gains, and Other Support</b>				
<b>EXPENSES</b>				
Contributions to Surry Community College				
Scholarships Awarded	25,185.77	105,554.78		130,740.55
GED Scholarships	1,355.00			1,355.00
General Support	9,000.00			9,000.00
Fundraising Expense	11,546.07			11,546.07
Investment Loss	2,069.96	22,961.31	36.12	25,067.39
Management and General				
Foundation Meetings	407.80			407.80
Audit Costs	3,200.00			3,200.00
Supplies and Materials	583.48			583.48
Insurance	1,509.00			1,509.00
Bank Service Charge	339.76			339.76
Postage	371.00			371.00
Faculty and Staff Development	500.00			500.00
Travel		370.55		370.55
Printing	1,413.69			1,413.69
Property Taxes	1,084.08			1,084.08
Other Expense	5,244.93	11,549.84		16,794.77
Maintenance and Repairs	1,358.77			1,358.77
Interest Paid	11,511.53			11,511.53
Transfers to Other Foundation Funds		3,260.55		3,260.55
	<u>76,680.84</u>	<u>143,697.03</u>	<u>36.12</u>	<u>220,413.99</u>
<b>Total Expenses</b>				
Change In Net Assets	92,484.88	110,548.72	218,099.44	421,133.04
Net Assets at Beginning of Year	<u>229,018.02</u>	<u>337,483.14</u>	<u>2,214,818.96</u>	<u>2,781,320.12</u>
Net Assets at End of Year	<u>\$ 321,502.90</u>	<u>\$ 448,031.86</u>	<u>\$ 2,432,918.40</u>	<u>\$ 3,202,453.16</u>

See Note 1 in the Notes to the Financial Statements

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**SURRY COMMUNITY COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

- A. Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America, the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Surry 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 component unit for which the College's Board of Trustees is financially accountable. The College's component unit is discretely presented in the financial statements. The discretely presented component unit's financial data is reported in separate financial statements because of its use of different GAAP reporting models and to emphasize its legal separateness.

**Discretely Presented Component Unit** - Surry Community College Foundation, Inc., is a legally separate not-for-profit corporation and is reported as a discretely presented component unit based on the nature and significance of its relationship to the College.

The Surry Community College Foundation, Inc., is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Foundation board consists of 12 members. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is reported in separate financial statements because of the difference in its reporting model, as described below.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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The Surry Community College Foundation, Inc., is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

During the year ended June 30, 2004, the Foundation distributed \$141,095.55 to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Executive Director of the Surry Community College Foundation, Inc., Surry Community College, 630 S. Main Street, Dobson, NC 27017.

- 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.

- 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, money market accounts, and deposits held by the State Treasurer in the

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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short-term investment portfolio. The short-term investment portfolio maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

- E. Receivables** - Receivables consist of tuition and fees charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, State and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. No provision for doubtful accounts is considered necessary.
- F. Inventories** - Inventories, consisting of expendable supplies, fuel oil held for consumption, postage, and merchandise for resale, are valued at the lower of cost or market value using the first-in, first-out method.
- G. Capital Assets** - Capital assets are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Library books are generally not considered to have a useful life of more than one year unless part of a collection and are expensed in the year of acquisition.

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

- H. Restricted Assets** - Unexpended capital contributions are classified as restricted assets because their use is limited by donor/grantor agreements. Certain other assets are classified as restricted because their use is limited by external parties or statute.
- I. Noncurrent Long-Term Liabilities** - Noncurrent long-term liabilities include compensated absences that will not be paid within the next fiscal year.
- J. Compensated Absences** - The College's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each July 1st or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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In addition to the vacation leave described above, compensated absences includes the accumulated unused portion of the special annual leave bonuses awarded by the College to all full-time permanent employees as of September 30, 2002, and 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.

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

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

**Restricted Net Assets – 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.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

### NOTE 2 - DEPOSITS

All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with 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 \$6,925.00. The carrying amount of cash on deposit was \$1,266,404.50 and the bank balance was \$2,161,540.10.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer.

Cash on deposit at year end consisted of the following:

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit with State Treasurer	\$ 491,847.82	\$ 491,847.82
Cash on Deposit with Private Financial Institutions	<u>774,556.68</u>	<u>1,669,692.28</u>
	<u>\$ 1,266,404.50</u>	<u>\$ 2,161,540.10</u>

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, 2004, \$213,027.70 of the bank balance was covered by federal depository insurance, and \$1,456,664.58 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 3 - RECEIVABLES

Receivables at June 30, 2004, were as follows:

	Amount
<b>Current Receivables:</b>	
Students	\$ 363,440.86
Accounts	61,447.78
<b>Total Current Receivables</b>	<b>\$ 424,888.64</b>
<b>Notes Receivable - Current:</b>	
Institutional Student Loan Programs	\$ 4,706.28

### NOTE 4 - 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	Increases	Decreases	Balance June 30, 2004
Capital Assets, Nondepreciable:				
Land	\$ 122,142.00	\$ 0.00	\$ 0.00	\$ 122,142.00
Construction in Progress	463,470.23	3,351,969.74		3,815,439.97
<b>Total Capital Assets, Nondepreciable</b>	585,612.23	3,351,969.74		3,937,581.97
Capital Assets, Depreciable:				
Buildings	16,350,539.68			16,350,539.68
Machinery and Equipment	2,551,778.46	143,297.77	45,751.30	2,649,324.93
General Infrastructure	422,099.73			422,099.73
Total Capital Assets, Depreciable	19,324,417.87	143,297.77	45,751.30	19,421,964.34
Less Accumulated Depreciation:				
Buildings	5,115,190.94	410,693.68		5,525,884.62
Machinery and Equipment	1,468,377.67	182,138.04	45,751.30	1,604,764.41
General Infrastructure	262,006.49	28,276.92		290,283.41
Total Accumulated Depreciation	6,845,575.10	621,108.64	45,751.30	7,420,932.44
<b>Total Capital Assets, Depreciable, Net</b>	12,478,842.77	(477,810.87)		12,001,031.90
<b>Capital Assets, Net</b>	<b>\$ 13,064,455.00</b>	<b>\$ 2,874,158.87</b>	<b>\$ 0.00</b>	<b>\$ 15,938,613.87</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Amount
Accounts Payable	\$ 51,777.38
Accrued Payroll	57,294.86
Contract Retainage	421,620.06
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 530,692.30</b>

### NOTE 6 - 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
Compensated Absences	\$ 417,997.26	\$ 90,214.61	\$ 0.00	\$ 508,211.87

### NOTE 7 - LEASE OBLIGATIONS

Future minimum lease payments under noncancelable operating leases for equipment consist of the following at June 30, 2004:

Fiscal Year	Amount
2005	\$ 54,109.53
2006	38,788.67
2007	18,592.77
2008	237.00
Total Minimum Lease Payments	\$ 111,727.97

Rental expense for all operating leases during the year was \$52,218.48.

## 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	Net Revenues
<b>Operating Revenues:</b>			
<b>Student Tuition and Fees</b>	\$ 3,146,858.82	\$ 633,573.50	\$ 2,513,285.32
<b>Sales and Services:</b>			
Sales and Services of Auxiliary Enterprises:			
Dining	\$ 367,771.73	\$ 0.00	\$ 367,771.73
Bookstore	1,228,228.76	293,431.95	934,796.81
Other	158,839.33		158,839.33
<b>Total Sales and Services</b>	\$ 1,754,839.82	\$ 293,431.95	\$ 1,461,407.87

### 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	\$ 9,031,544.20	\$ 671,932.35	\$ 1,056,602.88	\$ 0.00	\$ 0.00	\$ 0.00	\$ 10,760,079.43
Public Service			3,011.98				3,011.98
Academic Support	1,552,278.70	153,821.10	195,066.46				1,901,166.26
Student Services	676,758.21	31,161.46	80,418.36				788,338.03
Institutional Support	1,666,382.55	142,527.41	197,095.88				2,006,005.84
Operations and Maintenance of Plant	532,938.39	2,935,695.14	189,661.55		316,774.30		3,975,069.38
Student Financial Aid			2,579.53	1,637,535.55			1,640,115.08
Auxiliary Enterprises	348,709.07	1,214,885.82	102,860.85				1,666,455.74
Depreciation						621,108.64	621,108.64
<b>Total Operating Expenses</b>	\$ 13,808,611.12	\$ 5,150,023.28	\$ 1,827,297.49	\$ 1,637,535.55	\$ 316,774.30	\$ 621,108.64	\$ 23,361,350.38

### NOTE 10 - PENSION PLANS

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

Benefit and contribution provisions for the Teachers' and State Employees' Retirement System are established by *North Carolina General Statutes* 135-5 and 135-8 and may be amended only by the North

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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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 \$11,796,865.92, of which \$9,666,361.74 was covered under the Teachers' and State Employees' Retirement System. Total employee and employer contributions for pension benefits for the year were \$579,981.90 and \$21,266.00, respectively. The College made one hundred percent of its annual required contributions for the years ended June 30, 2004, 2003, and 2002, which were \$21,266.00, \$0.00, and \$173,433.09, 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. Supplemental Retirement Income Plans - IRC Section 401(k) Plan -** All members of the Teachers' and State Employees' Retirement System are eligible to enroll in the Supplemental Retirement Income Plan, a defined contribution plan, created under Internal Revenue Code Section 401(k). All costs of administering the Plan are the responsibility of the Plan participants. No costs are incurred by the College except for a 5% employer contribution for the College's law enforcement officers, which is mandated under General Statute 143-166.30(e). Total employer contributions on behalf of College law enforcement officers for the year ended June 30, 2004, were \$1,460.40. The voluntary contributions by employees amounted to \$134,855.00 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 \$57,830.00 for the year ended June 30, 2004.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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### NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

- A. Health Care for Long-Term Disability Beneficiaries and Retirees -** The College participates in State-administered programs which provide postemployment health insurance to eligible former employees. Eligible former employees include long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of the Teachers' and State Employees' Retirement System. These benefits were established by Chapter 135, Article 3, Part 3, of the General Statutes and may be amended only by the North Carolina General Assembly. Funding for the health care benefit for long-term disability beneficiaries and retirees is financed on a pay-as-you-go basis. The College contributed 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 \$309,323.58. 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 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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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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 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. Losses from county and institutional funds paid employees are covered by contracts with private insurance companies.

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

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

Term life insurance of \$25,000 to \$50,000 is provided to eligible workers. This self-insured death benefit program is administered by the State Treasurer and funded via employer contributions. There were no employer contributions required for the current fiscal year.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

### NOTE 13 - COMMITMENTS AND CONTINGENCIES

- A. Commitments** - The College has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments on construction contracts were \$4,606,133.03 at June 30, 2004.
- B. 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. 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 \$5,214,431.00 is contingent on future bond sales and CCSO allotment approval. Because of uncertainty and time restrictions the remaining authorization is not recorded as an asset or revenue on the accompanying financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

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### NOTE 14 - CHANGE IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended June 30, 2004, the College implemented Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship to the College.



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

**Schedule 1**

<b>Capital Improvement Projects</b>	<b>Original Projected Start Date</b>	<b>Revised/ Actual Start Date</b>	<b>General Obligation Bonds Authorized</b>	<b>Other Sources</b>	<b>Total Project Budget</b>	<b>Amount Expended</b>	<b>Percent Completed</b>	<b>Original Expected Completion Date</b>	<b>Revised/ Actual Completion Date</b>
<b>Projects Approved by the State Board</b>									
Yadkin Center - No. 947	Mar 2001	Feb 2001	\$ 541,702.00	\$ 2,540,000.00	\$ 3,081,702.00	\$ 3,047,625.27	98.89%	Feb 2003	Mar 2004
Parking Lot H Building - No. 1186	May 2001	May 2001	91,883.00	96,468.00	188,351.00	188,351.00	100.00%	Sep 2001	Nov 2001
Engineering Technologies Building - No. 1123	Feb 2002	Sep 2002	2,307,296.00		2,307,296.00	885,117.53	38.36%	Sep 2004	Jan 2005
Multi-Story Classroom Building - No. 1258	Jun 2004	Aug 2002	691,630.00	4,309,045.00	5,000,675.00	1,957,587.97	39.15%	Dec 2004	Jan 2005
A & T Buildings Renovations - No. 1277	Nov 2002	Nov 2002	700,457.00		700,457.00	585,711.16	83.62%	Apr 2004	Jul 2004
Maintenance and Storage Building - No. 1367	Mar 2004	Mar 2004	413,145.00		413,145.00	16,646.00	4.03%	Oct 2005	Oct 2005
Renovations: V-E-C-P and Miscellaneous Small Projects - No. 1387	May 2004	May 2004	1,286,345.00		1,286,345.00			Nov 2005	Nov 2005
<b>Project Pending Approval by the State Board</b>									
Cultural and Educational Center	Nov 2004	Apr 2006	3,450,369.00		3,450,369.00				
<b>Total All Projects</b>			<b>\$ 9,482,827.00</b>	<b>\$ 6,945,513.00</b>	<b>\$ 16,428,340.00</b>	<b>\$ 6,681,038.93</b>			

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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## **DISTRIBUTION OF REVIEW REPORT**

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

### **EXECUTIVE BRANCH**

The Honorable Michael F. Easley  
The Honorable Beverly M. Perdue  
The Honorable Richard H. Moore  
The Honorable Roy A. Cooper, III  
Mr. David T. McCoy  
Mr. Robert L. Powell  
Mr. H. Martin Lancaster  
Dr. G. Frank Sells  
Dr. G. Carson Tilley  
  
Mr. Charles Madison

Governor of North Carolina  
Lieutenant Governor of North Carolina  
State Treasurer  
Attorney General  
State Budget Officer  
State Controller  
President, North Carolina Community College System  
President, Surry Community College  
Executive Vice President and Chief Financial Officer  
Surry Community College  
Chairman, Board of Trustees  
Surry Community College

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### **Other Legislative Officials**

Mr. James D. Johnson

Director, Fiscal Research Division

May 31, 2005

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