



STATE OF NORTH CAROLINA

FINANCIAL STATEMENT REVIEW REPORT OF WAKE TECHNICAL COMMUNITY COLLEGE

RALEIGH, 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

WAKE TECHNICAL COMMUNITY COLLEGE

RALEIGH, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2004

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REVIEWER'S TRANSMITTAL

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

This report presents the results of our financial statement review of Wake Technical 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 Wake Technical 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.

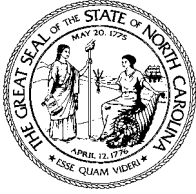
North Carolina General Statutes require the State Auditor to make reports available to the public. Copies of review reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

Leslie W. Merritt, Jr.

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

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STATE OF NORTH CAROLINA
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Trustees
Wake Technical Community College
Raleigh, North Carolina

We have reviewed the accompanying basic financial statements of Wake Technical 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

January 11, 2005

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The following information provides a general overview of the financial statements and activities of Wake Technical Community College for the year ended June 30, 2004. The Management's Discussion & Analysis is required supplementary information (RSI) comparing data for the current and previous year. Significant capital asset activity and conditions expected to influence financial position and results of operations are also discussed. Contact the Division of Business and Finance for additional information at 919-662-3315.

Overview of the Financial Statements

The basic financial statements include Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; Statement of Cash Flows and Notes to the Financial Statements. These financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statements.

Important characteristics of the financial statements include the following:

- The Statement of Net Assets is separated by current and noncurrent assets. The designation is also used in reporting liabilities. The term current is used to cover a time period of one year or less while noncurrent is considered to be a period of greater than one year.
- Revenues and expenses are categorized as either operating or nonoperating.
- Purchases of capital assets are expensed over the asset's useful life by the recognition of depreciation expense on the capital assets.
- Scholarships and fellowships applied to student accounts are discounted from revenue to avoid overstatement of tuition and fees.

Condensed Financial Statements

Statement of Net Assets

The Statement of Net Assets measures the value of all the College's assets after deducting liabilities and depreciation. Current assets consist of inventories, cash and receivables expected to be collected within the next accounting cycle. Noncurrent assets consist of receivables estimated to be collected beyond the next fiscal year and also capital assets. Accounts payable, funds held for others and the current portion of accrued compensated absences comprise most of current liabilities. Noncurrent liabilities represent accrued compensated absences not expected to be used within the next twelve months. The amounts for compensated absences reflect a last-in, first-out estimate. Invested in capital assets consists primarily of buildings, infrastructure and equipment with a unit purchase cost of \$5,000 or greater. Other equipment is expensed in the year of purchase. Restricted net assets

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

are separated from unrestricted because external sources exert control over their use. Once again, the significant increase in capital assets reflects ongoing and new construction projects. Summarized data from the Statement of Net Assets is as follows:

| | <u>2004</u> | <u>2003</u> | <u>% Change</u> |
|----------------------------|----------------------|----------------------|-----------------|
| Assets | | | |
| Current Assets | \$ 5,787,242 | \$ 5,416,584 | 7 % |
| Noncurrent Assets | 1,230,773 | 798,996 | 54 % |
| Capital Assets, Net | <u>56,676,590</u> | <u>49,032,152</u> | 16 % |
| Total Assets | <u>63,694,605</u> | <u>55,247,732</u> | 15 % |
| Liabilities | | | |
| Current Liabilities | 4,015,344 | 2,715,601 | 48 % |
| Noncurrent Liabilities | <u>981,790</u> | <u>682,936</u> | 44 % |
| Total Liabilities | <u>4,997,134</u> | <u>3,398,537</u> | 47 % |
| Net Assets | | | |
| Invested in Capital Assets | 56,676,591 | 49,032,151 | 16 % |
| Restricted - Expendable | 805,755 | 268,655 | 200 % |
| Unrestricted | <u>1,215,125</u> | <u>2,548,389</u> | (52) % |
| Total Net Assets | <u>\$ 58,697,471</u> | <u>\$ 51,849,195</u> | 13 % |

Four new construction projects were started in fiscal year 2004. This resulted in an increase in capital assets and an increase in current liabilities. One of the four projects started in 2004, is the North East Campus and the initial phase is funded by the State. The related receivable caused an increase in noncurrent assets. Bonus leave granted to approximately 300 employees totaled more the \$300,000 and is reflected in the increase in noncurrent liabilities. Restricted Expendable Net Assets increased by 200% as a result of construction allotment journal entries required by the North Carolina Community College System Office for Comprehensive Annual Financial Reporting to the Office of the State Controller. Funding from the County had remained flat for three consecutive years and the College was required to use cash reserves to meet financial obligations. Consequently, Unrestricted Net Assets decreased by 52%.

Statement of Revenues, Expenses, and Changes in Net Assets

Transactions reflected in the Statement of Revenues, Expenses, and Changes in Net Assets have a direct correlation to changes in total net assets recorded on the Statement of Net Assets. Operating revenues and expenses are segregated into individual sections of the statement. Student tuition and fees, adjusted for scholarship discounts, accounted for the largest portion of operating revenues. Grants from the Department of Education and the National Science Foundation comprise the majority of federal revenue. Salary and fringe benefits expenses are the predominant operating expense. Service contracts and Pell grants form the major components of services and scholarships and fellowships. Nonoperating revenues consist mostly of State and county appropriations, as do revenues for capital

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

expenditures. A condensed version of the Statement of Revenues, Expenses, and Changes in Net Assets is presented below:

| | <u>2004</u> | <u>2003</u> | <u>% Change</u> |
|-------------------------------|----------------------|----------------------|-----------------|
| Operating Revenues | | | |
| Student Tuition and Fees, Net | \$ 8,726,337 | \$ 7,882,869 | 11 % |
| Federal Grants and Contracts | 8,353,906 | 7,036,112 | 19 % |
| Other Operating Revenues | <u>1,027,695</u> | <u>1,118,287</u> | (8) % |
| Total Operating Revenues | <u>18,107,938</u> | <u>16,037,268</u> | 13 % |
| Operating Expenses | | | |
| Salaries and Benefits | 41,077,979 | 38,092,223 | 8 % |
| Services | 6,407,654 | 6,998,224 | (8) % |
| Scholarships and Fellowships | 4,895,858 | 4,203,849 | 16 % |
| Other Operating Expenses | <u>5,144,049</u> | <u>7,167,286</u> | (28) % |
| Total Operating Expenses | <u>57,525,540</u> | <u>56,461,582</u> | 2 % |
| Operating Loss | <u>(39,417,602)</u> | <u>(40,424,314)</u> | (2) % |
| Nonoperating Revenues | | | |
| State Aid | 27,930,691 | 26,337,815 | 6 % |
| County Appropriations | 8,071,903 | 6,995,000 | 15 % |
| Other Nonoperating Revenues | <u>110,777</u> | <u>174,217</u> | (36) % |
| Total Nonoperating Revenues | <u>36,113,371</u> | <u>33,507,032</u> | 8 % |
| State Capital Aid | 2,182,942 | 3,465,026 | (37) % |
| County Capital Appropriations | 528,097 | 1,605,000 | (67) % |
| Capital Grants | <u>7,441,468</u> | <u>4,642,193</u> | 60 % |
| Increase in Net Assets | <u>6,848,276</u> | <u>2,794,937</u> | 145 % |
| Net Assets | | | |
| Net assets - July 1 | <u>51,849,195</u> | <u>49,054,258</u> | 6 % |
| Net assets - June 30 | <u>\$ 58,697,471</u> | <u>\$ 51,849,195</u> | 13 % |

Equipment expenditures for items costing less than \$5,000 were significantly curtailed in 2003-2004, because reversions to the State were almost \$1,000,000. Therefore, Other Operating Expenses decreased 28% from 2003 to 2004. State Capital Aid and County Capital Appropriations also decreased by 37% and 67%, respectively. During 2003, a 40-acre tract of land and a building on the Health Sciences Campus were purchased using State Capital Aid and County Capital Appropriations. Four new construction projects were started during fiscal year 2004, resulting in an increase of 60% in Capital Grants.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Cash Flows

The Statement of Cash Flows divides cash activity into four categories. The category for operating activities produced negative cash flow due to employee compensation falling within that section. The most notable cash inflow under operating activities is student tuition and fees. State and county appropriations respectively account for the largest inflows of cash under noncapital financing activities. Construction and equipment purchases utilize the majority of cash generated from capital and related financing activities. Investing activities consist of interest earnings from idle cash. The following data compares cash flows for the past two years:

| | <u>2004</u> | <u>2003</u> | <u>% Change</u> |
|--|---------------------|---------------------|-----------------|
| Cash Provided (Used) by: | | | |
| Operating Activities | \$ (38,280,892) | \$ (38,741,647) | (1) % |
| Noncapital Financing Activities | 36,208,729 | 33,199,270 | 9 % |
| Capital and Related Financing Activities | (31,438) | 3,208,863 | (101) % |
| Investing Activities | 4,610 | 19,658 | (77) % |
| Net Decrease in Cash | (2,098,991) | (2,313,856) | (9) % |
| Cash - July 1 | <u>3,458,606</u> | <u>5,772,462</u> | (40) % |
| Cash - June 30 | <u>\$ 1,359,615</u> | <u>\$ 3,458,606</u> | (61) % |

County funding has not increased for three consecutive years even though the needs of the College have grown significantly. This situation has been compounded by required reversions of State budget.

Capital Assets

The Engineering Technology Building and Health Science Building were completed and are now in use. An additional \$11 million bond issue provided by the county is being used to finance construction of a \$1.5 million bookstore and a \$4.3 million auto/heavy equipment complex along with a \$5.2 million LeMay/Pucher Hall renovation. The bookstore was completed and occupied in February 2004. The lobby renovation in Holding Hall is finished with other areas of the building scheduled to begin in 2004-05. Two roof replacements using a portion of the \$33 million of capital funds from the 2000 North Carolina Higher Education Bond Referendum have been completed. The planning phase for north campus development has started and will ultimately consist of over \$24 million in initial construction. An official groundbreaking for the north campus was held in early July. Additional renovations have begun on the Health Science Campus Auditorium with completion expected before the end of next fiscal year. The College has provided Wake County with a ten-year capital improvement plan and a \$40 million bond referendum was passed in the November elections to finance the plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

The College recognized almost \$1.4 million of depreciation expense in 2003-04. Capital asset balances net of depreciation as of June 30, 2003, and 2004, were:

| | <u>2004</u> | <u>2003</u> | <u>% Change</u> |
|---------------------------|----------------------|----------------------|-----------------|
| Land | \$ 5,780,592 | \$ 5,593,492 | 3 % |
| Construction in Progress | 10,006,415 | 20,293,065 | (51) % |
| Buildings | 38,540,621 | 21,029,948 | 83 % |
| General Infrastructure | 948,690 | 855,667 | 11 % |
| Machinery and Equipment | <u>1,400,273</u> | <u>1,259,980</u> | 11 % |
| Total Capital Assets, Net | <u>\$ 56,676,591</u> | <u>\$ 49,032,152</u> | 16 % |

The large increase in Buildings and decrease in Construction in Progress are a result of the completion of two new buildings. The buildings were transferred from Construction in Progress to Buildings during 2004.

Economic Outlook and Effects on Financial Position

The State economy is starting to show signs of recovery and as a result community colleges anticipate improved funding for the 2004-05 fiscal year. The State required an operating budget reversion for a third consecutive year. The 2002-03 reversion amounted to 2.18% of current operating budget compared to 3% in 2003-04. An additional 3.65% tuition increase was required this fiscal year. Tuition is anticipated to rise an additional 7% in 2004-05. Equipment funds from House Bill 275 have been nearly exhausted with no resumption of this revenue source in the foreseeable future. Wake County has committed to provide operating funds of \$11.5 million for 2004-05, which is a significant increase over the flat funding received the past three years. Self-supporting classes were offered Summer term because this source of funding was cut in half for the fiscal year and is slated to completely disappear in fiscal year 2004-05. These classes are needed to provide the opportunity for students to graduate on schedule and should comprise approximately forty percent of the class offerings next summer to help offset the complete loss of Summer term funding.

Wake Technical Community College**Statement of Net Assets****June 30, 2004****Exhibit A-1****ASSETS**

Current Assets:

| | | |
|---------------------------|----|--------------|
| Cash and Cash Equivalents | \$ | 1,359,614.97 |
| Receivables (Note 3) | | 4,337,779.61 |
| Inventories | | 73,310.99 |
| Prepaid Items | | 16,536.00 |
| Total Current Assets | | 5,787,241.57 |

Noncurrent Assets:

| | | |
|--|--|---------------|
| Restricted Due from Primary Government | | 1,230,772.60 |
| Capital Assets - Nondepreciable (Note 4) | | 15,787,007.34 |
| Capital Assets - Depreciable, Net (Note 4) | | 40,889,583.37 |
| Total Noncurrent Assets | | 57,907,363.31 |
| Total Assets | | 63,694,604.88 |

LIABILITIES

Current Liabilities:

| | | |
|---|--|--------------|
| Accounts Payable and Accrued Liabilities (Note 5) | | 3,004,036.69 |
| Due to Primary Government | | 513.86 |
| Deferred Revenue | | 568,307.13 |
| Funds Held for Others | | 123,462.32 |
| Long-Term Liabilities - Current Portion (Note 6) | | 319,023.90 |
| Total Current Liabilities | | 4,015,343.90 |

Noncurrent Liabilities:

| | | |
|--------------------------------|--|--------------|
| Long-Term Liabilities (Note 6) | | 981,790.35 |
| Total Liabilities | | 4,997,134.25 |

NET ASSETS

| | | |
|------------------------------|----|---------------|
| Invested in Capital Assets | | 56,676,590.71 |
| Restricted for: | | |
| Expendable: | | |
| Scholarships and Fellowships | | 9,068.30 |
| Loans | | 12,151.73 |
| Capital Projects | | 740,971.41 |
| Other | | 43,563.81 |
| Unrestricted | | 1,215,124.67 |
| Total Net Assets | \$ | 58,697,470.63 |

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

| Wake Technical 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) | \$ | 8,726,336.90 |
| Federal Grants and Contracts | | 8,353,905.99 |
| State and Local Grants and Contracts | | 392,346.99 |
| Sales and Services, Net (Note 8) | | 635,348.33 |
| Total Operating Revenues | | 18,107,938.21 |
| EXPENSES | | |
| Operating Expenses: | | |
| Salaries and Benefits | | 41,077,979.42 |
| Supplies and Materials | | 2,649,806.93 |
| Services | | 6,407,654.05 |
| Scholarships and Fellowships | | 4,895,857.71 |
| Utilities | | 1,099,014.57 |
| Depreciation | | 1,395,228.16 |
| Total Operating Expenses | | 57,525,540.84 |
| Operating Loss | | (39,417,602.63) |
| NONOPERATING REVENUES | | |
| State Aid | | 27,930,690.86 |
| County Appropriations | | 8,071,903.00 |
| Noncapital Gifts | | 104,417.20 |
| Investment Income | | 4,609.49 |
| Other Nonoperating Revenues | | 1,750.77 |
| Total Nonoperating Revenues | | 36,113,371.32 |
| Loss Before Other Revenues | | (3,304,231.31) |
| State Capital Aid | | 2,182,942.06 |
| County Capital Appropriations | | 528,097.00 |
| Capital Grants | | 7,441,468.05 |
| Increase in Net Assets | | 6,848,275.80 |
| NET ASSETS | | |
| Net Assets, July 1, 2003 | | 51,849,194.83 |
| Net Assets, June 30, 2004 | \$ | 58,697,470.63 |
| The accompanying notes to the financial statements are an integral part of this statement. | | |

| Wake Technical 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 | \$ | 18,035,050.77 |
| Payments to Employees and Fringe Benefits | | (40,626,607.88) |
| Payments to Vendors and Suppliers | | (10,365,238.84) |
| Payments for Scholarships and Fellowships | | (4,857,102.93) |
| Other Payments | | (466,992.77) |
| Net Cash Used by Operating Activities | | (38,280,891.65) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| State Aid Received | | 27,930,690.86 |
| County Appropriations | | 8,071,903.00 |
| Noncapital Grants Received | | 101,718.05 |
| Noncapital Gifts Received | | 104,417.20 |
| Cash Provided by Noncapital Financing Activities | | 36,208,729.11 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| State Capital Aid Received | | 1,751,165.57 |
| County Capital Appropriations | | 528,097.00 |
| Capital Grants Received | | 5,594,611.15 |
| Acquisition and Construction of Capital Assets | | (7,905,311.37) |
| Net Cash Used by Capital and Related Financing Activities | | (31,437.65) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment Income | | 4,609.49 |
| Cash Provided by Investing Activities | | 4,609.49 |
| Net Decrease in Cash and Cash Equivalents | | (2,098,990.70) |
| Cash and Cash Equivalents, July 1, 2003 | | 3,458,605.67 |
| Cash and Cash Equivalents, June 30, 2004 | \$ | 1,359,614.97 |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES | | |
| Operating Loss | \$ | (39,417,602.63) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | | |
| Depreciation Expense | | 1,395,228.16 |
| Miscellaneous Nonoperating Income | | 1,750.77 |
| Changes in Assets and Liabilities: | | |
| Receivables | | (707,858.99) |
| Inventories | | (521.43) |
| Prepaid Items | | (16,536.00) |
| Ac State Auditor | | (124,513.96) |
| Due to Primary Government | | (13,785.44) |
| Deferred Revenue | | 244,578.15 |
| Funds Held for Others | | (39,595.36) |
| Compensated Absences | | 397,965.08 |
| Net Cash Used by Operating Activities | \$ | (38,280,891.65) |

| | | |
|--|--|---------------------------|
| <i>Wake Technical Community College</i> | | |
| <i>Statement of Cash Flows</i> | | <i>Exhibit A-3</i> |
| <i>For the Fiscal Year Ended June 30, 2004</i> | | <i>Page 2</i> |
| | | |
| NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | |
| | Assets Acquired through Assumption of a Liability | \$ 1,134,356.14 |
| | Increase in Receivables Related to Nonoperating Income | 2,176,507.94 |
| | | |
| | | |
| The accompanying notes to the financial statements are an integral part of this statement. | | |
| | | |

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WAKE TECHNICAL 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. Wake Technical Community College is a component unit of the State of North Carolina and an integral part of the State's *Comprehensive Annual Financial Report*.

The accompanying financial statements present all funds for which the College's Board of Trustees is financially accountable. Related foundations and similar nonprofit corporations for which the College is not financially accountable or for which the nature of their relationship is not considered significant to the College 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 the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, the full scope of the College's activities is considered to be a single business-type activity (BTA) and accordingly, is reported within a single column in the basic financial statements.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- C. Basis of Accounting** - The financial statements of the College have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.
- D. Cash and Cash Equivalents** – This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts, and money market accounts.
- E. Receivables** – Receivables consist of tuition and fees charges to students. 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.
- F. Inventories** – Inventories, consisting of expendable supplies, are valued at cost 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 10 to 25 years for general infrastructure, 15 to 40 years for buildings, and 5 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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 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’

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

behalf. Student financial assistance grants, such as Pell grants and other federal, State, or nongovernmental programs, are recorded as either operating or nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship discount.

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

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

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

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 \$2,000.00. The carrying amount of

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

cash on deposit was \$1,357,614.97 and the bank balance was \$2,495,119.64. All of the cash was on deposit with private financial institutions.

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, \$100,000.00 of the bank balance was covered by federal depository insurance and \$2,395,119.64 was covered by collateral held by an authorized escrow agent in the name of the State Treasurer (pooling method).

NOTE 3 - RECEIVABLES

Receivables at June 30, 2004, were as follows:

| | <u>Amount</u> |
|----------------------------------|-------------------------------|
| Current Receivables: | |
| Student Accounts | \$ 250,006.97 |
| Intergovernmental | 3,449,358.73 |
| Other | <u>638,413.91</u> |
| Total Current Receivables | <u><u>\$ 4,337,779.61</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended June 30, 2004, is presented as follows:

| | Balance July 1, 2003 | Adjustments | Increases | Balance June 30, 2004 |
|---|-------------------------|------------------------|------------------------|--------------------------|
| Capital Assets, Nondepreciable: | | | | |
| Land | \$ 5,593,491.88 | \$ 0.00 | \$ 187,100.00 | \$ 5,780,591.88 |
| Construction in Progress | 20,293,064.80 | (18,341,785.09) | 8,055,135.75 | 10,006,415.46 |
| Total Capital Assets, Nondepreciable | 25,886,556.68 | (18,341,785.09) | 8,242,235.75 | 15,787,007.34 |
| Capital Assets, Depreciable: | | | | |
| Buildings | 32,059,813.58 | 18,341,785.09 | 202,183.44 | 50,603,782.11 |
| Machinery and Equipment | 3,700,553.30 | | 410,838.38 | 4,111,391.68 |
| General Infrastructure | 2,151,924.26 | | 184,409.94 | 2,336,334.20 |
| Total Capital Assets, Depreciable | 37,912,291.14 | 18,341,785.09 | 797,431.76 | 57,051,507.99 |
| Less Accumulated Depreciation: | | | | |
| Buildings | 11,029,865.94 | | 1,033,294.94 | 12,063,160.88 |
| Machinery and Equipment | 2,440,572.82 | | 270,546.18 | 2,711,119.00 |
| General Infrastructure | 1,296,257.70 | | 91,387.04 | 1,387,644.74 |
| Total Accumulated Depreciation | 14,766,696.46 | | 1,395,228.16 | 16,161,924.62 |
| Total Capital Assets, Depreciable, Net | 23,145,594.68 | 18,341,785.09 | (597,796.40) | 40,889,583.37 |
| Capital Assets, Net | \$ 49,032,151.36 | \$ 0.00 | \$ 7,644,439.35 | \$ 56,676,590.71 |

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

| | Amount |
|---|------------------------|
| Accounts Payable | \$ 709,133.42 |
| Accrued Payroll | 689,125.84 |
| Accounts Payable - Capital Assets | 1,605,777.43 |
| Total Accounts Payable and Accrued Liabilities | \$ 3,004,036.69 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 | Current Portion |
|----------------------|-------------------------|-----------------|-----------------|--------------------------|--------------------|
| Compensated Absences | \$ 902,849.17 | \$ 1,603,306.47 | \$ 1,205,341.39 | \$ 1,300,814.25 | \$ 319,023.90 |

NOTE 7 - OPERATING LEASE OBLIGATIONS

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

| Fiscal Year | Amount |
|------------------------------|----------------------|
| 2005 | \$ 559,637.44 |
| 2006 | 32,599.00 |
| Total Minimum Lease Payments | <u>\$ 592,236.44</u> |

Rental expense for all operating leases during the year was \$601,519.76.

NOTE 8 - REVENUES

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

| | Gross Revenues | Less Scholarship Discounts | Net Revenues |
|--|----------------------|----------------------------------|----------------------|
| Operating Revenues: | | | |
| Student Tuition and Fees | \$ 10,096,648.74 | \$ 1,370,311.84 | \$ 8,726,336.90 |
| Sales and Services: | | | |
| Sales and Services of Auxiliary Enterprises: | | | |
| Parking | 37,861.88 | 22,579.88 | 15,282.00 |
| Other | 652,890.52 | 32,824.19 | 620,066.33 |
| Total Sales and Services | <u>\$ 690,752.40</u> | <u>\$ 55,404.07</u> | <u>\$ 635,348.33</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 | \$ 26,677,632.16 | \$ 1,506,374.69 | \$ 945,093.51 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 29,129,100.36 |
| Public Service | 9,645.04 | | | | | | 9,645.04 |
| Academic Support | 6,301,027.94 | 385,986.50 | 429,008.51 | | | | 7,116,022.95 |
| Student Services | 3,447,462.16 | 53,038.07 | 145,301.28 | | | | 3,645,801.51 |
| Institutional Support | 3,787,277.01 | 433,780.99 | 1,484,870.44 | | | | 5,705,928.44 |
| Operations & Maint. of Plant | 854,935.11 | 247,429.00 | 3,277,373.00 | | 1,099,014.57 | | 5,478,751.68 |
| Student Financial Aid | | | | 4,895,857.71 | | | 4,895,857.71 |
| Auxiliary Enterprises | | 23,197.68 | 126,007.31 | | | | 149,204.99 |
| Depreciation | | | | | | 1,395,228.16 | 1,395,228.16 |
| Total Operating Expenses | \$ 41,077,979.42 | \$ 2,649,806.93 | \$ 6,407,654.05 | \$ 4,895,857.71 | \$ 1,099,014.57 | \$ 1,395,228.16 | \$ 57,525,540.84 |

NOTE 10 - PENSION PLANS

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

Benefit and contribution provisions for the Teachers' and State Employees' Retirement System are established by *North Carolina General Statutes* 135-5 and 135-8 and may be amended only by the North Carolina General Assembly. Employer and member contribution rates are set each year by the North Carolina General Assembly based on annual actuarial valuations. For the year ended June 30, 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 \$34,941,309.53, of which \$27,927,141.64 was covered under the Teachers' and State Employees' Retirement System. Total employee and employer contributions for pension benefits for the year were \$1,675,617.14 and \$61,414.76, respectively. The College made one hundred percent of its annual required contributions for the years ended June 30, 2004, 2003, and 2002, which were \$61,414.76, \$0.00, and \$478,841.63 respectively.

The Teachers' and State Employees' Retirement System's financial information is included in the State of North Carolina's *Comprehensive*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. The voluntary contributions by employees amounted to \$418,226.00 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 \$489,972.31 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 \$893,713.73. The College assumes no liability for retiree health care

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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. The honesty bond for other employees is 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.

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 \$6,768,432.64 and on other purchases were \$3,954,162.48 at June 30, 2004.
- B. Pending Litigation** - The College is involved in condemnation proceedings related to a 44-acre parcel of land adjacent to the eastern perimeter of the main campus. A deposit has been placed with the Wake County Clerk of Court as required by law. At trial in February 2005, a jury set the value of the property at \$2,895,900.00.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- C. 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 \$30,767,318.00 is contingent on future bond sales and CCSO allotment approval. Because of uncertainty and time restrictions the remaining authorization is not recorded as an asset or revenue on the accompanying financial statements.

NOTE 14 - RELATED PARTIES

- A. Foundation** – The Wake Technical Community College Foundation, Inc., is a separately incorporated nonprofit foundation associated with the College. This organization serves as the primary fundraising arm of the College through which individuals, corporations, and other organizations support College programs by providing scholarships, fellowships, faculty salary supplements, and unrestricted funds to specific departments and the

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

College's overall academic environment. The College's financial statements do not include the assets, liabilities, net assets, or operational transactions of the Foundation, except for the distributions made and benefits provided by the Foundation. The distributions received and/or benefits provided approximated \$103,052.50 for the year ended June 30, 2004.

- B. Property Lease** - The College is engaged in a building lease agreement with Montague Properties. A member of the College Board of Trustees is related to one of the principal owners. The lease payments are comparable to market rates and scheduled to expire upon completion of the Auto/Heavy Equipment Complex. The lease payments for 2003-2004, amounted to \$76,392.00.

- C. Contracted Services** – The College has contracted with Waste Industries for trash removal since 1986. Mr. Jim W. Perry, CEO of Waste Industries, was appointed to the Wake Technical Community College Board of Trustees by the Wake County Board of Education in November 2002. Payments to Waste Industries for the fiscal year ended June 30, 2004, amounted to \$33,810.71.

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

Schedule 1

| | 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 |
|--|-------------------------------------|----------------------------------|---|------------------------|----------------------------|------------------------|----------------------|--|--|
| Capital Improvement Projects | | | | | | | | | |
| <i>Projects Approved by the State Board</i> | | | | | | | | | |
| Ready Hall - Reroof | Jun-02 | Jun-02 | \$ 324,927.00 | \$ 0.00 | \$ 324,927.00 | \$ 324,927.00 | 100.00% | Feb-03 | Feb-03 |
| North East Campus Infrastructure | Jan-03 | Aug-04 | 3,549,700.00 | | 3,549,700.00 | 222,480.75 | 6.27% | Feb-07 | Feb-05 |
| North East Campus Development & Construction | Jan-03 | Mar-05 | 20,621,751.00 | | 20,621,751.00 | 847,381.40 | 4.11% | Feb-07 | Jan-07 |
| Technical Education Building - Reroof | May-03 | May-03 | 210,094.00 | | 210,094.00 | 210,094.00 | 100.00% | Jul-03 | May-04 |
| Health Education Facility - Repair & Renovate | Oct-03 | May-04 | 632,182.00 | | 632,182.00 | 53,990.38 | 8.54% | Jun-04 | Dec-04 |
| Engineering Technology Annex - Repair & Renovate | May-04 | May-05 | 427,241.00 | | 427,241.00 | 25,200.00 | 5.90% | Jan-05 | Dec-05 |
| Main Campus - Construction, Repairs, and Renovations | Aug-05 | Aug-05 | 4,028,494.00 | 4,850,000.00 | 8,878,494.00 | 3,390,042.48 | 38.18% | Jun-06 | Jun-06 |
| <i>Projects Pending Approval by the State Board</i> | | | | | | | | | |
| Parking Areas/Walks - Resurface & Pave | Dec-03 | Aug-04 | 240,000.00 | | 240,000.00 | | | Jun-04 | Apr-05 |
| Law Enforcement Center | Apr-05 | Apr-05 | 3,000,000.00 | | 3,000,000.00 | | | Oct-06 | Oct-06 |
| Total All Projects | | | \$ 33,034,389.00 | \$ 4,850,000.00 | \$ 37,884,389.00 | \$ 5,074,116.01 | | | |

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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| | Wake Technical Community College |
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| | Wake Technical Community College |
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May 13, 2005

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