

STATE OF NORTH CAROLINA

CENTRAL CAROLINA COMMUNITY COLLEGE

SANFORD, NORTH CAROLINA

FINANCIAL STATEMENT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2010

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA

STATE AUDITOR

CENTRAL CAROLINA COMMUNITY COLLEGE

SANFORD, NORTH CAROLINA

FINANCIAL STATEMENT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2010

STATE BOARD OF COMMUNITY COLLEGES

THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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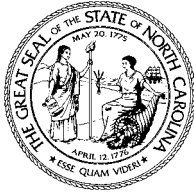
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Beth A. Wood, CPA
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

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AUDITOR'S TRANSMITTAL

The Honorable Beverly E. Perdue, Governor
The General Assembly of North Carolina
Board of Trustees, Central Carolina Community College

We have completed a financial statement audit of Central Carolina Community College for the year ended June 30, 2010, and our audit results are included in this report. You will note from the independent auditor's report that we determined that the financial statements are presented fairly in all material respects.

The results of our tests disclosed no deficiencies in internal control over financial reporting that we consider to be material weaknesses in relation to our audit scope or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

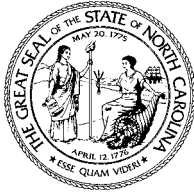
North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

A handwritten signature in cursive script that reads "Beth A. Wood".

Beth A. Wood, CPA
State Auditor

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Central Carolina Community College
Sanford, North Carolina

We have audited the accompanying financial statements of Central Carolina 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, 2010, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Central Carolina Community College Foundation, Inc., the College's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinions, insofar as they relate to the amounts included for that entity, are based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Central Carolina Community College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

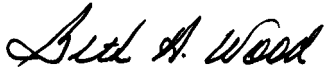
In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Central Carolina Community College and its discretely presented component unit as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

As discussed in Note 15 to the financial statements, the College implemented Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* during the year ended June 30, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2011 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Beth A. Wood, CPA
State Auditor

March 22, 2011

CENTRAL CAROLINA COMMUNITY COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

Purpose

The information in this section is intended to provide a general overview of Central Carolina Community College's (CCCC) financial statements and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information. For more information, please contact the Division of Finance at (919) 718-7498.

Overview of the Financial Statements

Central Carolina Community College's discussion and analysis provides a summary of the College's financial statements and a comparison of prior year information. Based on Governmental Accounting Standards Board Statement No. 34 and Statement No. 35, the College reports as a business type entity. Under this option, the College presents its financial statements using the economic resources measurement focus and the accrual basis of accounting. The basic financial statements under this option are the following: Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and Statement of Cash Flows. The Notes to the Financial Statements provide additional information required for an understanding of the financial statements.

Institutional Assets

The assets of the College are divided between current and noncurrent assets. Current assets include cash, receivables, and inventories. Net receivables increased from prior year due mainly to the College's decision to lease the bookstore to Follett Higher Education Group. The inventory of the existing bookstore was purchased on June 23, 2010, and a receivable of \$360,537.52 was booked by the College. The College received a grant from the Golden LEAF Foundation, Inc. (Golden Leaf) in fiscal year 2009 which represents the receivable from the State of North Carolina component units. The Golden Leaf Opportunities for Work grant is for two years, with 80% of the funds (\$160,000.00) received in fiscal year 2010. The remaining 20% (\$40,000.00) will be received in fiscal year 2011. The overall inventory decreased significantly by \$186,739.05 mostly due to the sale of the bookstore inventory at year end.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

| | 2010 | 2009 | Difference |
|--------------------------------------|------------------------|------------------------|-----------------------|
| Cash | \$ 3,225,656.84 | \$ 3,273,250.54 | \$ (47,593.70) |
| Receivables, Net | 836,344.71 | 512,011.71 | 324,333.00 |
| Due from State of NC Component Units | 40,000.00 | 200,000.00 | (160,000.00) |
| Inventories | 243,115.09 | 429,854.14 | (186,739.05) |
| Notes Receivable | <u>3,422.10</u> | <u>3,422.10</u> | <u>(3,422.10)</u> |
| Total Current Assets | <u>\$ 4,345,116.64</u> | <u>\$ 4,418,538.49</u> | <u>\$ (73,421.85)</u> |

Noncurrent assets include cash, due from primary government for construction projects, due from the State of North Carolina component units, and capital assets. Construction accruals at year end totaled \$597,085.76, decreasing the amount of available restricted cash. Many of the College's construction projects associated with the state bond funds and county construction funds have been completed. This has resulted in a decrease in the amount due from primary government and noncurrent receivables, as opposed to prior year. The College was awarded a capital grant from Golden Leaf in the amount of \$447,663.00. This grant will be used to purchase equipment for a training center to provide customized training and workforce development. During 2010 capital assets increased due to the construction in progress associated with the Siler City Center (\$3,105,141.91), the planning of the Lee Continuing Education Building (\$90,000.00), and roofing repairs at the Harnett Campus (\$59,904.00). Infrastructure also increased with the addition of the radio tower on the Lee Campus (\$91,794.72). The College entered into a capital lease for modular units at the CCCC Lifelong Learning Center, adding \$889,769.43 to buildings in capital assets. Noncurrent assets also include land owned by the College. Land assets shown in the financial statements include 41 acres deeded to Chatham County for financing purposes to build the Siler City Center. The deed for this property will transfer back to the College after the debt service for the building is satisfied.

| | 2010 | Restated 2009 | Difference |
|--------------------------------------|-------------------------|--------------------------|------------------------|
| Cash | \$ 5,262.07 | \$ 322,907.92 | \$ (317,645.85) |
| Receivables | | 119,637.15 | (119,637.15) |
| Due from Primary Government | 761,335.13 | 1,368,234.65 | (606,899.52) |
| Due from State of NC Component Units | 447,663.00 | | 447,663.00 |
| Capital Assets, Net | <u>40,473,875.35</u> | <u>37,204,797.43</u> | <u>3,269,077.92</u> |
| Total Noncurrent Assets | <u>\$ 41,688,135.55</u> | <u>\$ 39,015,577.15</u> | <u>\$ 2,672,558.40</u> |
| | <u>2010</u> | <u>Restated 2009</u> | <u>Difference</u> |
| Total Assets | <u>\$ 46,033,252.19</u> | <u>\$ 43,434,115.64</u> | <u>\$ 2,599,136.55</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Institutional Liabilities

The College's liabilities are divided between current liabilities payable within 12 months and noncurrent liabilities that extend beyond a year. Long-term liabilities include the portion of accrued employee annual leave that will not be paid within the next fiscal year which is calculated at the current salary rates for each employee, consistent with the institution's leave policies. There was a significant increase in current liabilities at fiscal year end 2010 due to an increase in accounts payable of \$839,216.08. This amount consists primarily of construction payables (\$597,085.76) and contract retainage (\$113,004.95). The College entered into a capital lease agreement to purchase modular units. This agreement increased current liabilities by \$129,721.21 and long-term liabilities by \$535,313.86. In addition, unearned revenue increased by \$94,529.41 due in large part to the increase in tuition costs from prior year and the increase in the number of classes offered by curriculum during the summer semester of 2010.

| | 2010 | 2009 | Difference |
|-------------------|------------------------|------------------------|------------------------|
| Current | \$ 1,594,801.49 | \$ 509,603.98 | \$ 1,085,197.51 |
| Long-Term | 2,555,756.68 | 2,027,416.21 | 528,340.47 |
| Total Liabilities | <u>\$ 4,150,558.17</u> | <u>\$ 2,537,020.19</u> | <u>\$ 1,613,537.98</u> |

Net Assets

Net Assets are a measure of the value of all the College's assets after liabilities and depreciation are deducted. The College experienced an increase in invested capital assets due mainly to the \$3,105,141.91 increase in CIP associated with the new Siler City Center. Capital projects decreased due to the expenditure of state bond funds associated with the Siler City Center. In addition, funds restricted for specific programs decreased due to the decreased balances in patron fees and grant funds from the prior 2009 fiscal year.

| | 2010 | Restated 2009 | Difference |
|----------------------------------|-------------------------|-------------------------|----------------------|
| Invested in Capital Assets | \$ 39,808,840.28 | \$ 37,204,797.43 | \$ 2,604,042.85 |
| Scholarships and Fellowships | | 970.25 | (970.25) |
| Loans | 5,399.14 | 5,365.18 | 33.96 |
| Capital Projects | 729,235.40 | 1,860,644.20 | (1,131,408.80) |
| Restricted for Specific Programs | 236,878.22 | 712,554.83 | (475,676.61) |
| Other | | 11,274.65 | (11,274.65) |
| Unrestricted | 1,102,340.98 | 1,101,488.91 | 852.07 |
| Total Net Assets | <u>\$ 41,882,694.02</u> | <u>\$ 40,897,095.45</u> | <u>\$ 985,598.57</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Revenues

The College's revenues are classified as operating and nonoperating revenues. Operating revenues include student tuition and fees, state and local grants and contracts, and the revenue received from sales and services, principally comprised of the revenue received from the bookstore, vending, and the rental of the civic center. The increase in student tuition can be attributed to the increase in curriculum enrollment for the 2009-2010 academic year and the increase in tuition from \$42.00 per credit hour in 2008-2009 to \$50.00 per credit hour in 2009-2010. Vending sales increased over the prior fiscal year by \$9,548.04, while net bookstore sales decreased by \$39,687.40.

| | 2010 | 2009 | Difference |
|--------------------------------------|------------------------|------------------------|----------------------|
| Student Tuition and Fees, Net | \$ 3,767,419.88 | \$ 3,241,913.76 | \$ 525,506.12 |
| Nongovernmental Grants and Contracts | | 70,493.39 | (70,493.39) |
| State/Local Grants and Contracts | 252,651.26 | 385,932.83 | (133,281.57) |
| Sales and Services, Net | 2,012,989.75 | 2,028,103.82 | (15,114.07) |
| Other Operating Revenues | \$ 5,234.08 | 5,930.84 | (696.76) |
| Total Operating Revenues | <u>\$ 6,038,294.97</u> | <u>\$ 5,732,374.64</u> | <u>\$ 305,920.33</u> |

Nonoperating revenues comprise the major portion of the College's income and include state funds allocated to the College based on the FTE (full-time equivalent) formula budget computation from the North Carolina State Board of Community Colleges for current expenses, equipment, and capital improvements. The decrease in state aid is attributed to the reduction in expenditures by the College as evidenced by the \$1,373,767.84 unexpended in state funds at year end. Expenditures decreased due to spending restrictions put in place for state funds during 2009-2010. In addition, colleges were advised to hold funds for possible reversions. County appropriations increased only slightly over prior years. Changes by county are as follows: Lee County, increase less than 1%; Chatham County remained the same; and Harnett County, increase of 4%. County increases were due mainly to cover increased costs in salaries and utilities. Federal student aid increased significantly due to the increase in students enrolled and the increase in the number of students qualifying for aid. Likewise, noncapital grants, made up mostly of state financial aid, increased due to the number of students enrolled and the number eligible for aid. Investment income dropped sharply due to the decrease in the interest percentage earned in the College's STIF (Short-Term Investment Fund) account. Other nonoperating revenues decreased from prior year due to the sale of the old Telecommunications Building in fiscal year 2009 (\$150,000.00).

| | 2010 | 2009 | Difference |
|---------------------------------------------------|-------------------------|-------------------------|------------------------|
| State Aid | \$ 21,181,309.31 | \$ 22,597,083.96 | \$ (1,415,774.65) |
| County Appropriations | 3,539,489.02 | 3,426,677.98 | 112,811.04 |
| Noncapital Grants - Federal Student Financial Aid | 7,804,292.14 | 4,450,404.42 | 3,353,887.72 |
| Noncapital Grants | 2,990,950.09 | 1,529,162.57 | 1,461,787.52 |
| Noncapital Gifts | | 575.07 | (575.07) |
| Investment Income | 43,383.80 | 96,023.61 | (52,639.81) |
| Other Nonoperating Revenues | 28,589.02 | 153,937.56 | (125,348.54) |
| Total Nonoperating Revenues | <u>\$ 35,588,013.38</u> | <u>\$ 32,253,865.17</u> | <u>\$ 3,334,148.21</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Operating Expenses

The operating expenses of the College are comprised principally of the direct cost of personnel and their fringe benefits. The State Legislature mandated that the salaries in place during fiscal year 2008-2009 remain in effect for 2009-2010 with limited exceptions. Supply and material expenses decreased primarily due to purchasing restrictions imposed by the State and the need to set aside funds for a possible reversion during the year. Payments for services increased for fiscal year 2010 due to CCCC being named the administrative unit for the Workforce Development Grant for Chatham, Harnett, Lee and Sampson counties. The grant contracts with agencies outside the College to provide worker training services for adult, youth, and dislocated worker populations. The expense associated with scholarships and fellowships increased due to the increased number of students on federal and student aid programs.

| | <u>2010</u> | <u>2009</u> | <u>Difference</u> |
|------------------------------|-------------------------|-------------------------|------------------------|
| Salaries and Benefits | \$ 26,693,068.88 | \$ 26,058,881.97 | \$ 634,186.91 |
| Supplies and Materials | 5,622,068.44 | 6,283,364.01 | (661,295.57) |
| Services | 4,264,133.78 | 3,222,886.85 | 1,041,246.93 |
| Scholarships and Fellowships | 5,800,839.64 | 3,675,515.66 | 2,125,323.98 |
| Utilities | 899,241.97 | 887,312.63 | 11,929.34 |
| Depreciation | <u>1,336,472.75</u> | <u>1,219,458.79</u> | <u>117,013.96</u> |
| Total Operating Expenses | <u>\$ 44,615,825.46</u> | <u>\$ 41,347,419.91</u> | <u>\$ 3,268,405.55</u> |

Capital Contributions

Capital contributions are received from appropriations from the North Carolina State Board of Community Colleges under the FTE formula allocation for educational equipment and instructional resources (library books). In addition, state capital aid includes the 2000 State Bond Funds allocated for construction. County capital appropriations provided to the College by the three counties served is primarily approved for the construction of new facilities at the campuses. The North Carolina State Board of Community Colleges provides construction funds as a part of the North Carolina 2000 Higher Education Bond Referendum and previous legislative action providing funds for renovations and repairs. The increase in county capital aid is largely a result of the \$2,071,115.12 reimbursed to the College from Chatham County for the construction of the Siler City Center. County capital funding was also provided by Lee County for the capital lease payments for the modular units placed at the CCCC Lifelong Learning Center. The amount shown as capital gifts for 2010 represents donations to the College of capital equipment.

| | <u>2010</u> | <u>2009</u> | <u>Difference</u> |
|-----------------------------|------------------------|------------------------|------------------------|
| State Capital Aid | \$ 1,241,148.12 | \$ 1,018,963.57 | \$ 222,184.55 |
| County Capital Aid | 2,275,556.86 | 251,574.20 | 2,023,982.66 |
| Capital Grants | 447,663.00 | | 447,663.00 |
| Capital Gifts | <u>10,747.70</u> | | <u>10,747.70</u> |
| Total Capital Contributions | <u>\$ 3,975,115.68</u> | <u>\$ 1,270,537.77</u> | <u>\$ 2,704,577.91</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Significant Capital Asset Activities

The following information details the major accomplishments in construction at CCCC during fiscal year 2010.

Siler City Center: This is a Chatham County and state funds project totaling \$6,008,750.00. The total amount paid on this project during fiscal year 2010 was \$3,105,142.91 (\$2,520,723.74 in county funds and \$584,418.17 in state funds). The total project amount completed to date is \$3,521,123.06 (59%).

Modular Units Capital Lease: The College entered into a five year capital lease to purchase modular units at the CCCC Lifelong Learning Center. These facilities now house the continuing education programs that were previously at the CCCC Jonesboro Center. Costs associated with the installation of these units for 2010 were \$224,734.36 and lease expenses without interest were \$31,628.93.

Economic Forecast

The economic future of Central Carolina Community College looks good in the long term despite the recent economic downturns in the national and state economies. While we are seeing an increasing unemployment rate and slowing job growth in Harnett, Lee and Chatham Counties, at present, we think that the industrial employment base in our region continues to be strong. Historically, during economic downturns, there has been a direct relationship between rising unemployment and rising enrollment at North Carolina community colleges. Our community colleges are often described as being the economic engine for recovery in our state. This was borne out in the 2009-2010 fiscal year as the enrollment increased at a majority of North Carolina colleges and Central Carolina Community College's enrollment increased by approximately 10%.

We are encouraged by the fact that legislative appropriations for the North Carolina Community College System have continued to grow even in lean budget years. However, salary increases have not been funded in the past two years. We will continue to ask the General Assembly to increase community college salaries to a level that is competitive with the rest of the nation or at least with the southeastern United States region. There has been a strong commitment from legislative leaders to further enhance funding for multi-campus funding, workforce training (especially allied health curriculums), and small business centers in the next five years.

Our local counties are challenged to adequately fund our facilities operational expenses due to weakened economic activity. Even so the counties of Harnett, Lee, and Chatham collectively funded 98% of the College's current operating budget request in fiscal year 2010 and fiscal year 2011. We are optimistic that this trend will continue.

Central Carolina Community College serves one of the fastest growing population regions in the state. This rapid growth has been hard for community leaders to predict. Chatham County commissioners state that their county will grow from the current 60,000 to as many as 150,000 residents by 2030, as Chapel Hill and Cary communities continue to overflow into

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONCLUDED)

the northeast part of Chatham County. In that same period of time, Harnett County leaders are predicting a growth from the current 105,000 to as many as 200,000 people. Harnett County's growth is being fueled by the Base Realignment and Closing Plan at Fort Bragg that will bring perhaps 60,000 new residents to the region bordering Fayetteville by 2015. Lee County is having similar growth, but may lag just a bit behind the other two with a 3% or more annual growth rate.

County officials in all three of these counties realize that a robust community college is necessary in their planning for industrial growth to provide jobs and tax revenues to meet the needs of their ever increasing populations. The College recently completed a new facility in the Western Harnett Industrial Park to meet the training needs of industrial clients. Chatham County officials have committed funding for a new \$4.5 million facility in Siler City which was completed in October 2010. Chatham is also planning to purchase land in their northeast corner for future CCCC expansion. In Lee County, the College recently purchased 56 additional acres of land bordering the College's main campus to accommodate future college growth. Construction completed two years ago on a new classroom building and fire and emergency training scenarios at the College's Emergency Services Training Center in Lee County. In short, all three counties are making major commitments to a growing CCCC.

The College is also looking beyond traditional governmental funding to seek resources for new educational missions. Our sister organization, the Central Carolina Community College Foundation, Inc., continues to seek donations from both industrial and private citizens of our community to augment state and local funding. The Foundation has grown significantly in the past five years, and now has total assets in excess of \$3.6 million. CCCC has also added a grants writer position to our staff to seek grant funding to promote educational initiatives. Programs that have already benefited from grant revenues are our new dental hygiene and assisting programs, as well as our new associate degree program in alternative energies.

CCCC remains committed to providing access to adult education throughout our three-county service area. We are heavily involved in vocational and technical training with 3,800 students enrolled in these programs. At the same time, the College has almost 1,000 students in the university transfer options. In addition to "credit" programs awarding degrees and diplomas, the College also provides non-credit continuing education and occupational courses to over 15,000 students annually. CCCC is working closely with numerous industries to provide specialized training for their employees, and our Small Business Center is a major force in helping small businesses grow in our community. In the 2006-2007 fiscal year, we partnered with the Lee County Schools to open an Early College for high school students at the College campus. We are now beginning the fifth year of that program with an enrollment of nearly 300 students. Plans are being made to open a second Early College in Chatham County. The College is dynamically reaching out to citizens, businesses, and industries to help our local economy continue to grow and provide jobs for our people. As long as our governmental entities continue to support our educational mission, the economic future for Central Carolina Community College is bright.

Central Carolina Community College
Statement of Net Assets
June 30, 2010

Exhibit A-1

ASSETS

Current Assets:

| | |
|--------------------------------------------------|-----------------|
| Cash and Cash Equivalents | \$ 2,663,367.15 |
| Restricted Cash and Cash Equivalents | 562,289.69 |
| Receivables, Net (Note 3) | 836,344.71 |
| Due from State of North Carolina Component Units | 40,000.00 |
| Inventories | 243,115.09 |

| | |
|----------------------|---------------------|
| Total Current Assets | <u>4,345,116.64</u> |
|----------------------|---------------------|

Noncurrent Assets:

| | |
|-------------------------------------------------------------|----------------------|
| Restricted Cash and Cash Equivalents | 5,262.07 |
| Restricted Due from Primary Government | 761,335.13 |
| Restricted Due from State of North Carolina Component Units | 447,663.00 |
| Capital Assets - Nondepreciable (Note 4) | 7,792,431.69 |
| Capital Assets - Depreciable, Net (Note 4) | <u>32,681,443.66</u> |

| | |
|-------------------------|----------------------|
| Total Noncurrent Assets | <u>41,688,135.55</u> |
|-------------------------|----------------------|

| | |
|--------------|----------------------|
| Total Assets | <u>46,033,252.19</u> |
|--------------|----------------------|

LIABILITIES

Current Liabilities:

| | |
|---------------------------------------------------|-------------------|
| Accounts Payable and Accrued Liabilities (Note 5) | 1,014,984.54 |
| Unearned Revenue | 239,874.11 |
| Funds Held for Others | 5,262.07 |
| Long-Term Liabilities - Current Portion (Note 6) | <u>334,680.77</u> |

| | |
|---------------------------|---------------------|
| Total Current Liabilities | <u>1,594,801.49</u> |
|---------------------------|---------------------|

Noncurrent Liabilities:

| | |
|--------------------------------|---------------------|
| Long-Term Liabilities (Note 6) | <u>2,555,756.68</u> |
|--------------------------------|---------------------|

| | |
|-------------------|---------------------|
| Total Liabilities | <u>4,150,558.17</u> |
|-------------------|---------------------|

NET ASSETS

| | |
|-------------------------------------------------|---------------|
| Invested in Capital Assets, Net of Related Debt | 39,808,840.28 |
|-------------------------------------------------|---------------|

Restricted for:

Expendable:

| | |
|----------------------------------|------------|
| Loans | 5,399.14 |
| Capital Projects | 729,235.40 |
| Restricted for Specific Programs | 236,878.22 |

| | |
|--------------|---------------------|
| Unrestricted | <u>1,102,340.98</u> |
|--------------|---------------------|

| | |
|------------------|-------------------------|
| Total Net Assets | <u>\$ 41,882,694.02</u> |
|------------------|-------------------------|

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

***Central Carolina Community College
Statement of Revenues, Expenses, and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2010***

Exhibit A-2

REVENUES

Operating Revenues:

| | |
|----------------------------------------|-----------------|
| Student Tuition and Fees, Net (Note 9) | \$ 3,767,419.88 |
| State and Local Grants and Contracts | 252,651.26 |
| Sales and Services, Net (Note 9) | 2,012,989.75 |
| Other Operating Revenues | 5,234.08 |

| | |
|--------------------------|---------------------|
| Total Operating Revenues | <u>6,038,294.97</u> |
|--------------------------|---------------------|

EXPENSES

Operating Expenses:

| | |
|------------------------------|---------------|
| Salaries and Benefits | 26,693,068.88 |
| Supplies and Materials | 5,622,068.44 |
| Services | 4,264,133.78 |
| Scholarships and Fellowships | 5,800,839.64 |
| Utilities | 899,241.97 |
| Depreciation | 1,336,472.75 |

| | |
|--------------------------|----------------------|
| Total Operating Expenses | <u>44,615,825.46</u> |
|--------------------------|----------------------|

| | |
|----------------|------------------------|
| Operating Loss | <u>(38,577,530.49)</u> |
|----------------|------------------------|

NONOPERATING REVENUES

| | |
|---------------------------------------------------|---------------|
| State Aid | 21,181,309.31 |
| County Appropriations | 3,539,489.02 |
| Noncapital Grants - Federal Student Financial Aid | 7,804,292.14 |
| Noncapital Grants | 2,990,950.09 |
| Investment Income | 43,383.80 |
| Other Nonoperating Revenues | 28,589.02 |

| | |
|-----------------------------|----------------------|
| Total Nonoperating Revenues | <u>35,588,013.38</u> |
|-----------------------------|----------------------|

| | |
|----------------------------|----------------|
| Loss Before Other Revenues | (2,989,517.11) |
|----------------------------|----------------|

| | |
|--------------------|--------------|
| State Capital Aid | 1,241,148.12 |
| County Capital Aid | 2,275,556.86 |
| Capital Grants | 447,663.00 |
| Capital Gifts | 10,747.70 |

| | |
|------------------------|------------|
| Increase in Net Assets | 985,598.57 |
|------------------------|------------|

NET ASSETS

| | |
|------------------------------------------------|----------------------|
| Net Assets, July 1, 2009 as Restated (Note 16) | <u>40,897,095.45</u> |
|------------------------------------------------|----------------------|

| | |
|---------------------------|-------------------------|
| Net Assets, June 30, 2010 | <u>\$ 41,882,694.02</u> |
|---------------------------|-------------------------|

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

Central Carolina Community College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

Exhibit A-3

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|-------------------------------------------|-----------------|
| Received from Customers | \$ 5,774,819.12 |
| Payments to Employees and Fringe Benefits | (26,672,615.79) |
| Payments to Vendors and Suppliers | (10,456,040.27) |
| Payments for Scholarships and Fellowships | (5,768,359.35) |
| Collection of Loans to Students | 3,422.10 |
| Other Receipts | 180,222.43 |
| | <hr/> |
| Net Cash Used by Operating Activities | (36,938,551.76) |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--------------------------------------------------------|---------------|
| State Aid Received | 21,181,309.31 |
| County Appropriations | 3,539,489.02 |
| Noncapital Grants - Federal Student Financial Aid | 7,804,292.14 |
| Noncapital Grants Received | 3,162,228.26 |
| | <hr/> |
| Total Cash Provided by Noncapital Financing Activities | 35,687,318.73 |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---------------------------------------------------------------|----------------|
| State Capital Aid Received | 1,848,047.64 |
| County Capital Aid | 2,395,194.01 |
| Capital Gifts Received | 10,747.70 |
| Acquisition and Construction of Capital Assets | (3,379,750.74) |
| Principal Paid on Capital Leases | (31,628.93) |
| | <hr/> |
| Net Cash Provided by Capital and Related Financing Activities | 842,609.68 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------------|-----------|
| Investment Income | 43,383.80 |
| | <hr/> |
| Total Cash Provided by Investing Activities | 43,383.80 |

| | |
|-------------------------------------------|-----------------|
| Net Decrease in Cash and Cash Equivalents | (365,239.55) |
| Cash and Cash Equivalents, July 1, 2009 | 3,596,158.46 |
| | <hr/> |
| Cash and Cash Equivalents, June 30, 2010 | \$ 3,230,918.91 |

Central Carolina Community College
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2010

Exhibit A-3
Page 2

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

| | |
|-----------------------------------------------------------------------------------|----------------------------------|
| Operating Loss | \$ (38,577,530.49) |
| Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities: | |
| Depreciation Expense | 1,336,472.75 |
| Miscellaneous Nonoperating Income | 193,401.10 |
| Changes in Assets and Liabilities: | |
| Receivables, Net | (335,611.17) |
| Inventories | 186,739.05 |
| Notes Receivable, Net | 3,422.10 |
| Accounts Payable and Accrued Liabilities | 145,268.07 |
| Unearned Revenue | 94,529.41 |
| Funds Held for Others | (3,092.47) |
| Compensated Absences | 17,849.89 |
| Net Cash Used by Operating Activities | <u><u>\$ (36,938,551.76)</u></u> |

RECONCILIATION OF CASH AND CASH EQUIVALENTS

| | |
|-------------------------------------------------|-------------------------------|
| Current Assets: | |
| Cash and Cash Equivalents | \$ 2,663,367.15 |
| Restricted Cash and Cash Equivalents | 562,289.69 |
| Noncurrent Assets: | |
| Restricted Cash and Cash Equivalents | <u>5,262.07</u> |
| Total Cash and Cash Equivalents - June 30, 2010 | <u><u>\$ 3,230,918.91</u></u> |

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

| | |
|--------------------------------------------------------|-----------------|
| Assets Acquired through Assumption of a Liability | \$ 1,406,754.71 |
| Increase in Receivables Related to Nonoperating Income | 447,663.00 |
| Capital Asset Write-Offs | 256,114.37 |

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

Central Carolina Community College Foundation, Inc.
Statement of Financial Position
June 30, 2010

Exhibit B-1

ASSETS

| | | |
|---------------------------|----|------------------|
| Cash and Cash Equivalents | \$ | 1,029,298 |
| Investments | | 2,609,225 |
| Receivables, Net | | <u>1,364</u> |
| Total Assets | | <u>3,639,887</u> |

NET ASSETS

| | | |
|------------------------|--|------------------|
| Unrestricted | | 687,613 |
| Temporarily Restricted | | 202,022 |
| Permanently Restricted | | <u>2,750,252</u> |

| | | |
|------------------|----|-------------------------|
| Total Net Assets | \$ | <u><u>3,639,887</u></u> |
|------------------|----|-------------------------|

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

Central Carolina Community College Foundation, Inc.
Statement of Activities
For the Fiscal Year Ended June 30, 2010

Exhibit B-2

CHANGES IN UNRESTRICTED NET ASSETS

| | |
|-------------------------------------------------------|----------------|
| Revenues and Gains: | |
| Contributions | \$ 115,974 |
| Fund Raising Activities | 80,042 |
| Investment Return | <u>43,183</u> |
| Total Unrestricted Revenues and Gains | <u>239,199</u> |
| Net Assets Released from Restrictions: | |
| Satisfaction of Program Restrictions | <u>129,022</u> |
| Total Unrestricted Revenues, Gains, and Other Support | <u>368,221</u> |
| Expenses: | |
| Awards and Scholarships | 149,956 |
| General and Administrative | 145,044 |
| Fund Raising | <u>13,143</u> |
| Total Expenses | <u>308,143</u> |
| Increase in Unrestricted Net Assets | <u>60,078</u> |

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

| | |
|-----------------------------------------------|------------------|
| Contributions | 192,993 |
| Investment Return | 301,398 |
| Net Assets Released from Restrictions: | |
| Satisfaction of Program Restrictions | <u>(129,022)</u> |
| Increase in Temporarily Restricted Net Assets | <u>365,369</u> |

CHANGES IN PERMANENTLY RESTRICTED NET ASSETS

| | |
|---------------------------------|---------------------|
| Contributions | <u>476,260</u> |
| Increase in Net Assets | 901,707 |
| Net Assets at Beginning of Year | <u>2,738,180</u> |
| Net Assets at End of Year | <u>\$ 3,639,887</u> |

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

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CENTRAL CAROLINA COMMUNITY COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 (GAAP), 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. Central Carolina 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 its component unit for which the College's Board of Trustees is financially accountable. Central Carolina Community College Foundation, Inc., the College's component unit, is discretely presented in the College's 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 – Central Carolina Community College Foundation, Inc. (Foundation) 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 Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation board consists of not less than one nor more than eight of the voluntary Trustees of Central Carolina Community College and such non-Trustee members may be selected pursuant to the bylaws of the Foundation. 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)

The Central Carolina 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 the Governmental Accounting Standards Board (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, 2010, the Foundation distributed \$149,956.00 to the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Administrative Services Department, Central Carolina Community College, 1105 Kelly Drive, Sanford, NC 27330.

- 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 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 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 FASB pronouncements issued after November 30, 1989, 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, regardless of the timing of the cash flows.

Nonexchange transactions, in which the College receives (or gives) value without directly giving (or receiving) equal value in exchange includes state appropriations, certain grants, and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

eligibility requirements imposed by the provider have been met, if probable of collection.

- D. Cash and Cash Equivalents** - This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts, and deposits held by the State Treasurer in the short-term investment fund. The short-term investment fund 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 charged to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded net of estimated uncollectible amounts.
- F. Inventories** - Inventories, consisting of expendable supplies, are valued at cost using the last invoice cost 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 value of assets constructed includes all material direct and indirect construction costs. Interest costs incurred are capitalized during the period of construction.
- The College capitalizes assets that have a value or cost of \$5,000 or greater at the date of acquisition and an estimated 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 75 years for general infrastructure, 10 to 60 years for buildings, and 2 to 20 years for equipment.
- H. Restricted Assets** - Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted or designated for the acquisition or construction of capital assets and resources whose use is limited by external parties or statute.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- I. Noncurrent Long-Term Liabilities** - Noncurrent long-term liabilities include capital lease obligations and 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 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on June 30 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the College has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

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

Invested in Capital Assets, Net of Related Debt - This represents the College's total investment in capital assets, net of outstanding debt obligations related to those 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

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

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

N. Internal Sales Activities - Certain institutional auxiliary operations provide goods and services to College departments, as well as to its customers. These institutional auxiliary operations include activities such as the bookstore, central store, and copy center. In addition, the College has other miscellaneous sales and service units that operated either on a reimbursement or charge basis. All internal sales activities to College departments from auxiliary operations and sales and service units have been eliminated in the accompanying financial statements. These

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

eliminations are recorded by removing the revenue and expense in the auxiliary operations and sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

All funds of the College are deposited in board-designated official depositories and are required to be collateralized in accordance with *North Carolina 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. Also, the College may establish time deposit accounts, money market accounts, and certificates of deposit. The amount shown on the Statement of Net Assets as cash and cash equivalents includes cash on hand totaling \$2,320.00, and deposits in private financial institutions with a carrying value of \$258,187.25 and a bank balance of \$412,890.61.

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.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2010, the College's bank balance in excess of federal depository insurance coverage was covered under the pooling method.

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

Generally, funds belonging to the College may be invested in the form of investments pursuant to G.S. 159-30(c), as follows: a commingled investment

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

pool established and administered by the State Treasurer pursuant to G.S. 147-69.3, obligations of or fully guaranteed by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; prime quality commercial paper bearing specified ratings and banker's acceptances; The North Carolina Capital Management Trust, an SEC registered mutual fund; repurchase agreements; and evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of or fully guaranteed by the United States government, which are held by a specified bank or trust company or any state in the capacity.

At June 30, 2010, the amount shown on the Statement of Net Assets as cash and cash equivalents includes \$2,970,411.66 which represents the College's equity position in the State Treasurer's Short-Term Investment Fund. The Short-Term Investment Fund (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission and does not have a credit rating) had a weighted average maturity of 1.6 years as of June 30, 2010. Assets and shares of the Short-Term Investment Fund are valued at amortized cost, which approximates fair value. Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's Short-Term Investment Fund) 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.nc.gov/> and clicking on "Proceed directly to OSC's index page," then "Reports," or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

A reconciliation of deposits and investments for the College to the basic financial statements at June 30, 2010, is as follows:

| | |
|-----------------------------------------------------------------|-------------------------------|
| Cash on Hand | \$ 2,320.00 |
| Carrying Amount of Deposits with Private Financial Institutions | 258,187.25 |
| Investments in the Short-Term Investment Fund | <u>2,970,411.66</u> |
| Total Deposits and Investments | <u><u>\$ 3,230,918.91</u></u> |
| Current: | |
| Cash and Cash Equivalents | \$ 2,663,367.15 |
| Restricted Cash and Cash Equivalents | 562,289.69 |
| Noncurrent: | |
| Restricted Cash and Cash Equivalents | <u>5,262.07</u> |
| Total | <u><u>\$ 3,230,918.91</u></u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Investments of Component Unit - Investments of the College's discretely presented component unit, the Central Carolina Community College Foundation, Inc., are subject to and restricted by G.S. 36E "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) and any requirements placed on them by contract or donor agreements. Because the Central Carolina Community College Foundation, Inc. report is under the FASB reporting model, disclosures of the various investment risks are not required. The following is an analysis of investments by type:

| | Cost | Market Value |
|--------|--------------|-----------------|
| Stocks | \$ 2,804,057 | \$ 2,609,225 |

The following schedule summarizes the investment return for the fiscal year ended June 30, 2010:

| | Unrestricted | Temporarily Restricted |
|------------------------|------------------|---------------------------|
| Interest and Dividends | \$ 9,995 | \$ 69,764 |
| Unrealized Loss | (24,416) | (170,416) |
| Realized Gain | 57,604 | 402,050 |
| | <u>\$ 43,183</u> | <u>\$ 301,398</u> |

NOTE 3 - RECEIVABLES

Receivables at June 30, 2010, were as follows:

| | Gross Receivables | Less Allowance for Doubtful Accounts | Net Receivables |
|----------------------------------|------------------------|-----------------------------------------------|----------------------|
| Current Receivables: | | | |
| Students | \$ 446,874.49 | \$ 207,349.74 | \$ 239,524.75 |
| Intergovernmental | 535,564.79 | | 535,564.79 |
| Bookstore Vendor Credit Memos | 29,504.92 | | 29,504.92 |
| Due from Private Grantors | 19,500.00 | | 19,500.00 |
| Other | 12,250.25 | | 12,250.25 |
| Total Current Receivables | <u>\$ 1,043,694.45</u> | <u>\$ 207,349.74</u> | <u>\$ 836,344.71</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, 2010, is presented as follows:

| | Balance July 1, 2009 (as restated) | Increases | Decreases | Balance June 30, 2010 |
|-----------------------------------------------|------------------------------------------|------------------------|----------------------|--------------------------|
| Capital Assets, Nondepreciable: | | | | |
| Land and Permanent Easements | \$ 4,121,404.63 | \$ 0.00 | \$ 0.00 | \$ 4,121,404.63 |
| Construction in Progress | 415,981.15 | 3,255,045.91 | | 3,671,027.06 |
| Total Capital Assets, Nondepreciable | 4,537,385.78 | 3,255,045.91 | | 7,792,431.69 |
| Capital Assets, Depreciable: | | | | |
| Buildings | 40,353,572.85 | 974,091.36 | | 41,327,664.21 |
| Machinery and Equipment | 5,980,010.99 | 449,430.76 | 154,001.70 | 6,275,440.05 |
| General Infrastructure | 521,213.53 | 91,794.72 | 102,112.67 | 510,895.58 |
| Total Capital Assets, Depreciable | 46,854,797.37 | 1,515,316.84 | 256,114.37 | 48,113,999.84 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 11,771,747.02 | 972,613.98 | | 12,744,361.00 |
| Machinery and Equipment | 2,375,539.08 | 328,020.65 | 89,157.92 | 2,614,401.81 |
| General Infrastructure | 40,099.62 | 35,838.12 | 2,144.37 | 73,793.37 |
| Total Accumulated Depreciation | 14,187,385.72 | 1,336,472.75 | 91,302.29 | 15,432,556.18 |
| Total Capital Assets, Depreciable, Net | 32,667,411.65 | 178,844.09 | 164,812.08 | 32,681,443.66 |
| Capital Assets, Net | \$ 37,204,797.43 | \$ 3,433,890.00 | \$ 164,812.08 | \$ 40,473,875.35 |

The capital asset schedule above includes land valued at a cost of \$1,462,550.00 for which the College does not currently hold the title. In 2009, Chatham County provided funds for the construction of the College's Siler City Center. In order for the county to obtain the private financing needed to provide the resources to the College, the College transferred title of the land to the county until the debt has been paid off, at which time the title reverts back to the College.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2010, were as follows:

| | Amount |
|-------------------------------------------------------|------------------------|
| Accounts Payable | \$ 827,337.27 |
| Accrued Payroll | 44,295.10 |
| Contract Retainage | 113,004.95 |
| Other | 30,347.22 |
| Total Accounts Payable and Accrued Liabilities | \$ 1,014,984.54 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 - LONG-TERM LIABILITIES

A summary of changes in the long-term liabilities for the year ended June 30, 2010, is presented as follows:

| | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Current Portion |
|------------------------------------|-------------------------|------------------------|------------------------|--------------------------|----------------------|
| Capital Leases Payable | \$ 0.00 | \$ 696,664.00 | \$ 31,628.93 | \$ 665,035.07 | \$ 129,721.21 |
| Compensated Absences | 2,207,552.49 | 1,341,879.88 | 1,324,029.99 | 2,225,402.38 | 204,959.56 |
| Total Long-Term Liabilities | \$ 2,207,552.49 | \$ 2,038,543.88 | \$ 1,355,658.92 | \$ 2,890,437.45 | \$ 334,680.77 |

NOTE 7 - LEASE OBLIGATIONS

A. Capital Lease Obligations - Capital lease obligations relating to modular units are recorded at the present value of the minimum lease payments. Future minimum lease payments under capital lease obligations consist of the following at June 30, 2010:

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------------------------------------------|----------------------|
| 2011 | \$ 153,961.56 |
| 2012 | 153,961.56 |
| 2013 | 153,961.56 |
| 2014 | 153,961.56 |
| 2015 | 115,471.17 |
| Total Minimum Lease Payments | 731,317.41 |
| Amount Representing Interest (4% Rate of Interest) | 66,282.34 |
| Present Value of Future Lease Payments | <u>\$ 665,035.07</u> |

Modular units acquired under capital lease amounted to \$696,664.00 at June 30, 2010

B. Operating Lease Obligations - The College entered into operating leases for copiers and facilities. Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2010:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| <u>Fiscal Year</u> | <u>Amount</u> |
|------------------------------|----------------------|
| 2011 | \$ 460,167.52 |
| 2012 | 321,162.45 |
| 2013 | 44,413.00 |
| 2014 | 1,876.00 |
| Total Minimum Lease Payments | <u>\$ 827,618.97</u> |

Rental expense for all operating leases during the year was \$454,825.09.

NOTE 8 - OPERATING LEASE REVENUE

Future minimum lease revenue under noncancelable operating leases related to wireless broadband services are recorded when earned. These minimum future lease revenues consist of the following at June 30, 2010:

| <u>Fiscal Year</u> | <u>Amount</u> |
|------------------------------|----------------------|
| 2011 | \$ 11,304.21 |
| 2012 | 11,304.21 |
| 2013 | 11,304.21 |
| 2014 | 11,304.21 |
| 2015-2019 | 56,521.05 |
| 2020-2024 | 56,521.05 |
| 2025-2029 | 56,521.05 |
| 2030-2034 | 56,521.05 |
| 2035-2036 | 22,608.42 |
| Total Minimum Lease Payments | <u>\$ 293,909.46</u> |

Rental revenue for the operating lease during the year was \$11,304.21.

NOTE 9 - REVENUES

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| | Gross Revenues | Internal Sales Eliminations | Less Scholarship Discounts | Less Allowance for Uncollectibles | Net Revenues |
|-----------------------------------------------------------|-------------------|-----------------------------------|----------------------------------|-----------------------------------------|-----------------|
| Operating Revenues: | | | | | |
| Student Tuition and Fees | \$ 5,947,774.57 | \$ 0.00 | \$ 2,032,523.01 | \$ 147,831.68 | \$ 3,767,419.88 |
| Sales and Services: | | | | | |
| Sales and Services of Auxiliary Enterprises: | | | | | |
| Dining | \$ 76,746.11 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 76,746.11 |
| Bookstore | 2,802,226.82 | 86,942.35 | 1,141,667.27 | 59,518.06 | 1,514,099.14 |
| Sales and Services of Education and Related Activities | 422,144.50 | | | | 422,144.50 |
| Total Sales and Services | \$ 3,301,117.43 | \$ 86,942.35 | \$ 1,141,667.27 | \$ 59,518.06 | \$ 2,012,989.75 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 - 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 | \$ 16,399,577.49 | \$ 2,477,492.47 | \$ 883,155.29 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 19,760,225.25 |
| Public Service | 356,013.51 | 67,678.64 | 1,147,168.72 | | 66,726.12 | | 1,637,586.99 |
| Academic Support | 3,541,146.10 | 175,579.15 | 205,773.46 | | | | 3,922,498.71 |
| Student Services | 1,558,175.49 | 88,420.60 | 178,404.89 | | | | 1,825,000.98 |
| Institutional Support | 3,477,398.57 | 378,744.21 | 1,000,717.74 | | | | 4,856,860.52 |
| Operations and Maintenance of Plant | 1,044,320.60 | 423,108.25 | 768,523.79 | | 832,515.85 | | 3,068,468.49 |
| Student Financial Aid | | | 21,912.83 | 5,800,839.64 | | | 5,822,752.47 |
| Auxiliary Enterprises | 316,437.12 | 2,011,045.12 | 58,477.06 | | | | 2,385,959.30 |
| Depreciation | | | | | | 1,336,472.75 | 1,336,472.75 |
| Total Operating Expenses | <u>\$ 26,693,068.88</u> | <u>\$ 5,622,068.44</u> | <u>\$ 4,264,133.78</u> | <u>\$ 5,800,839.64</u> | <u>\$ 899,241.97</u> | <u>\$ 1,336,472.75</u> | <u>\$ 44,615,825.46</u> |

NOTE 11 - 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 is a cost-sharing multiple-employer defined benefit pension plan established by the State to provide pension benefits for employees of the State, its component units and local boards of education. The plan is 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, 2010, these rates were set at 3.57% of covered payroll for employers and 6% of covered payroll for members.

For the current fiscal year, the College had a total payroll of \$22,061,258.74, of which \$16,924,802.78 was covered under the Teachers' and State Employees' Retirement System. Total employer and employee contributions for pension benefits for the year were \$604,215.46 and \$1,015,488.17, respectively.

Required employer contribution rates for the years ended June 30, 2009, and 2008, were 3.36% and 3.05%, respectively, while employee contributions were 6% each year. The College made 100% of its annual

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

required contributions for the years ended June 30, 2010, 2009, and 2008, which were \$604,215.46, \$572,532.43, and \$510,951.23, 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.nc.gov/> and clicking on "Proceed directly to OSC's index page," then "Reports," or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

- B. Deferred Compensation and Supplemental Retirement Income Plans** - IRC Section 457 Plan - The State of North Carolina offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the North Carolina Public Employee Deferred Compensation Plan (the Plan). The Plan permits each participating employee to defer a portion of his or her salary until future years. The deferred compensation is available to employees upon separation from service, death, disability, retirement, or financial hardships if approved by the Board of Trustees of the Plan. The Board, a part of the North Carolina Department of Administration, maintains a separate fund for the exclusive benefit of the participating employees and their beneficiaries, *the North Carolina Public Employee Deferred Compensation Trust Fund*. The Board also contracts with an external third party to perform certain administrative requirements and to manage the trust fund's assets. All costs of administering and funding the Plan are the responsibility of the Plan participants. No costs are incurred by the College. The voluntary contributions by employees amounted to \$55,405.00 for the year ended June 30, 2010.

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. The voluntary contributions by employees amounted to \$121,070.00 for the year ended June 30, 2010.

NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS

- A. Health Benefits** - The College participates in the Comprehensive Major Medical Plan (the Plan), a cost-sharing, multiple-employer defined benefit health care plan that provides postemployment health insurance to eligible former employees. Eligible former employees include long-term

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

disability beneficiaries of the Disability Income Plan of North Carolina and retirees of the Teachers' and State Employees' Retirement System. Coverage eligibility varies depending on years of contributory membership service in their retirement system prior to disability or retirement.

The Plan's benefit and contribution provisions are established by *North Carolina General Statute* 135-7 and Chapter 135, Article 3A, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan does not provide for automatic post-retirement benefit increases.

By General Statute, a Retiree Health Benefit Fund (the Fund) has been established as a fund in which accumulated contributions from employers and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and applicable beneficiaries. By statute, the Fund is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System and contributions to the fund are irrevocable. Also by law, Fund assets are dedicated to providing benefits to retired and disabled employees and applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the Fund. Contribution rates to the Fund, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly.

For the current fiscal year the College contributed 4.5% of the covered payroll under the Teachers' and State Employees' Retirement System to the Fund. Required contribution rates for the years ended June 30, 2009, and 2008, were 4.1% and 4.1%, respectively. The College made 100% of its annual required contributions to the Plan for the years ended June 30, 2010, 2009, and 2008, which were \$761,616.13, \$698,625.88, and \$686,852.47, respectively. 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*. 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.nc.gov/> and clicking on "Proceed directly to OSC's index page," then "Reports," or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

- B. Disability Income** - The College participates in the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

defined benefit plan, to provide short-term and long-term disability benefits to eligible members of the Teachers' and State Employees' Retirement System. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes, and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases.

Disability income benefits are funded by actuarially determined employer contributions that are established by the General Assembly. For the fiscal year ended June 30, 2010, the College made a statutory contribution of .52% of covered payroll under the Teachers' and State Employees' Retirement System to the DIPNC. Required contribution rates for the years ended June 30, 2009, and 2008, were .52% and .52%, respectively. The College made 100% of its annual required contributions to the DIPNC for the years ended June 30, 2010, 2009, and 2008, which were \$88,008.98, \$88,606.21, and \$87,113.00, respectively. 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 13 - RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Tort claims of up to \$1,000,000 are retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to \$10,000,000 via contract with a private insurance company. The North Carolina Community College System Office pays the premium, based on a composite rate, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

State-owned vehicles are covered by liability insurance through a private insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are \$1,000,000 per claim and \$10,000,000 per occurrence. The community college pays premiums to the North Carolina Department of Insurance for the coverage. 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. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. North Carolina Community College System Office is charged a premium by the private insurance company. Coverage limit is \$5,000,000 per occurrence. The private insurance company pays 90% of each loss less a \$75,000 deductible. The College is protected for losses from employee dishonesty and computer fraud for employees paid by county and institutional funds by private insurance coverage.

The College purchased other authorized coverage from private insurance companies through the North Carolina Department of Insurance. The types of insurance policies purchased include: General Liability, Crime, Business Auto, Umbrella, Property, Health Professional, Officers Liability, and Employers Liability.

College employees and retirees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a pension and other employee benefit trust fund of the State of North Carolina. The Plan is funded by employer and employee contributions. The Plan has contracted with third parties to process claims.

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 (death benefits) of \$25,000 to \$50,000 is provided to eligible workers. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.16% 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.

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

NOTE 14 - 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 \$1,429,729.94 and on other purchases were \$202,817.83 at June 30, 2010.
- B. Other Contingent Receivables** - The College has received notification of other gifts and grants for which funds have not been disbursed by the resource provider and for which conditions attached to the gift or grant have not been satisfied. In accordance with accounting principles generally accepted in the United States of America, these amounts have not been recorded on the accompanying financial statements. The purpose and amount of other contingent receivables at year-end is as follows:

| Purpose | Amount |
|-----------------------------------------------------|------------------------|
| Provide Energy Efficient Lighting and HVAC Controls | \$ 197,330.00 |
| Construction of Siler City Center | 3,030,893.51 |
| Total | <u>\$ 3,228,223.51</u> |

NOTE 15 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended June 30, 2010, the College implemented the following pronouncement issued by GASB:

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

GASB Statement No. 51 requires reporting certain intangible assets as capital assets.

NOTE 16 - NET ASSET RESTATEMENT

As of July 1, 2009, net assets as previously reported were restated as follows:

| | Amount |
|------------------------------------------------|-------------------------|
| July 1, 2009 Net Assets as Previously Reported | \$ 39,434,545.45 |
| Restatement: | |
| To Correct Prior Period Error of Removing Land | 1,462,550.00 |
| July 1, 2009 Net Assets as Restated | <u>\$ 40,897,095.45</u> |

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Beth A. Wood, CPA
State Auditor

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**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Central Carolina Community College
Sanford, North Carolina

We have audited the financial statements of Central Carolina 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, 2010, which collectively comprise the College's basic financial statements and have issued our report thereon dated March 22, 2011. Our report was modified to include a reference to other auditors.

As discussed in Note 15 to the financial statements, the College implemented Governmental Accounting Standards Board Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* during the year ended June 30, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented component unit, as described in our report on the College's financial statements. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONCLUDED)**

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management of the College, the Board of Trustees, others within the entity, the State Board of Community Colleges, the Governor, the General Assembly, and the State Controller, and is not intended to be and should not be used by anyone other than these specified parties.



Beth A. Wood, CPA
State Auditor

March 22, 2011

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