

STATE OF NORTH CAROLINA

SPECIAL REVIEW

BLUE RIDGE COMMUNITY COLLEGE

FLAT ROCK, NORTH CAROLINA

FEBRUARY 2004

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR

SPECIAL REVIEW

BLUE RIDGE COMMUNITY COLLEGE

FLAT ROCK, NORTH CAROLINA

FEBRUARY 2004



Ralph Campbell, Jr.
State Auditor

STATE OF NORTH CAROLINA
Office of the State Auditor

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LETTER OF TRANSMITTAL

March 30, 2004

The Honorable Michael F. Easley, Governor
Members of the North Carolina General Assembly
Mr. Joe D. Spearman Sr., Chairman, Board of Trustees
Blue Ridge Community College

Ladies and Gentlemen:

Pursuant to General Statute §147-64.6(c)(16), we have completed our special review into allegations concerning Blue Ridge Community College. The results of our review, along with recommendations for corrective actions, are contained in this report.

General Statute §147-64.6(c)(12) requires the State Auditor to provide the Governor, the Attorney General, and other appropriate officials with written notice of apparent instances of violations of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee. In accordance with that mandate, and our standard operating practice, we are providing copies of this report to the Governor, the Attorney General and other appropriate officials.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ralph Campbell, Jr.".

Ralph Campbell, Jr., CFE
State Auditor

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INTRODUCTION

We received an allegation through the State Auditor's Hotline that the President of Blue Ridge Community College and the Dean for Technology and Development directed College employees to provide technical services to private organizations.

We conducted a special review of this allegation using the following procedures:

- Examination of Blue Ridge Community College documents and records.
- Examination of Blue Ridge Community College Educational Foundation documents and records.
- Interviews of Blue Ridge Community College employees.
- Interviews of Blue Ridge Community College Educational Foundation employees.
- Interviews of individuals external to Blue Ridge Community College.
- Examination of applicable *North Carolina General Statutes*.

This report presents the results of our special review. The review was conducted pursuant to G.S. 147-64.6(c)(16) rather than a financial statement audit or review. The Office of the State Auditor performs a financial statement audit or review of Blue Ridge Community College on an annual basis.

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ORGANIZATION OVERVIEW¹

Blue Ridge Community College (the College) was established in May 1969 and began offering full-time curriculum courses in September 1970. It is one of 59 institutions in North Carolina that operate under the authority of the North Carolina State Board of Community Colleges. The College's Board of Trustees oversees its operations at the institutional level. The College President and a group of senior administrators manage the College's day-to-day operations.

The College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools. The College offers a wide range of curriculum courses leading to the Associate in Arts Degree (A.A.), the Associate in Science Degree (A.S.), the Associate in Fine Arts Degree (A.F.A.), and the Associate in Applied Science Degree (A.A.Sc.). The College also offers a wide variety of courses leading to diplomas and certificates. The College is an accredited member of the North Carolina Community College System, and the North Carolina State Board of Community Colleges has approved the programs offered by the College.

In the fall of 2003, the College enrolled 2,074 students in its courses and employed 65 full-time and 190 part-time faculty members. The College also maintained a staff of 116 administrative and technical employees to manage and support its operations. For the fiscal year ended June 30, 2003, the budgeted State appropriation to the College was \$9,405,153.

¹ Blue Ridge Community College website: <http://www.blueridge.edu>

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FINDINGS AND RECOMMENDATIONS

1. THE PRESIDENT OF BLUE RIDGE COMMUNITY COLLEGE AND THE DEAN FOR TECHNOLOGY AND DEVELOPMENT DIRECTED COLLEGE PERSONNEL TO PROVIDE SERVICES TO PRIVATE ORGANIZATIONS.

The Dean for Technology and Development and several College employees acknowledged providing the following technical services to private organizations at the request of the College President during the past year.

- Developing Internet Websites
- Providing Technical Support of Computer Systems
- Providing Web-Hosting and E-Mail Service Support
- Computer Programming
- Digital Photography Services
- Production of Video Documentaries

These services were provided to private organizations such as the Hendersonville Rotary Club, the Immaculate Baking Company, and the Hendersonville Chamber of Commerce.

Appropriations are made from the State of North Carolina to the College to support its educational mission. These appropriations are used to meet a variety of budgetary needs of the College including the salaries and benefits of Technology and Development employees. North Carolina General Statute 115D-20(12) states that a community college may permit the use of its personnel or facilities, in support of a private business enterprise, for the specific services set out in G.S. 66-58(c)(3a). However, technical support of computer systems, Internet website development,

FINDINGS AND RECOMMENDATIONS (CONTINUED)

computer programming, video production, etc. are not included in the list of services specified in G.S. 66-58(c)(3a). Therefore, providing these technical services to private organizations may violate G.S. 115D-20(12) as well as G.S. 142-32 which states that appropriations to state funded institutions must be used for the appropriated purpose (see exhibits 1-3).

Several employees said they devoted a substantial amount of time to special projects for private organizations. For example, in May 2003, five employees provided computer programming and video production services to the Immaculate Baking Company in advance of and during the baking of the “World’s Biggest Cookie”. This promotional event included a live webcast that required College employees to use College computers to route the webcast to the Internet. The five employees said they spent approximately 159 hours on the project. On another project related to a grant from an organization known as the Center for Craft, Creativity and Design, eight employees spent approximately 235 hours documenting the work of British Sculptor, David Nash. In total, employees estimated they spent about 516 hours last year working on projects for private organizations.

A summary of the estimated employee salary and benefit expenditures associated with these projects is presented below.

FINDINGS AND RECOMMENDATIONS (CONTINUED)

Blue Ridge Community College

Estimated Expenditures for Unreimbursed Technical Services to Private Organizations

Employee	Project-Hours				Total Employee Hours	Hourly Rate of Compensation*	Total Estimated Expenditures
	Chamber of Commerce	Immaculate Baking Company	David Nash	Rotary Club			
1			20		20	\$31	\$ 620
2			80		80	15	1,200
3		40			40	22	880
4		10	24		34	28	952
5			3		3	18	54
6		24	40		64	41	2,624
7			40		40	21	840
8		80	20	2	102	20	2,040
9	40		8	80	128	29	3,712
10		5			5	22	110
Totals	40	159	235	82	516		\$13,032

*Annual Salary and Benefits/2080 hours

Employees said these extra projects diminished their ability to perform their required work in an optimum manner. College employees have specific job responsibilities for the College that do not extend to special projects for private organizations.

RECOMMENDATION

The College should develop and implement administrative controls to ensure that State appropriations are used only for authorized purposes in compliance with G.S. 115D-20(12) and G.S. 143-32. In addition, the North Carolina Community College System should consult with the Attorney General concerning the reimbursement of any misused appropriations.

FINDINGS AND RECOMMENDATIONS (CONTINUED)

2. THE COLLEGE PRESIDENT AND THE DEAN FOR TECHNOLOGY AND DEVELOPMENT DIRECTED COLLEGE PERSONNEL TO PROVIDE SERVICES TO PRIVATE ORGANIZATIONS THAT COULD BE PROVIDED BY PRIVATE BUSINESS ENTERPRISES.

The College President and the Dean for Technology and Development acknowledged that College personnel provided various technical services to private organizations in the Hendersonville community. In some instances, these services were provided to private organizations free of charge. In other instances, the College provided technical services to private organizations for a fee.

For example, on October 11, 2002, the Dean for Technology and Development signed an agreement to develop an Internet website for the Hendersonville Chamber of Commerce. The terms of the agreement included a \$4,500 fee for website development and a \$600 per year fee for web-hosting and e-mail services.

The College also has a written agreement with the National Technical Honor Society (NTHS) to provide technical support of its computer systems for a fee not to exceed \$25,000 per year. During the past two years, NTHS has contributed \$39,791.25 to the College's Educational Foundation for this service. The Educational Foundation has transferred this money to the College to offset the cost of a system administrator's annual compensation.

Providing technical services to private organizations for fees may violate *North Carolina General Statute 66-58*, commonly known as the Umstead Act. The Umstead

FINDINGS AND RECOMMENDATIONS (CONTINUED)

Act prohibits governmental units from selling merchandise or providing services in competition with private citizens of the State (see exhibit 2). G.S. 66-58(c)(3a) identifies a specific list of services that community college personnel can provide to private business enterprises. However, none of the technical services provided by the College to private organizations were authorized according to this statute.

RECOMMENDATION

The College President and the Dean for Technology and Development should refrain from engaging in any outside project that violates G.S. 66-58.

3. THE COLLEGE PRESIDENT OFFERED TO PROVIDE THE COLLEGE'S TECHNICAL SERVICES TO PRIVATE ORGANIZATIONS IN EXCHANGE FOR CONTRIBUTIONS TO THE BLUE RIDGE COMMUNITY COLLEGE EDUCATIONAL FOUNDATION.

The College President is a board member of the Hendersonville Rotary Club (the Rotary Club) as well as the Hendersonville Chamber of Commerce. The College President acknowledged that during a Rotary Club meeting, he offered the technical services of the College for the development of a Rotary Club website in exchange for financial contributions to the Blue Ridge Community College Educational Foundation (the Foundation). The Executive Director of the Foundation acknowledged that the Rotary Club has been a consistent financial supporter of the Foundation.

FINDINGS AND RECOMMENDATIONS (CONTINUED)

In another instance, the Dean for Technology and Development requested that the Hendersonville Chamber of Commerce direct the second of two \$2,250 payments for website development services directly to the Foundation.

In a third instance, the College provided technical support, including the use of College computers, to the Immaculate Baking Company for a promotional event. In exchange for this service, the Foundation received 252 tins of cookies valued at \$1,229.29 from the Immaculate Baking Company.

The salaries and benefits of the employees who performed the work on the above projects are paid by the College; however, payments or donations for the services were deposited in the Foundation, a legally separate entity.

RECOMMENDATION

The College President should cease from using College employees to provide services to private organizations unless authorized by statute. If authorized by statute, the payments for such services should be used to offset the cost of providing the services instead of depositing the funds in the Foundation.

FINDINGS AND RECOMMENDATIONS (CONCLUDED)

4. THE BLUE RIDGE COMMUNITY COLLEGE EDUCATIONAL FOUNDATION PURCHASED EQUIPMENT FOR THE COLLEGE THAT HAS NOT BEEN ACCOUNTED FOR PROPERLY.

As noted in the previous finding, the Dean for Technology and Development diverted \$2,250 to the Foundation from the Hendersonville Chamber of Commerce project. The Dean for Technology and Development also secured a \$10,000 grant from the Center for Craft, Creativity and Design to produce a video documentary of a British Sculptor working in western North Carolina. The majority of these funds were subsequently used by the Foundation to purchase audio, video and photographic equipment (Schedules 1 and 2). By resolution, all equipment purchased by the Foundation for use by the College was conferred to the College; however, this equipment has not been inventoried or tagged with College fixed asset numbers according to the employee responsible for this procedure. Failure to properly account for and safeguard equipment purchases results in misstatements of financial position for the College and increases the risk of loss of assets.

RECOMMENDATION

The Dean for Technology and Development should ensure that all expenditures for equipment comply with the procurement policies and procedures of the College.

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STATEMENT OF QUESTIONED COSTS

The following schedule represents a quantification of the items examined during our special review. We cannot completely quantify the tangible benefits or detriment, if any, to the taxpayers resulting from the findings of our review. We simply are noting areas where managerial oversight should be enhanced, or where, in our judgment, questionable activities or practices occurred.

1. Estimated unreimbursed expenditures for employee salaries and benefits associated with outside projects.	\$ 13,032
2. Acquisition of equipment from the Hendersonville Chamber of Commerce website development funds.	2,175
3. Acquisition of equipment from the Center for Craft, Creativity and Design grant funds.	<u>7,676</u>
Total	<u>\$ 22,883</u>

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**Blue Ridge Community College Educational Foundation
Expenditures from the Hendersonville Chamber of Commerce
Website Development Funds – 2003**

Description	AMOUNT
Sony Professional DAT Recorder/Player	\$1,265.00
Sony MiniDisc Recorder/Player	709.97
Lecture at the BRCC Technology Conference	200.00
Total	\$2,174.97

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**Blue Ridge Community College Educational Foundation
Expenditures from the Center for Craft,
Creativity and Design Grant Funds - 2003**

DESCRIPTION	AMOUNT	SALES TAX	SHIPPING	TOTAL
(2) 1 GB IBM Microdrive Card	\$459.90			
Canon BG-ED3 Battery Grip for Canon EOS D-30/D-60	169.95			
(2) Canon BP-512 Lith Battery	119.90			
Sub-Total	749.75	\$0.00	\$11.40	\$761.15
Canon 28-70mm F/2.8 EF Lens	1,029.95			
Canon 135mm F/2L EF Lens	899.95			
B+W 77mm UVA Haze Filter	45.50			
B+W 72mm UVA Haze Filter	40.50			
Tamrac Photo Messenger Bag	123.50			
Sub-Total	2,139.40	0.00	14.15	\$2,153.55
Minidisc Report Kit-recorder	1,536.90	0.00	21.50	\$1,558.40
Canon EOS 10D Digital Camera	1,499.95	0.00	10.60	\$1,510.55
(20) JVC DS-104 Video Tapes	800.00	56.00	7.62	\$863.62
Run Bag for Video Equipment	141.00			
Smuggler Case-Video Camera	328.00			
Sub-Total	469.00	37.12	102.00	\$608.12
(2) BP-511 Lith Battery	127.85	0.00	0.00	\$127.85
Sony MDW-80 Mini Disc 8-Pack	67.00	0.00	5.40	\$72.40
Datrax MDP-16 Portable Case holds 16 Minidisc	19.95	0.00	0.45	\$20.40
Grand Total				\$7,676.04

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G.S. 115D-20. Powers and duties of trustees.

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

* * *

*(12) Notwithstanding the provisions of this Chapter, a community college may permit the use of its personnel or facilities, in support of or by a private business enterprise located on a community college campus or in the service area of a community college for the specific services in support of economic development that are set out in **G.S. 66-58(c)(3a)**. The board of trustees of a community college must specifically approve any use of facilities or personnel under this subdivision. The State Board shall adopt rules to implement the provisions of this subdivision and **G.S. 66-58(c)(3a)**.*

* * *

[Emphasis added]

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G.S. 66-58 Sale of merchandise or services by governmental units.

(a) Except as may be provided in this section, it shall be unlawful for any unit, department or agency of the State government, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency in his, or her, or their capacity as employee or employees thereof, to engage directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to provide transportation services, or to contract with any person, firm or corporation for the operation or rendering of the businesses or services on behalf of the unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise.

** * **

(c) The provisions of subsection (a) shall not prohibit:

** * **

(3a) The use of community college personnel or facilities, with the consent of the trustees of that college, in support of or by a private business enterprise located on a community college campus or in the service area of a community college for one or more of the following specific services in support of economic development:

a. Small business incubators. - As used in this sub-subdivision, the term "small business incubators" means sites for new business ventures in the service area of the community college that are in need of the support and assistance provided by the college; and, without which, the likelihood of success of the business would be greatly diminished. The services of the small business incubator shall not extend to any such new business venture for a period of more than 24 months.

b. Product testing services.

c. Videoconferencing services provided to the public for occasional use

** * **

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G.S. 143-32. Person expending an appropriation wrongfully.

(a) any trustee, director, manager, building committee or other officer or person connected with any institution, or other State agency as herein defined, to which an appropriation is made, who shall expend any appropriation for any purpose other than that for which the money was appropriated and budgeted or who shall consent thereto, shall be liable to the State of North Carolina for such sum so spent and the sum so spent, together with interest and costs, shall be recoverable in an action to be instituted by the Attorney General for the use of the State of North Carolina, which action may be instituted in the Superior Court of Wake County, or any other county, subject to the power of the court to remove such action for trial to any other county, as provided in G.S. 1-83, subdivision (2).

(b) Any member or members of any board of trustees, board of directors, or other controlling body governing any of the institutions of the State, or any officer, employee of, or person holding any position with any of the institutions of the State, or other State agency as herein defined, who willfully acts to divert, use, or expend any funds appropriated for the use of said institution or agency, in a manner designed to circumvent the provisions of this section, including normal reversions of State funds, by failing to properly receive or deposit funds, or by the improper expenditure or transfer of funds for any purpose other than that for which the funds were appropriated and budgeted, shall be guilty of a Class 1 misdemeanor. All offenses against this section shall be held to have been committed in the County of Wake and shall be tried and disposed of in the General Court of Justice for Wake County. If such offender be not an officer elected by vote of the people, conviction of such offense shall be sufficient cause for removal from office or dismissal from employment by the Governor upon 30 days' notice in writing to such offender.

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RESPONSE FROM BLUE RIDGE COMMUNITY COLLEGE

Spearman Food Distributors, Inc.
Spearman Furniture, Inc.
Spearman Refrigeration Service

Joe D. Spearman, Sr. Chairman
Joe D. Spearman, Jr. President

111 Florence Street • Hendersonville, North Carolina 28792

March 16, 2004


Ralph Campbell, Jr., CFE
State Auditor
Office of the State Auditor
2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0601

Dear Mr. Campbell,

Please find attached comments in response to the Special Review Report dated February 2004.

If there is any additional information that your office may require, please do not hesitate to contact me. You may also contact President Sink at 828-694-1706.

Respectfully submitted,



Joe D. Spearman, Sr., Chairman
Blue Ridge Community College
Board of Trustees

Cc: President Sink

Attachment

Spearman Food Distributors, Inc. & Spearman Furniture, Inc. • (828) 692-1682 • Fax (828) 696-2568
Spearman Refrigeration Service • (828) 692-1234 • Fax (828) 696-2568

BRCC RESPONSES TO THE SPECIAL REVIEW:

Section – Service to Private Organizations

Economic development and community service have always been a core element of the mission of community colleges in North Carolina and they are a major part of the mission of Blue Ridge Community College. The work conducted by the college that has been cited by the State Auditor's Office was done pursuant to its role in community interest, support and development. The college did not intentionally act to compete with private business or to give any business or organization a competitive advantage. Our objectives were to engage in educational activities that will have a positive effect on our service area.

As a point of clarification, it should be noted that The Center for Craft, Creativity, and Design (CCCD) is actually a publicly funded organization and a research arm of the University of North Carolina. Their office and studio is located in Henderson County and their administrative unit is at the University of North Carolina in Asheville (UNC-A). Programmatically CCCD is part of the Chancellors Office of UNC - Chapel Hill but they receive funding from UNC-A, Appalachian State University, Western Carolina University and the UNC-Chapel Hill Chancellor's Office. The mission of CCCD is to advance the study of crafts in higher education in North Carolina, the region, and nation. It holds many public educational programs, exhibitions, and events that are open to all citizens. It also has a research function to encourage the study and development of educational resources that can be used in the field of craft education. The David Nash Project was the focus of the CCCD's first international residency.

The David Nash residency was an educational experience that involved all the partner institutions including BRCC. Students and faculty from four state universities and staff member from BRCC participated in this unique educational opportunity. David Nash is one of the premiere wood sculptors in the world. Providing an opportunity for North Carolina students to work with this great artist was an once-in-a-lifetime opportunity for all involved. The goal of the video was to record this experience so that other schools in the state and region could benefit from the knowledge shared by the artist, the experience gained by the local students, and the institutions involved.

The development of educational materials is clearly a significant function of any institution of higher education. This documentary project was an example of collaboration among the staff's of BRCC, CCCD, UNC-A, Western Carolina University, Appalachian State University, and East Carolina University. It is intended that when complete, the video will be used in classrooms across the nation and be broadcasted by public television networks.

The selected staff members who worked on the documentary did excellent work supporting the project production team, even though their formal training might have

been in another area. The work on this project was done was a professionally enriching experience for them and no critical college services were sacrificed during the project.

While it is true that the documentary could have been produced privately, the college, with established ties to CCCD and to other institutions, was uniquely positioned to provide the service. Based on these points, the college respectfully requests that the 235 man-hours attached to this project be removed from the audit report.

The college's involvement in supporting the baking of the "World's Biggest Cookie" was limited to being one of many local contributors to a community project. The event was produced to generate support for Immaculate Baking's nonprofit foundation whose goal is to develop a local Folk Art Museum. BRCC joined with other organizations and businesses to help support this event. Another public entity supporting the project was the North Carolina Department of Agriculture. The return from the effort put into this project was admittedly, more promotional than educational. BRCC banners were prominently displayed around the baking area and in the company's publicity materials. Part of the project's purpose was to help bring as many people to Hendersonville as possible for this record setting cookie baking. Our goal was to promote our community and the venue for the event was literally only blocks from the college's Flat Rock Campus.

The college encourages all its employees to serve the community and we even make annual awards to those who excel in such public involvement. However, in retrospect, the college perhaps viewed involvement in this project as diminimus and overlooked that fact that private sector film crews could have been used. It was not our intent to ignore state statues. In the future, the college will carefully evaluate all external projects with respect for the state guidelines and statutes. We will insure that when questions arise regarding compliance with state regulations, these projects will be reviewed by the Dean for Business Affairs and referred to the President of the Institution for final approval. No external project will be undertaken by any unit within the college without the express written approval from the President of BRCC.

Section 2 - Service to Private Organizations (Umstead Act)

The website work cited in the Audit Report was actually done for the Henderson County Partnership for Economic Development (HCPED). BRCC is an active member of this organization. The website the college developed was done to foster economic development in Henderson County. The college did not solicit this work but it was done as a courtesy and in response to a request by HCPED. The college did not seek to be a competitor with local web developers. The college was acting in its role of being a leader in conducting training for web development, e-commerce, and digital media. The college is in the business of helping local business and would clearly not want to compete with its own clients.

This particular project was uniquely important to our community to provide a well-developed economic development website so that interested businesses and industries would be able to obtain more information about prospective properties and business locations. Our region has lost more than 3000 jobs in the past three years and small business development and industrial training is a major part of what community colleges do. The Henderson County Partnership for Economic Development did not have access to the technical expertise to get this project off the ground – therefore BRCC agreed to help. If necessary, the college can turn maintenance of the website over to a private organization.

The National Technical Honor Society is a nonprofit educational organization physically located on the BRCC campus. The Society asked if the college could provide technical support for their organization and were willing to compensate the college for these services. The college has developed a close relationship with the Society and was in a unique position to offer it assistance.

Again, it is the intent of BRCC to comply with all state statutes and regulations relating to competing with private business. It is not our intent to compete with private industry. Our goal has been to be supportive of organizations that enhance our mission of service and education for our service area. The college will review all services that have been provided to our nonprofit partners and comply with all state statutes.

Section 3 – Technical Services – Educational Foundation

The college acknowledges the findings in the Audit report. In the future, the College President will not use College employees to provide services to private organizations unless authorized by statute. Any payment from these activities will come directly to the college and be used to offset the cost of providing the services to the College.

Section 4 – Technical Services – Educational Foundation (Accounting)

Pursuant to the remarks in the Audit Report, at the time, the college did not realize that such use was not appropriate. The sole function of the BRCC Foundation is to support the College. The Foundation has received several private grants in the past that have gone to support the work of the college, including a significant grant from the Janirve Foundation to fund the College's Distance Learning Center.

The equipment purchased with these funds was for the exclusive use of the college for educational and promotional projects. The equipment cited has been located in the BRCC Digital Media Center or mounted in racks and in the Office of Technology and Development. The equipment listed has now in fact been tagged with appropriate BRCC fixed asset labels and added to inventory records. The College's procurement policies and procedures provide that equipment with a value of \$1,000 or more is to be assigned a barcode number for inventory. The Dean for Technology and Development

has an excellent record in accounting for the extensive array of equipment used to support the college and will comply with all state statutes governing the purchase and inventory of college equipment. The Dean for Administrative Services has reviewed the paid invoices pertaining to the referenced equipment purchases and has confirmed that all equipment conferred by resolution was, or has now been, tagged by the College.

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DISTRIBUTION OF AUDIT REPORT

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

EXECUTIVE BRANCH

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The Honorable Beverly M. Perdue	Lieutenant Governor of North Carolina
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Mr. Robert L. Powell	State Controller
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DISTRIBUTION OF AUDIT REPORT (CONCLUDED)

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March 30, 2004

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