



STATE OF NORTH CAROLINA

FINANCIAL STATEMENT AUDIT REPORT OF SMART START OF TRANSYLVANIA COUNTY

BREVARD, NORTH CAROLINA

FOR THE YEAR ENDED JUNE 30, 2003

OFFICE OF THE STATE AUDITOR

RALPH CAMPBELL, JR.

STATE AUDITOR

FINANCIAL STATEMENT AUDIT REPORT OF

SMART START OF TRANSYLVANIA COUNTY

BREVARD, NORTH CAROLINA

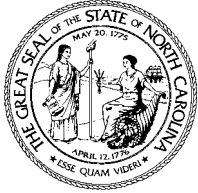
FOR THE YEAR ENDED JUNE 30, 2003

BOARD OF DIRECTORS

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Ralph Campbell, Jr.
State Auditor

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AUDITOR'S TRANSMITTAL

The Honorable Michael F. Easley, Governor
The General Assembly of North Carolina
Board of Directors, Smart Start of Transylvania County

This report presents the results of our financial statement audit of the Smart Start of Transylvania County (Transylvania Partnership) for the year ended June 30, 2003. Our audit was made by authority of Article 5A of Chapter 147 of the *North Carolina General Statutes*.

The accounts and operations of the Transylvania Partnership were subject to audit procedures as we considered necessary for us to report on the accompanying financial statements and supplementary information. The audit procedures were conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.

The audit of the Transylvania Partnership was made in conjunction with the Early Childhood Initiatives (Smart Start) program authorized by General Statutes 143B-168.10-.16. These statutes created The North Carolina Partnership for Children, Inc. and required the implementation of local demonstration projects (local partnerships). The Transylvania Partnership is one of these local partnerships. As such, the Transylvania Partnership is a private nonprofit 501(c)(3) organization and is required by General Statute 143B-168.14(b) to have a financial and compliance audit conducted by the Office of the State Auditor.

The purpose of this report is to present the results of our audit on the accompanying financial statements. A summary of our reporting objectives and audit results are:

1. Objective – To express an opinion on the accompanying financial statements.

Results – The accompanying financial statements present fairly, in all material respects, the amounts and disclosures made in accordance with the modified cash basis of accounting, a comprehensive basis of accounting other than generally accepted accounting principles.

AUDITOR'S TRANSMITTAL (CONCLUDED)

2. **Objective** – To present significant deficiencies, if any, in internal control over financial reporting which could adversely affect the Transylvania Partnership's ability to record, process, summarize, and report financial data in the financial statements and present instances of noncompliance, if any, with laws, regulations, contracts, or grants.

Results - Our tests disclosed no material weaknesses in the internal control over financial reporting and no instances of noncompliance that require disclosure herein under *Government Auditing Standards*.

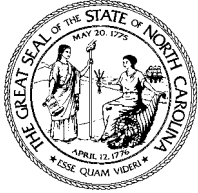
North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.



Ralph Campbell, Jr.
State Auditor

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Smart Start of Transylvania County
Brevard, North Carolina

We have audited the accompanying Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis of the Smart Start of Transylvania County (Transylvania Partnership) as of June 30, 2003, and the related Statement of Functional Expenditures – Modified Cash Basis for the year then ended. These financial statements are the responsibility of the Transylvania Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the accompanying financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Smart Start of Transylvania County as of June 30, 2003, and the results of its operations arising from modified cash basis transactions for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2004 on our consideration of the Transylvania Partnership's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with the independent auditor's report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT (CONCLUDED)

Our audit was made for the purpose of forming an opinion on the basic financial statements of the Smart Start of Transylvania County taken as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in Schedules 1, 3, 4, and 5 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information in Schedule 2 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on Schedule 2.

This report is intended solely for the information and use of the management of the Partnership, The North Carolina Partnership for Children, Inc., the Governor, and the General Assembly and is not intended to be, and should not be, used by anyone other than these specified parties.



Ralph Campbell, Jr.
State Auditor

April 2, 2004

Smart Start of Transylvania County

Statement of Receipts, Expenditures, and Net Assets - Modified Cash Basis

For the Year Ended June 30, 2003

Exhibit A

	Unrestricted Funds		Temporarily Restricted Funds	Total Funds
	Smart Start Fund	Other Funds		
Receipts:				
State Awards (less refunds of \$13,056)	\$ 172,894	\$ 30,976	\$ 0	\$ 203,870
Private Contributions		150		150
Interest and Investment Earnings		66		66
Sales Tax Refunds		324		324
Total Receipts	172,894	31,516		204,410
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions		1,322	(1,322)	
Expiration of Time Restrictions		198	(198)	
	172,894	33,036	(1,520)	204,410
Expenditures:				
Programs:				
Child Care and Education Quality	42,049			42,049
Health and Safety	25,730			25,730
Family Support	5,150	1,472		6,622
More at Four		18,976		18,976
Support:				
Management and General	88,200	12,050		100,250
Program Evaluation	22,027			22,027
Other:				
Sales Tax Paid		369		369
Refund of Prior Year Grant		198		198
Total Expenditures	183,156	33,065		216,221
Excess of Receipts Over Expenditures	(10,262)	(29)	(1,520)	(11,811)
Net Assets at Beginning of Year	13,056	1,976	1,520	16,552
Net Assets at End of Year	\$ 2,794	\$ 1,947	\$ 0	\$ 4,741
Net Assets Consisted of:				
Cash and Cash Equivalents	\$ 0	\$ 1,947	\$ 0	\$ 1,947
Refunds Due From Contractors	2,794			2,794
	\$ 2,794	\$ 1,947	\$ 0	\$ 4,741

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

**Smart Start of Transylvania County
Statement of Functional Expenditures - Modified Cash Basis
For the Year Ended June 30, 2003**

Exhibit B

	Total	Personnel	Contracted Services	Supplies and Materials	Other Operating Expenditures	Fixed Charges and Other Expenditures	Property and Equipment Outlay	Services/ Contracts/ Grants	Participant Training Expenditures
Smart Start Fund:									
Programs:									
Child Care and Education Quality	\$ 42,049							42,049	
Health and Safety	\$ 25,730							25,730	
Family Support	\$ 5,150							5,150	
	\$ 72,929	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 72,929	\$ 0
Support:									
Management and General	\$ 88,200	59,347	4,485	4,356	10,908	7,329	1,775		
Program Evaluation	\$ 22,027							22,027	
	\$ 110,227	\$ 59,347	\$ 4,485	\$ 4,356	\$ 10,908	\$ 7,329	\$ 1,775	\$ 22,027	\$ 0
Total Smart Start Fund Expenditures	\$ 183,156	\$ 59,347	\$ 4,485	\$ 4,356	\$ 10,908	\$ 7,329	\$ 1,775	\$ 94,956	\$ 0
Other Funds:									
Programs:									
Family Support	\$ 1,472							1,472	
More at Four	\$ 18,976							18,976	
	\$ 20,448	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,448	\$ 0
Support:									
Management and General	\$ 12,050	\$ 990	\$ 11,010	\$ 50	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other:									
Sales Tax Paid	\$ 369			369					
Refund of Prior Year Grant	\$ 198					198			
	\$ 567	\$ 0	\$ 0	\$ 369	\$ 0	\$ 198	\$ 0	\$ 0	\$ 0
Total Other Funds Expenditures	\$ 33,065	\$ 990	\$ 11,010	\$ 419	\$ 0	\$ 198	\$ 0	\$ 20,448	\$ 0

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

SMART START OF TRANSYLVANIA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose - The Smart Start of Transylvania County (Transylvania Partnership) is a legally separate nonprofit organization incorporated on April 1, 1996. The Transylvania Partnership was established to develop and provide, through public and private means, early childhood education and developmental services for children and families. The Transylvania Partnership is tax-exempt as an organization described in Section 501(c)(3) of the Internal Revenue Code.

B. Basis of Presentation – The accompanying financial statements present all funds for which the Transylvania Partnership’s Board of Directors is responsible. Pursuant to the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-For-Profit Organizations*, the accompanying financial statements present information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by this Statement, temporarily restricted contributions received and expended in the same year are reported as unrestricted receipts rather than as temporarily restricted receipts.

The Transylvania Partnership did not have any temporarily or permanently restricted net assets at June 30, 2003.

C. Basis of Accounting - The accompanying financial statements were prepared on the modified cash basis of accounting. This basis differs from accounting principles generally accepted in the United States of America primarily because it recognizes long lived assets and other costs which benefit more than one period as expended in the year purchased; it recognizes revenue when received rather than when earned; and it recognizes expenditures when paid rather than when incurred.

However, unexpended advances to contractors that revert back to the State are recognized as a reduction to expenditures and an increase to net assets. In addition, amounts withheld from employee paychecks or other amounts received in an agency capacity are recorded as funds held for others.

D. Cash and Cash Equivalents – This classification appears on the Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis and consists of cash on deposit with a private bank account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- E. Refunds Due From Contractors** - Refunds due from contractors represent the unexpended amount of advances to contractors at year-end that are to be refunded back to the State. As recoveries are collected, the receivable balance is reduced. Payments to the State for the recovered advances are recorded as a reduction to the State awards balance.
- F. Funds Held For Others** - Funds held for others includes amounts received that are fiduciary in nature in which the Partnership acts in an agency capacity. For the year ended, the Transylvania Partnership was not holding any amounts in an agency capacity.
- G. Compensated Absences** – As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the financial statements. Expenditures related to compensated absences are recorded when paid. The amount of accrued compensated absences for accumulated, unpaid leave and compensatory time, along with the related employer costs that would be due to employees upon termination is reported as a commitment in Note 8.
- H. Use of Estimates** – The preparation of financial statements in conformity with the other comprehensive basis of accounting used by the Transylvania Partnership requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as allocation of joint costs); accordingly, actual results could differ from those estimates. It is management’s belief that these estimates are reasonable and fair.

NOTE 2 - DEPOSITS

All funds of the Transylvania Partnership are deposited with a commercial bank and insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Deposits over this amount subjects the Transylvania Partnership to a concentration of credit risk.

NOTE 3 - FUNDING FROM GRANT AWARDS

Smart Start Program - The Transylvania Partnership’s major source of revenue and support is from the State of North Carolina based on cost-reimbursement contracts with The North Carolina Partnership for Children, Inc. (NCPC) for the Smart Start Program. A significant reduction in the level of funding from the State could have an adverse effect on the operations of the Transylvania Partnership and represents a concentration of credit risk as to the generation of revenue.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Associated with these contracts, the Transylvania Partnership is responsible for developing a comprehensive, collaborative, long-range plan of services to children and families for the service-delivery area. During the year, the North Carolina Department of Health and Human Services (DHHS) entered into contracts with and made payments to service providers selected by the Transylvania Partnership. These service provider contracts are not reflected on the accompanying financial statements. However, a summary of the service provider contracts entered into by DHHS is presented on Schedule 2 accompanying the financial statements.

The Transylvania Partnership was awarded and has received \$185,950 under a current year Smart Start contract with NCPC. The unexpended balance of this contract is subject to reversion to the State. The Partnership has returned \$2,794 of this contract to the State based on financial status reports submitted to NCPC subsequent to June 30, 2003.

The Partnership expects to receive continued funding through new Smart Start contracts with the State.

More at Four – The Transylvania Partnership also received revenue and support from the State of North Carolina for the More at Four Program. The Transylvania Partnership was awarded \$22,590 and received \$20,915 under a current year cost-reimbursement contract. The unexpended balance of this contract is subject to reversion to the State. The Partnership has returned \$1,939 of this contract to the State based on financial status reports submitted to DHHS prior to June 30, 2003. The Partnership expects to receive continued funding through new More at Four contracts with the State.

NOTE 4 - RELATED PARTY TRANSACTIONS

Service Provider Contracts with Board Member Organizations - The board members of the Transylvania Partnership are representative of various organizations that benefit from actions taken by the Board. It is the policy of the Transylvania Partnership that board members not be involved with decisions regarding organizations they represent. During the year, the Partnership entered into contracts with board member organizations for program activities as identified on Schedule 1 accompanying the financial statements. In addition, Schedule 2 identifies contracts entered into by DHHS with board member organizations for activities funded by the Partnership's Smart Start Allocation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 - FUNCTIONAL EXPENDITURES

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Receipts, Expenditures, and Net Assets – Modified Cash Basis. Also, the Statement of Functional Expenditures – Modified Cash Basis, provides detail of the functional costs by their natural classification. Following are the services associated with the functional categories presented in the accompanying financial statements:

A. Program Functions

Child Care and Education Quality - Used to account for service activities including quality enhancement grants for upgrades or professional development.

Health and Safety - Used to account for service activities associated with oral health services.

Family Support - Used to account for service activities including family literacy projects or family support needs and resources assessments.

More at Four – Used to account for development and implementation of More at Four prekindergarten program for at-risk four-year-olds who are at risk of failure in kindergarten. The goal is to provide quality prekindergarten services in order to enhance kindergarten readiness.

B. Support Functions

Management and General - Expenditures that are not identifiable with a single program or fund-raising activity but are indispensable to the conduct of those activities and to an organization's existence, including expenditures for the overall direction of the organization, its general board activities, business management, general recordkeeping, budgeting, and related purposes.

Program Evaluation - Expenditures that are incurred to monitor the performance of service providers as to the delivery of services and adherence to the specific terms and conditions of the contracts.

NOTE 6 - PENSION PLAN

The Transylvania Partnership did not have a pension plan in place for its employees. However, each employee of the Transylvania Partnership is provided, as part of the benefit package, an additional 6% of his/her salary to be applied to an individual retirement plan. The Partnership has no liability for

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

any other cost other than the required percentage. The Partnership contributed \$2,876 for retirement benefits during the year.

NOTE 7 - RISK MANAGEMENT

The Transylvania Partnership is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Transylvania Partnership manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Torts, errors and omissions, health and life	Purchased commercial insurance	None
Workers Compensation – Employee injuries	Purchased commercial insurance	None
Physical property loss and natural disasters	Purchased commercial insurance	None

Management believes such coverage is sufficient to preclude any significant losses to the Transylvania Partnership. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Compensated Absences – As a result of the Transylvania Partnership's use of the modified cash basis of accounting, accrued liabilities related to compensated absences (vacation only; sick leave does not vest) and any employer-related costs earned and unpaid, are not reflected in the financial statements. The compensated absences commitment for vacation leave at June 30, 2003, is \$4,569. No funds or reservation of net assets has been made for this commitment.

NOTE 9 - RESTRICTIONS ON NET ASSETS

Net Assets Released From Donor Restrictions - Net assets were released from donor restrictions during the fiscal year ended June 30, 2003, by incurring expenditures satisfying the restricted purposes or the expiration of the time period for funds availability as follows:

<u>Purpose</u>	<u>Amount</u>
SLIDE Project	\$ 1,322
Expiration of Time Restrictions	198
	<u>1,520</u>

**Smart Start of Transylvania County
 Schedule of Contract and Grant Expenditures - Modified Cash Basis
 For the Year Ended June 30, 2003**

Schedule 1

Organization Name	Smart Start Fund		Other Funds	
	Amount Advanced	Refund Due	Amount Advanced	Refund Due
Appalachian Counseling, LLC	5,150		150	
Rosman Child Care Center			18,976	
Transylvania County Child Development	* 19,800	(184)		
Transylvania County Citizens Concerned for Children	* 22,500	(67)		
Transylvania County Health Department	* 27,300	(1,570)		
Transylvania County Schools	*		1,322	
	\$ 74,750	\$ (1,821)	\$ 20,448	\$ 0
Individuals:				
Program Evaluation	\$ 23,000	\$ (973)	\$ 0	\$ 0
	\$ 97,750	\$ (2,794)	\$ 20,448	\$ 0

* These organizations are represented on the Partnership's Board as described in Note 4 - Service Provider Contracts with Board Member Organizations.

***Smart Start of Transylvania County
Schedule of State Level Service Provider Contracts
For the Year Ended June 30, 2003***

Schedule 2

Organization Name	Total Contracts
Child Care Services Association-WAGES Program	59,000
Transylvania County Department of Social Services	* 151,900
	\$ 210,900
* These organizations are represented on the Partnership's Board as described in Note 4 - Service Provider Contracts with Board Member Organizations.	
The information on this schedule provides a listing of service provider contracts entered into by the North Carolina Department of Health and Human Services (DHHS) as described in Note 3 - Funding from Grant Awards.	

Smart Start of Transylvania County
Schedule of State Awards - Modified Cash Basis
For the Year Ended June 30, 2003

Schedule 3

State Grantor/Pass-through Grantor/Program	Contract #	Receipts	Expenditures
State Awards:			
North Carolina Department of Health and Human Services			
Division of Child Development			
Pass-through from the North Carolina Partnership for Children, Inc.			
Early Childhood Initiatives Program (Prior Year)	* 1-12-5-30-001	\$ (13,056)	\$ 0
Early Childhood Initiatives Program (Current Year)	* N/A	185,950	183,156
Multi-County Accounting and Contracting Grant	N/A	12,000	12,000
North Carolina Department of Health and Human Services			
More at Four Pre-Kindergarten Program	* 2090003415	18,976	18,976
Total State Awards		\$ 203,870	\$ 214,132

* Programs with compliance requirements that have a direct and material effect on the financial statements.

Note: The More at Four Pre-Kindergarten Program is contracted jointly by the North Carolina Department of Health and Human Services and the Office of the Governor. The allocations for the More at Four program are included in the budget for the North Carolina Department of Health and Human Services; therefore, the above schedule identifies that agency as the State Grantor. The Office of the Governor is responsible for oversight of the More at Four Program.

Smart Start of Transylvania County
Schedule of Property and Equipment - Modified Cash Basis
For the Year Ended June 30, 2003 *Schedule 4*

Furniture and Noncomputer Equipment	\$	4,741	
Computer Equipment/Printers		7,580	
Leasehold Improvements		1,290	
Total Property and Equipment	\$	13,611	

Note: The information on this schedule provides a summary of property and equipment with acquisition or donated cost of \$500 or more which were held by the Partnership at year end. The valuations represent historical cost. On the modified basis of accounting, these items are expensed in the year of purchase.

**Smart Start of Transylvania County
 Schedule of Qualifying Match (Non-GAAP)
 For the Year Ended June 30, 2003**

Schedule 5

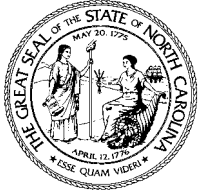
Match Provided at the Partnership Level:

Cash	\$	150
In-Kind Goods and Services		4,425
	\$	<u>4,575</u>

Match Provided at the Contractor Level:

Cash	\$	2,940
In-Kind Goods and Services		33,361
	\$	<u>36,301</u>

Note: This schedule is presented in accordance with the program match requirement as provided for by North Carolina Session Law 2001-424, Section 21.72(c). The law allows for volunteer services to be valued for match purposes, a concept that deviates from generally accepted accounting principles.



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

Board of Directors
Smart Start of Transylvania County
Brevard, North Carolina

We have audited the financial statements of the Smart Start of Transylvania County (Transylvania Partnership) as of and for the year ended June 30, 2003, and have issued our report thereon dated April 2, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Transylvania Partnership's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Transylvania Partnership's internal control over financial reporting in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would

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

be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management of the Partnership, The North Carolina Partnership for Children, Inc., the Governor, and the General Assembly and is not intended to be, and should not be, used by anyone other than these specified parties.



Ralph Campbell, Jr.
State Auditor

April 2, 2004

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Mr. Robert L. Powell
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Lieutenant Governor of North Carolina
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Chairman, Board of Directors
The North Carolina Partnership for Children, Inc.
Executive Director
The North Carolina Partnership for Children, Inc.

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Mr. James D. Johnson

Director, Fiscal Research Division

June 23, 2004

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