

REQUEST FOR BOARD ACTION

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: January 2, 2007
SUBJECT: Blue Ridge Community College Issues
ATTACHMENTS: Yes

SUMMARY OF REQUEST:

The State Board of Community Colleges released a “Synopsis of Findings in Response to Allegations made with respect to Blue Ridge Community College” on December 15, 2006. Commissioner Young has requested that audit be placed on today’s agenda for Board discussion on the following subjects:

1. County dollars spent on the Blue Ridge Bears baseball program
2. County dollars spent on staff salary supplements

BOARD ACTION REQUESTED:

This Synopsis of Findings is being provided to the Board of Commissioners for informational purposes. The Board may wish to take action following their discussion.

Suggested Motion:

Commissioner Young will present a suggested motion.

§ 115D-32. Local financial support of institutions.

(a) The tax-levying authority of each institution shall be responsible for providing, in accordance with the provisions of G.S. 115D-33 or 115D-34, as appropriate, adequate funds to meet the financial needs of the institutions for the following budget items:

- (1) Plant Fund: Acquisition of land; erection of all buildings; alterations and additions to buildings; purchase of automobiles, buses, trucks, and other motor vehicles; purchase or rental of all equipment necessary for the maintenance of buildings and grounds and operation of plants; and purchase of all furniture and equipment not provided for administrative and instructional purposes.
- (2) Current expenses:
 - a. Plant operation and maintenance:
 1. Salaries of janitors, maids, watchmen, maintenance and repair employees.
 2. Cost of fuel, water, power, and telephone services.
 3. Cost of janitorial supplies and materials.
 4. Cost of operation of motor vehicles.
 5. Cost of maintenance and repairs of buildings and grounds.
 6. Maintenance and replacement of furniture and equipment provided from local funds.
 7. Maintenance of plant heating, electrical, and plumbing equipment.
 8. Maintenance of all other equipment, including motor vehicles, provided by local funds.
 9. Rental of land and buildings.
 10. Any other expenses necessary for plant operation and maintenance.
 - b. Support services:
 1. Cost of insurance for buildings, contents, motor vehicles, workers' compensation for institutional employees paid from local funds, and other necessary insurance.
 2. Any tort claims awarded against the institution due to the negligence of the institutional employees.
 3. Cost of bonding institutional employees for the protection of local funds and property.
 4. Cost of elections held in accordance with G.S. 115D-33 and 115D-35.
 5. Legal fees incurred in connection with local administration and operation of the institution.

(b) The board of trustees of each institution may apply local public funds provided in accordance with G.S. 115D-33(a), as appropriate, or private funds, or both, to the supplementation of items of the current expense budget financed from State funds, provided a budget is submitted in accordance with G.S. 115D-54.

(c) The board of trustees of each institution may apply institutional funds provided in accordance with G.S. 115D-54(b)(3) for such purposes as may be determined by the board of trustees of the institution.

(d) The counties that agree to have satellite campuses of community colleges located in them accept the maintenance and utility costs of these satellite campuses. (1963, c. 448, s. 23; 1979, c. 462, s. 2; 1981, c. 157, s. 3; 1985, c. 757, s. 148(a); 1987, c. 564, s. 11; 1995, c. 509, s. 64; 1999-84, s. 5.)

§ 115D-33. Providing local public funds for institutions established under this Chapter; elections.

(a) Except as provided in G.S. 115D-34, the tax-levying authority of an institution may provide for local financial support of the institution as follows:

- (1) By appropriations from nontax revenues in a manner consistent with the Local Government Budget and Fiscal Control Act, provided the continuing authority to make such appropriations shall have been approved by a majority of the qualified voters of the administrative area who shall vote on the question in an election held for such purpose, or
- (2) By a special annual levy of taxes within a maximum annual rate which maximum rate shall have been approved by a majority of the qualified voters of the administrative area who shall vote on the question of establishing or increasing the maximum annual rate in an election held for such purpose or both, and
- (3) By issuance of bonds, in the case of capital outlay funds, provided that each issuance of bonds shall be approved by a majority of the qualified voters of each county of the administrative area who shall vote on the question in an election held for that purpose. All bonds shall be subject to the Local Government Finance Act (Chapter 159) and shall be issued pursuant to Subchapter IV, Long-Term Financing, (§ 159- 43 et seq.) of Chapter 159 of the General Statutes.

(b) At the election on the question of approving authority of the board of commissioners of each county in an administrative area (the tax-levying authority) to appropriate funds from nontax revenues or a special annual levy of taxes or both, the ballot furnished the qualified voters in each county may be worded substantially as follows: "For the authority of the board of commissioners to appropriate funds either from nontax revenues or from a special annual levy of taxes not to exceed an annual rate of _____ cents per one hundred dollars (\$100.00) of assessed property valuation, or both, for the financial support of _____ (name of the institution)" plus any other pertinent information and "Against the authority of the board of commissioners, etc.," with a square before each proposition, in which the voter may make a cross mark (X), but any other form of ballot containing adequate information and properly stating the question to be voted upon shall be construed as being in compliance with this section.

(c) The question of approving authority to appropriate funds, to levy special taxes and the question of approving an issue of bonds, when approval of each or both shall be necessary for the establishment or conversion of an institution, shall be submitted at the same election.

(d) All elections shall be held in the same manner as elections held under Article 4, Chapter 159, of the General Statutes, the Local Government Bond Act, and may be held at any time fixed by the tax-levying authority of the administrative area or proposed administrative area of the institution for which such election is to be held.

(e) The State Board of Community Colleges shall ascertain that authority to provide adequate funds for the establishment and operation of an institution has been approved by the voters of a proposed administrative area before favorably recommending approval of the establishment of an institution.

(f) Notwithstanding any present provisions of this Chapter, the tax-levying authority of each institution may at its discretion and upon its own motion provide by appropriations of nontax revenue, tax revenue, or both, funds for the support of institutional purposes as set forth in G.S. 115D-32; but nothing herein shall be construed to authorize the issuance of bonds without a vote of the people. (1963, c. 448, s. 23; 1971, c. 402; 1979, c. 462, s. 2; c. 896, s. 13; 1979, 2nd Sess., c. 1130, s. 1; 1983, c. 717, s. 27.3.)

County Salary for David Sink

| Year | Base Salary | Longevity | Total |
|------|---------------|--------------|---------------|
| 1987 | \$ 2,652.92 | \$ 75.06 | \$ 2,727.98 |
| 1988 | \$ 6,502.02 | \$ 120.06 | \$ 6,622.08 |
| 1989 | \$ 8,998.02 | \$ 149.94 | \$ 9,147.96 |
| 1990 | \$ 12,191.73 | \$ 225.00 | \$ 12,416.73 |
| 1991 | \$ 14,942.00 | \$ 337.50 | \$ 15,279.50 |
| 1992 | \$ 17,211.75 | \$ 337.50 | \$ 17,549.25 |
| 1993 | \$ 19,610.25 | \$ 337.50 | \$ 19,947.75 |
| 1994 | \$ 21,092.12 | \$ 393.75 | \$ 21,485.87 |
| 1995 | \$ 22,403.70 | \$ 393.75 | \$ 22,797.45 |
| 1996 | \$ 19,987.10 | \$ 568.75 | \$ 20,555.85 |
| 1997 | \$ 21,511.36 | \$ 650.00 | \$ 22,161.36 |
| 1998 | \$ 28,465.60 | \$ 812.50 | \$ 29,278.10 |
| 1999 | \$ 30,978.34 | \$ 812.50 | \$ 31,790.84 |
| 2000 | \$ 31,148.96 | \$ 812.50 | \$ 31,961.46 |
| 2001 | \$ 31,263.75 | \$ 1,125.00 | \$ 32,388.75 |
| 2002 | \$ 31,280.96 | \$ 1,125.00 | \$ 32,405.96 |
| 2003 | \$ 32,992.24 | \$ 1,210.50 | \$ 34,202.74 |
| 2004 | \$ 34,936.53 | \$ 1,274.85 | \$ 36,211.38 |
| 2005 | \$ 37,335.91 | \$ 1,125.14 | \$ 38,461.05 |
| 2006 | \$ 52,600.66 | \$ 2,025.00 | \$ 54,625.66 |
| | \$ 478,105.92 | \$ 13,911.80 | \$ 492,017.72 |



North Carolina
State Board of Community Colleges
Ms. Hilda Pinnix-Ragland, Chair

December 15, 2006

Mr. Larry Young
2641 Haywood Road
Hendersonville, NC 28791

Dear Mr. Young:

As you requested, enclosed is a copy of the report received today by the State Board of Community Colleges with respect to Blue Ridge Community College, along with a resolution that was adopted during the meeting of the Board.

If I can provide additional information, please feel free to contact me. Best wishes for the holiday season. With kindest personal regards, I remain

Sincerely,

Richard W. Sullins
Executive Director of the State Board

ENCLOSURES: As stated

A Resolution of the State Board of Community Colleges

Whereas, the North Carolina General Assembly has given the State Board of Community Colleges the authority to adopt and execute such policies, regulations, and standards concerning the establishment, administration, and operation of the institutions comprising the North Carolina Community College System, and which the State Board has done through Title 23 of the Administrative Code, and

Whereas, the State Board of Community Colleges has the legal and moral obligation to both the students and taxpayers to ensure that local boards of trustees are maintaining prescribed standards of administration and instruction and that the taxpayer's money and student tuition and fees are being spent in accordance with the law, and

Whereas, the State Board of Community Colleges acknowledges the tremendous value of autonomous Boards of Trustees, the responsiveness and flexibility they bring to the Community College System and the benefits that the citizens of North Carolina have reaped under a balanced system of State and local control for almost fifty years, and

Whereas, the effectiveness of an institution is dependent on the effectiveness of its board of trustees which is itself dependent on the board of trustees' ability to retain the support and good will of the entire community for which it holds the college in trust, and

Whereas, the Trustees of Blue Ridge Community College have failed in their obligations to oversee and supervise the actions of the College President in the operation of its intercollegiate athletics programs, resulting in material findings by the Office of the State Auditor, the North Carolina Community College System, and by the Trustees themselves, and that such failures led directly to a depletion of financial reserves that could have benefited significant numbers of students in Henderson and Transylvania counties, and

Whereas, the Trustees of Blue Ridge Community College are ultimately responsible for these failures, and

Whereas, these failures include violations of the Constitution of the State of North Carolina, the North Carolina General Statutes, the North Carolina Administrative Code, and the Code of Federal Regulations, and

Whereas, the Trustees of Blue Ridge Community College have implemented some corrective measures to address these failures, but have neglected to reprimand the President of Blue Ridge Community College and have

neglected to take appropriate actions to correct other failures that have been documented by official findings and which continue to this day, be it therefore

Resolved, that the State Board of Community Colleges does hereby find such conduct to be contrary to law as well as the spirit and the traditions of the North Carolina Community College System, and be it further

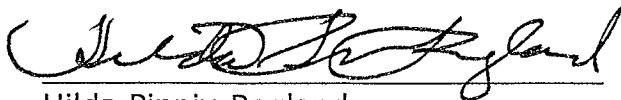
Resolved, that the State Board of Community Colleges does hereby censure and condemn the failures of the Trustees of Blue Ridge Community College to provide proper oversight of its College President in the management and administration of the College in accordance with statutory law, administrative regulation, and policies adopted by the Board, and be it further

Resolved, that as a consequence of this censure, that the State Board of Community Colleges directs that

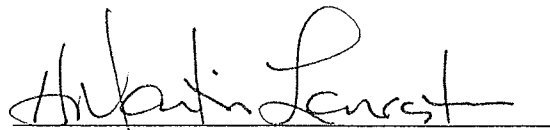
1. The Trustees of Blue Ridge Community College make full and complete restitution to the State of North Carolina of those state funds that have been misdirected to support the operation of its intercollegiate athletics programs since January 1, 2002;
2. Blue Ridge Community College shall immediately cease and desist from using state funds for any purpose that either directly or indirectly supports the operation of intercollegiate athletic programs; and
3. The Trustees of Blue Ridge Community College recover the fair market value for the use of college athletic facilities for private athletic activities that its coaches have conducted using those facilities.

The amount of restitution and recovery is to be determined jointly by the Chief Financial Officers of the North Carolina Community College System and Blue Ridge Community College, and reported to the State Board of Community Colleges no later than January 31, 2007.

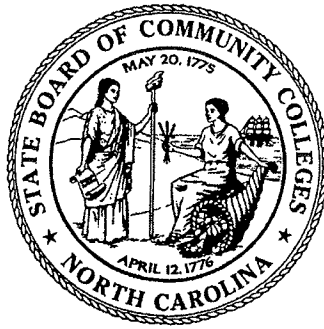
Adopted on this 15th day of December, 2006, in the City of Raleigh.



Hilda Pinnix-Ragland
Chair



H. Martin Lancaster
System President



North Carolina
State Board of Community Colleges
Ms. Hilda Pinnix-Ragland, Chair

Synopsis of Findings
In Response to Allegations Made
With Respect to
Blue Ridge Community College

Prepared by
David J. Sullivan
and
Richard W. Sullins

Raleigh, North Carolina
December 15, 2006

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Executive Summary

1. The President authorized payment to a private company without adequate supporting documentation or verification of the obligation. This payment may have constituted a violation of state law.
2. Payment to a private entity created a potential conflict of interest.
3. The Baseball Coach signed student signatures on documents to facilitate payments made through the College's Work Study program. These actions may have constituted a violation of state law.
4. The Baseball Coach diverted Work Study funds to his own private enterprise.
5. Participation by baseball players in the Work Study program was minimal and is not accurately reflected in the College's records.
6. The Baseball Coach was allowed to operate without adequate oversight from senior College officials.
7. The Baseball Coach initiated financial transactions in violation of College policy.
8. College officials did not effectively address concerns regarding the Baseball Coach. The President failed to comply with Board policy by not formally evaluating the Coach's performance while he was under the President's direct supervision.
9. College officials failed to comply with State law in obtaining prior approval for construction of the baseball field and stadium.
10. State funds were, and still are being, expended in support of its baseball program, despite receiving numerous directives against such a practice.
11. The College expended more than three-quarters of a million dollars on its baseball program over a period of four years, including more than \$600,000.00 from Special and Foundation funds that depleted its financial reserves and affected its ability to deal effectively with the restrictions imposed in July 2006 by the U.S. Department of Education on advance payment of federal financial aid. Information from the State Auditor and the College indicates that athletic programs were operating in a deficit at least in Fiscal Year 2005-06.
12. The Trustees of the College have taken a number of positive actions to address issues raised during the investigations of these matters. However, action remains to be taken on other substantive issues.

Introduction

On January 18, 2006, the State Auditor released a Special Review of the operation of the Baseball Program at Blue Ridge Community College which enumerated eight major findings, the second such Special Review regarding Blue Ridge in two years. These findings documented abuses of the work study programs, lack of financial controls, questionable expenditures, a possible conflict of interest, and several possible violations of law. Because of the very serious nature of the findings of the Special Review and the response of Blue Ridge's President, the State Board of Community Colleges requested the Trustees of Blue Ridge to conduct an independent investigation of the Special Review and to report its findings of facts and corrective actions to the State Board.

At the May 19, 2006, State Board meeting, a representative from Blue Ridge Community College presented the Trustees' Factual Inquiry and Statement of Corrective Action. Because of continuing concerns, the State Board voted at that meeting to create an ad hoc committee consisting of four State Board members, three Blue Ridge Trustees, and staff support provided by the System Office. The charge of the committee was "to review the findings made by both the State Auditor and the Trustees, to seek clarification of any and all questions that remain unanswered, to determine the proper avenue for additional investigation where appropriate, and to consider policy implications for the system." The Board requested Dr. Marvin Joyner, past president of Central Carolina Community College, to conduct the detailed investigation. The Committee met on June 22 in Flat Rock, but differences of opinion in regard to the scope and conduct of the investigation delayed its start for a month.

Three other actions taken during the summer of 2006 have bearing on these matters. First, the State Auditor released his Financial Statement Audit Report of Blue Ridge on June 23, with findings of deficiencies in financial reporting, violation of terms of gift trust agreement, inadequate controls over journal entries, and deficit net asset balances. Second, on July 12, State Controller Robert Powell rescinded check-signing authority for College President David Sink and Dean of Instruction Earl Medlin, citing "great concern" about the results of the January Special Review. Finally, the U.S. Department of Education acted on July 18, 2006, to move the College from the advance method of payment for all forms of federal financial aid to Heightened Cash Monitoring-2 status. The Department cited findings from the Special Review that discovered "fiscal irregularities regarding work study funds" as the basis for its action.

Following clarification by the State Board on July 19, 2006, Dr. Joyner visited the Blue Ridge campus July 25 – 28 to conduct interviews and collect documentation. A draft report of his findings was presented to the Joint Committee in closed session on September 12. Despite many hours of work over the following two months, the Joint Committee was unable to come to an agreement on the text of a final report and could not reach consensus on the issues at hand.

On November 17, the State Board took action to dissolve the Joint Committee and directed that Mr. David J. Sullivan, Assistant to the President for Legal Affairs, and Mr. Richard Sullins, Executive Director of the State Board, draft a summary of the facts that have been established with respect to the issues that have been raised, along with appropriate recommendations, for consideration by the State Board during a telephonic meeting to be held on December 15, 2006. A statement of those facts follows.

Synopsis of State Auditor's Findings and Response of Blue Ridge Community College

1. **The President authorized payment to a private company without adequate supporting documentation or verification of the obligation.**

State Auditor's Finding: The President of Blue Ridge Community College directed the college's Director of Administrative Services to pay \$4,501.29 to a private company for delinquent rent and utilities apparently owed by college baseball players to their landlord. The landlord contacted College officials several times during 2004 and 2005 in an effort to be paid. Although some College officials believed no obligation existed on the part of the College to pay the debt, and President Sink was unaware of the details of any obligation, President Sink ordered the payment without seeking verification of the amount owed. The State Auditor opined that the College had no obligation to pay the debt and encouraged the College to seek reimbursement from the coach for the debt.

During the time that the landlord was seeking payment, President Sink became aware of the Baseball Coach's practice of picking up the work study checks of baseball players.

Response of Blue Ridge Community College: Blue Ridge acknowledges that an informal conversation occurred between President Sink, the Chairman of the Blue Ridge Community College Board of Trustees, and the baseball coach regarding the housing needs of incoming baseball players. During the conversation, the Chairman indicated that his company (SFD, Inc.) had rental units available. The Dean of Administrative Services determined that the College could not provide rental housing directly to baseball players. However, the President supported the Coach's efforts to have baseball players obtain work study jobs after determining that housing was a legitimate expenditure of work study funds. Following several calls from the Chairman's company and despite adequate documentation, the President authorized the advance of the rent payment with the intent that the College be reimbursed by the baseball players, despite the President's belief that the rental issue was a private disagreement between the Baseball Coach and SFD, Inc.

Following the release of the State Auditor's Investigative Report, the baseball coach reimbursed the College \$4,501.29.

Additional Information: The payment of the \$4,501.29 to a private company raises several legal issues. First, if the College president is correct that the delinquent rent was not a College obligation but instead "was related to a private disagreement between the baseball coach and SFD, Inc." and assuming foundation funds were not used to make the payment, the act of making the payment violated Article I, Section 32 of the Constitution of North Carolina.

Article I, Section 32 prohibits exclusive or separate payments to private entities except in exchange for public services.

Additionally, if the payment was made with State funds, it is likely that the payment violated the state law commonly known as the Executive Budget Act. The Executive Budget Act prohibits the use of State funds for unauthorized purposes and the payment of a private debt would constitute such an unauthorized purpose.

While the College's assertion that work study funds may legitimately be used for housing is true in some contexts, federal regulations prohibit work study earnings from being applied to the cost of housing by the College unless the institution itself provides the housing. (See 34 C.F.R. § 675.16). Here, the College claims it did not provide the housing, thus the College would have no authority to apply earned work study money to pay a student's housing debt.

2. Payment to a private entity created a potential conflict of interest.

State Auditor's Finding: The landlord involved in the transaction is a company owned by the Chairman of the Blue Ridge Community College's Board of Trustees, who is also a member of the College's foundation. The failure of the Chairman to disclose the rental arrangement created, at a minimum, the appearance of a conflict of interest. The College's procedures manual includes the expectation that members of the Board of Trustees and College employees avoid interests and transactions that create a conflict of interest. President Sink told the auditors that he considered whether a conflict would be created by the transaction, but determined no conflict existed. Chairman Spearman indicated he agreed to the lease of rental units to baseball players as a favor to the College. As a result of the transaction, the Chairman's company, SFD, Inc., received more than \$29,000. The local board of trustees was not made aware of the rental agreement.

The Auditor recommended that the College not enter into business transactions with its trustees unless the arrangement is fully disclosed to the full board. Additionally, the College should revise its conflict of interest policies to include transactions involving the foundation. Finally, the board should decide whether its conflict of interest policies were violated and if so, whether any action should be taken in accordance with the Board's policies.

Response of Blue Ridge Community College: Chairman Spearman did not participate in negotiations regarding how rent would be paid and was unaware of the College's payment to SFD, Inc. until the release of the State Auditor's Special Review. The College had no business arrangement with SFD, Inc., and no payments were made by the College to SFD, Inc. except for the \$4,501.29 payment made for the delinquent rent and utilities.

The College response also affirms that the Board of Trustees did have conflict of interest policies in place at all relevant times.

Additional Information: Blue Ridge Community College sought an opinion from Governor Easley's office as to whether Chairman Spearman's activities violated

the Executive Order Number One. A preliminary review by Mr. Perry Newson, Executive Director of the North Carolina Board of Ethics, determined that the Chairman's actions did not constitute an actual conflict of interest but the activities did raise the appearance of a conflict of interest, which Executive Order Number One requires be avoided by gubernatorial appointees. The preliminary review recommended that Chairman Spearman fully disclose the rental of property to the College's baseball players to the board of trustees. Additionally, the relationship should have been disclosed in Chairman Spearman's annual filing with the Board of Ethics.

3. The Baseball Coach signed student signatures on documents to facilitate payments through the College work study program.

State Auditor's Finding: The Baseball Coach selected players to participate in the work study program, supervised the players, authorized their timesheets, picked up the student's checks from the cashier's office, and delivered the checks to the landlord for the payment of rent. The baseball coach endorsed players' work study-checks, signed players' names to time sheets and tax forms. Four players acknowledged that timesheets that purported to have their signatures on the timesheets were, in fact, signed by someone else.

The State Auditor identified the coach's activities as a likely violation of one or more criminal laws dealing with forgery.

The recommendations of the Auditor included the establishment of administrative controls to ensure that checks were distributed to intended individuals and a recommendation of disciplinary action against the baseball coach. The finding was referred to the local District Attorney.

Response of Blue Ridge Community College: The baseball coach admits signing the player's signatures on certain documents in an effort to facilitate the work study program and payments to SRD, Inc. The coach provided signed statements from five baseball players giving the baseball coach permission to use work study funds for the baseball program. Additionally, the coach produced statements indicating that work study money earned by students would be turned over to the baseball program to help with rent, maintenance, and equipment. The coach created a sign-out sheet for the baseball players' checks indicating the checks would be collected to pay for the players' rent.

No one at the College was aware that the coach was signing baseball players' name to their work study checks or that the coach was depositing those checks with either SFD, Inc. or in his personal bank account. However, there was some understanding between the baseball coach and the Dean for Administrative Services that work study money was being used to support the baseball program and for rent, but the Dean of Administrative Services assumed the player's were cashing their own checks.

Additional Comments: The *Factual Inquiry* suggests the baseball coach believes his endorsement of the players' checks was justified by showing that he either directly or indirectly had the players' permission to endorse their checks.

However, federal regulations prohibit the College from obtaining a student's power of attorney to authorize any disbursement of funds without the written approval of the Secretary of the US Department of Education. (34 C.F.R. § 675.16).

4. The Baseball Coach diverted work study funds to his own enterprise.

State Auditor's Finding: The Baseball Coach diverted at least \$7,298.00 to a bank account that he had created for his own private business, a for-profit corporation named "Bears Baseball Camps, Inc." (hereafter "BBC, Inc."). A minimum of 31 work study checks were signed over to BBC, Inc., some by members of the College's baseball team. However, none of the baseball players interviewed by the Auditor was aware that BBC, Inc. was the Coach's private corporation, assuming instead that it may have been a booster club for the College team or perhaps the team itself.

The Coach admitted to diverting College funds to his private corporation's bank account. The Auditor also determined that the Coach had used work study students to operate his private baseball camps, and that such use was an inappropriate use of College resources. While the Coach had been authorized to hold his camps by making use of College facilities, all funds received from the operation of the camps went directly to the Coach, with no portion going to the College. It was the opinion of the Auditor that all expenses that were incurred in the operation of the baseball camps should be paid by the Coach and not by the College.

Response of Blue Ridge Community College: The College determined that a total of \$25,990.71 was paid to SFD, Inc. for rent payment, which included \$18,521.32 that came directly from endorsed work study checks. A total of \$7,445.33 was paid from the BBC, Inc. account to SFD, Inc., and to the College, for rental payments. The College also concluded that the Coach did not maintain detailed records regarding the operation of his baseball camps and it was thus not possible to provide an accounting for them.

While the Coach was justified in his belief that the College had at least some knowledge of his activities regarding his baseball camps, the College stated that he had failed to obtain prior approval for the use of work study funds, failed to tell students that their work study checks should be used for their personal educational expenses instead of funding needs of the baseball program, and that he failed to inform students that work study funds were their own personal money and that they should endorse their own checks personally.

Additional Information: Coach Towe told Dr. Joyner that, in addition to helping support the baseball program, funds in the account were also used to pay a portion of the rent for some players staying at the Spearman apartment. He stated that some of these dollars were used to partially furnish the apartment and make repairs to damages that were caused by the baseball players. The Factual Inquiry was unable to verify a listing of \$13,880.95 that the Coach claimed were expenses for the apartment for which he had paid personally and had not received reimbursement. Dr. Joyner asked Towe to furnish any receipts that he might have for this listing, but none were provided. President Sink was aware

that the Baseball Coach had personally paid for some baseball program related expenses.

Towe also told Dr. Joyner that, at the time the check to cover the delinquent rent was written on June 1, 2005, he was aware of the phone calls received from SFD, Inc., of the issuance of the \$4,500.00 check, and of the presence in his BBC, Inc. bank account of work study funds that had been deposited for rental payments. However, he did not reimburse the College in the amount of \$4,501.29 until he was requested to do so on January 23, 2006 – some eight months later – despite the fact that those dollars were work study funds which he had deposited into his own account and had the benefit of using during that period of time.

The Baseball Coach has operated summer camps on the College campus, making use of the baseball field and stadium, and has not paid any fee to the College to off-set indirect expenses. Further, the Coach did not maintain detailed records regarding camp expenses and receipts.

An additional problem that arises is that once the Coach created a for-profit business that used the same baseball field and much, if not all, of the same equipment, it became impossible to totally segregate some of the expenses such as supplies, equipment, equipment repairs, and grounds maintenance associated with the College's baseball program from the Coach's camps. It is also impossible to totally separate the Coach's time, as his contract shows that he is employed on a twelve-month basis. The State Auditor's Special Review stated that "the College incurred some expenses for the Camps although the Coach received the revenues." If any federal work study funds were involved, it was also an inappropriate use of federal resources as discussed below.

5. Baseball player participation in the Work Study program was minimal and not accurately reflected in College records.

State Auditor's Findings: During the period from September 2002 through May 2005, the College paid baseball players \$34,167.38 through the work study program. Several of the baseball players said actual time spent performing work study duties was significantly less than what was documented on timesheets. All of the players interviewed by the State Auditor said hours worked were inconsistent and depended upon the time of year and what needed to be done. Players stated they worked at middle school games held on the college's campus for several hours each month, prepped the baseball field for practice which took about 15 minutes, and worked at the coach's baseball camps for a couple of hours each day during the three or four-day camps. One player stated the most he ever committed to the work study program during one week was five to six hours.

The baseball players indicated that the coach completed the timesheets on behalf of the players and despite their assertion that they worked inconsistent hours, the timesheets consistently indicated that the players worked 40 hours per month. Several of the timesheets indicated that players had worked when the College was closed for inclement weather, weekends, and holidays. Although

the coach signed a statement on the timesheets stating that the timesheet was a true and accurate record of the hours worked by the players, the Financial Aid staff would remove obvious time the player's could not work due to the College being closed.

The Auditor recommended the strengthening of the College's oversight of the work study program.

Response of Blue Ridge Community College: No written job descriptions were created for baseball players engaged in work study duties (players were not interviewed during the College's *Factual Inquiry* because the lack of job descriptions made it impossible to determine whether the hours reflected on the timesheets were actually worked). The Coach was in sole control of determining what work study funds were awarded to the baseball players, and the Coach stated that the players worked an average of 10 hours per week on work study activities.

Additional Information: To the extent that federal work study funds were used to pay baseball players for work performed for the Coach's company, Bears Baseball Camps, Inc., federal regulations appear to have been violated. 34 C.F.R. § 675.23 governs the employment of work study students by private, for-profit companies. Among other things, this federal regulation requires that the employment must be related to the student's educational program and that the private for-profit organization must provide the non-federal share of the student's compensation. Any connection between the baseball player's educational program and their work for BBC, Inc. would be tenuous at best and no evidence has established that BBC, Inc. paid the non-federal share of the student's compensation.

Finally, federal work study rules were violated in that the coach provided fraudulent certification as required by 34 C.F.R. § 675.19 when the coach certified the number of hours worked each week by the baseball players. Instead of keeping records of time actually worked, it appears that the baseball coach attempted to pay the baseball players participating in the work study program a salary equivalent to the maximum number of hours per week a student is permitted to work in the program in order to maximize the revenue available to cover costs associated with the baseball program and the housing of certain baseball players. The payment of a salary using federal work study funds to an undergraduate violates 34 C.F.R. § 675.24.

6. The Baseball Coach operated without adequate oversight from the business office or senior College officials.

State Auditor's Finding: The Educational Foundation's receipt of a substantial endowment in 2002 was seen by the President as an opportunity to start a new athletic program for the College. Funds from the endowment were used to construct a baseball field and the College simultaneously hired a baseball coach. His duties were to be split between teaching physical education classes and serving as head of the baseball program. At the time of the Auditor's report, the Coach reported directly to the President and had use of a vehicle, credit cards,

and a cellular telephone – all amenities that were not provided to other faculty members.

The President authorized the Baseball Coach to offer scholarships, housing, and participation in the College's work study program as incentives in the recruitment of players. The Coach appeared to operate independently of the Financial Aid Office with respect to these items, and he was not required to follow the College's purchasing guidelines contained in the Policy and Procedures Manual. The College had no written policies for expenses incurred specifically for its athletic programs, nor did it have policies that outlined discretion given to the Coach to offer financial assistance or arrange housing. All College employees that were interviewed said that they "just knew" that the Coach was allowed to operate outside established procedures because he answered only to the President.

Response of Blue Ridge Community College: The President directed in the fall of 2003 that the Baseball Coach would be supervised by the President's Office for all matters except those relating to instruction. It was not the President's intent to direct the day-to-day operations of the baseball program, but by removing it from the customary chain of command, confusion and uncertainty were created among the College staff with respect to the Coach's supervision. The result was that he operated without proper supervision and oversight.

While the President met with the Baseball Coach on several occasions to discuss the financial aspects of the baseball program's operation, no written records of the discussions or directives that may have been issued were created, and no records of counseling sessions are said to exist. There were no clear lines of supervisory authority or division of responsibility that were established in writing by the President.

Additional Information: As previously noted, the Baseball Coach formed BBC, Inc. on July 21, 2003. This venture may have conflicted with the College's Dual Employment Policy and its successor, the Secondary Employment Policy. Dr. Joyner reported that the Coach indicated that he was not aware of the College's policies regarding dual/secondary employment and conflict of interests. However, Article #5 of the Employment Contract, which he signs annually, clearly puts the employee on notice in regard to being aware of policies and requiring compliance with them. Apparently, no one at the College questioned the Coach about a possible violation of the employment policies because they were unaware of the existence of BBC, Inc. The creation of BBC, Inc. blurred the Coach's ability to distinguish between his public and private responsibilities in regard to operations of the baseball program.

In fairness to the Financial Aid and Business Office staff, there is considerable evidence in emails, handwritten notes, memoranda, and other communications that they were concerned about abuses in the work study program and violations of the College's fiscal policies and procedures by the Coach, and sought to effect corrective actions. A number of employees in both divisions began to express misgivings about Towe's failure to follow institutional procedures on matters ranging from work study to financial processes, and some of those concerns were expressed to senior administrators and to the President. Personnel in

Student Services and the Business Office sat down on numerous occasions with Towe to provide guidance on proper procedures to correct errors that were being made, but such guidance appears to have fallen on deaf ears.

Several employees interviewed by Dr. Joyner indicated that while they were troubled by Towe's continuing failure to abide by regulations and procedures despite their pleas, they were reluctant to press the issue because Towe was viewed by them as having the President's blessing to operate in this fashion. The situation continued to deteriorate. Invoices for suppliers were not presented by the Coach to the Business Office for payment for months at a time, depriving vendors of money that was legitimately owed to them. At least one supplier, Pepsi-Cola, went so far as to place the College's entire account on a C.O.D. basis because of bills that went 60 days past due without payment.

7. The Baseball Coach initiated financial transactions in violation of College policy.

State Auditor's Findings: The President authorized the Baseball Coach to offer scholarships, financial aid, and living arrangements for baseball players. The Baseball Coach enrolled select players in the College's work study program with the intention of using work study funds to cover the players' living expenses. The Coach selected players to live in the Spearman rental property, oversaw the players' work study duties, filled out their timesheets, picked up their work study checks, and delivered the rental payment to the landlord. The College had no internal controls for any of these activities.

In 2002, the Baseball Coach entered into a verbal agreement to provide housing for select players. Although the agreement was made with the knowledge and approval of the President, it was carried out without any written authorization. College policy stipulates that only the President or a designee can be responsible for purchasing and contracting on behalf of the College. Additionally College policy requires that no obligations for which payment would be made from funds administered by the College is permitted without prior written authorization by the President or his designee. Payment for the rental unit by the College also violated the College's policies and procedures that state the College does not provide housing for students.

The Baseball Coach was not required to have the Business Office prepare, review, or approve a rental agreement, nor was he required to submit documentation regarding monthly rental payments and related expenses. The Baseball Coach was not required to document the individuals living in the rental property, and the College did not require the players to sign any type of lease or agreement with regard to the living arrangements.

Response of Blue Ridge Community College: The baseball coach did incur liabilities in violation of College policy. The Baseball Coach was provided with a College-owned vehicle and was not required to account for personal use versus business use of the vehicles. Also, the Baseball Coach was also provided with both a College credit card and a gasoline credit card for use in recruiting activities. The Baseball Coach was not required to obtain prior approval for

credit card expenditures, nor was he required to submit and adhere to a budget for recruiting activities.

Additional Comments: The coach's violations of this College policy surpass those that were discussed in the Auditor's report or in the *Factual Inquiry*. For example, the Coach executed a contract on behalf of the College with a local hotel to provide housing for a visiting baseball team without seeking or obtaining prior approval.

8. College Officials did not effectively address concerns regarding the Baseball Coach. The President failed to comply with Board policy by not formally evaluating the Coach's performance when he was under the President's direct supervision.

State Auditor's Finding: The Auditor interviewed a number of persons on the staff and determined that a significant number of concerns regarding the Baseball Coach were continually brought to the President's attention over the span of approximately three years. The issues generally related to the Coach's misuse of resources and failure to follow institutional fiscal guidelines. The President's response was often that he would handle the issues through counseling sessions with the Coach. He stated to the Auditor that he was aware of concerns regarding the use of credit cards, the College-owned SUV, work study issues, delinquent rental payments, and failure to follow policies. The Auditor reported, "According [to] the president, he became aware of rent owed to the landlord more than a year prior to the beginning of our review...We found no evidence the President attempted to resolve this issue after becoming aware of it."

Even so, the Coach's access to College property and funds was not restricted until after the issuance of the rental check on June 1, 2005. President Sink placed the Coach on a 90-day probation the following day, but was unable to provide any records to document additional counseling sessions.

Response by Blue Ridge Community College: The College stated that during the 90-day probation period, the Coach was to meet regularly with representatives from the Business Office to achieve compliance with fiscal requirements, and he was directed to improve his budget management and communications skills. On April 6, 2006, the Coach was placed on a more restrictive one-year probation by the Dean of Instruction.

Additional Information: The College's policy on performance evaluation requires that employees be evaluated by their supervisor at least once annually. There is evidence that the President failed to fulfill this responsibility.

9. College Officials failed to comply with State law in obtaining approval for construction of the baseball field.

Under the authority granted to the State Board by General Statute 115D-5 (a), "The State Board shall have authority with respect to individual institutions: to approve sites, buildings, building plans, budgets...." This authority is amplified in

Chapter 23 of the North Carolina Administrative Code 02D.0602: "The State Board is charged with the responsibility to approve sites and building plans, among other things, for all colleges, regardless of source of funds." Following passage of the statewide bond referendum in 2000, the threshold for requiring the formal approval and bidding process was raised from \$100,000 to \$300,000.

The North Carolina Community College System received an Owner-Architect Agreement from the Blue Ridge Community College Educational-Foundation, stating that funding for Project 1205 for construction of a baseball stadium and field was \$516,630.00. On September 20, 2001, the College made a verbal request for permission to use \$250,000.00 of Repairs and Renovations funds from the bond issue to supplement the project if necessary, but the request was denied because the project was for new construction rather than repairs to an existing facility. No further documentation was ever sent by the College to the System Office and no NCCCS Form 3-1 requesting State Board approval was ever filed. The Educational Foundation records do indicate, however, that advertisements for bids and competitive building procedures were followed.

The Foundation spent \$284,585.23 on design and construction of the baseball field. An examination of College records revealed an additional \$27,981.56 was spent from county funds for the baseball stadium. The county funds were spent for construction and erection of a scoreboard, gravel for the baseball field, drainage materials, etc., which appear to have been necessary for completing the baseball field and bringing it to a fully-functioning condition.

The total amount spent by the College on the baseball stadium and field was \$312,566.79, which exceeded the \$300,000.00 threshold for proceeding with construction without gaining State Board approval. The College failed to seek such approval as required, violating the statute and depriving the College from receiving the benefit of the Office of State Construction's inspection and advisory services, even though the project was constructed without use of state funds.

10. State funds were, and still are being, expended by the College in support of its baseball program, despite receiving numerous directives against such a practice.

Prior to the start of the baseball program at Blue Ridge, the System Office received a telephone call from President Sink that made inquiry about the permissible uses of state funds in intercollegiate athletic programs. Kennon Briggs, Vice President for Business and Finance, and Larry Morgan, Director of Budgeting and Accounting, advised the President during the conversation that (1) State funds cannot be used to operate intercollegiate athletic programs, and (2) that for College employees whose duties are split between athletics and other assignments, timesheets should be kept so that their salaries could be paid on a prorated basis from appropriate sources.

From the beginning of his employment on February 11, 2002, through June 30, 2006, Coach Damon Towe was paid \$148,674.00 in salary by Blue Ridge Community College. With the exception of a small supplement paid to all faculty from local sources, Towe's salary was paid entirely from state funds – 50 percent

was coded to Curriculum Instruction and 50 percent to Student Services – and all coming from the state aid budget.

A special program review of the Coach's teaching schedule since his employment indicates that his teaching duties range between 3 to 6 hours per week and lab hours between 6 to 8 hours weekly. Those classes contain a mixture of students from various programs and do not appear to be overly dominated by baseball players, although the names of several players do appear on the Coach's class rolls. The course schedule contains multiple sections of wellness-type classes, and has included courses in "Coaching Baseball", "Prevention and Care of Athletic Injuries", and "Sports Science as a Career".

Roughly half of the Coach's courses are conducted online through distance education. The program review determined that while the College does maintain a log of online activity between instructors and students, this information is routinely purged at the end of each semester, and thus it was not possible to determine the extent to which the Coach maintained an ongoing dialogue with his students. This practice has however been institution-wide and has not been limited to physical education courses.

In a letter dated April 7, 2006 from Ms. Elizabeth Grovenstein, Assistant State Budget Officer for Education to Mr. Kennon Briggs, Vice President for Business and Finance of the North Carolina Community College System, Ms. Grovenstein advised that community colleges cannot spend state funds to support intercollegiate athletics. "Expending state funds for such a purpose would be inconsistent with the NC General Statutes and prior state policy. NC General Statutes, Chapter 143.23(a) states that all appropriations are for the purposes or programs for which they were enacted by the General Assembly. Appropriations that support the colleges in the State Aid budget are for instructional, administrative and support programs. None of these purposes include intercollegiate athletics." A copy of Ms. Grovenstein's letter is included as Attachment 1.

The prohibition against using state funds to support athletics has been communicated to college presidents and administrators on numerous occasions over the years. Most recently, the topic of intercollegiate athletics was discussed at the April 27, 2006 Spring Meeting of the North Carolina Association of Community College Presidents at Wake Technical Community College in Raleigh. Among the items included in each president's package that was distributed and discussed at the meeting was a copy of Ms. Grovenstein's letter. Attendance records from the meeting indicate that Blue Ridge Community College was represented at this meeting by Dr. Earl Medlin, Dean of Instruction.

Finally, information received from the College on November 30, 2006, indicates that Coach Towe is still being paid entirely from state funds, as is the women's volleyball coach, with the exception of the small local supplement paid to all faculty members. If one were to make a liberal assumption that the Baseball Coach has spent 75 percent of his time since being hired on classroom instruction and recruiting activities, the remaining 25 percent which has been inappropriately paid from state funds could amount to as much as \$38,168.50, which the College could be asked to repay.

11. The College expended more than three-quarters of a million dollars on its baseball program over a period of four years, including more than \$600,000.00 from Special and Foundation funds that depleted its financial reserves and affected its ability to deal effectively with the restrictions imposed in July 2006 by the U.S. Department of Education on advance payment of federal financial aid. Information from the State Auditor and the College indicates that athletic programs operated in a deficit at least in Fiscal Year 2005-06.

From its inception in early 2002, funding for Blue Ridge's baseball program was provided from a variety of sources. Starting in February 2002, and continuing through June 2003, the College's Foundation provided most of the non-salary expenditures. It included most of the costs related to design and construction of the baseball field, purchase of a sport utility vehicle, cell phone service, scholarships, etc., under the erroneous assumption that a gift to the Foundation would provide the necessary funds. Salary monies paid to Coach Damon Towe were provided through state funds, as noted elsewhere in this report.

The remainder of funding for the baseball programs came from two sources. A total of \$61,196.70 was spent from County funds beginning in September 2002, and continuing through June, 2006. Of that amount, at least \$27,981.56, or 45.7%, was expended for capital improvements at Moreno Stadium. The College made extensive use of its Special Funds Account to support the baseball program, spending at least \$252,091.84 from January 2003, through June 2006. The Special Funds Account consists of dollars coming from a variety of non-appropriation sources, including vending revenues and unrestricted overhead receipts. The total amounts expended on the baseball program by revenue source included:

| | |
|------------------------------------|---------------------|
| State Funds for Salary | \$148,674.00 |
| County Funds | 61,196.70 |
| Special Funds | 252,091.84 |
| Foundations Funds | <u>372,840.18</u> |
| TOTAL BASEBALL EXPENDITURES | \$834,802.72 |

To provide a basis for evaluating the expenditures made by Blue Ridge on its baseball program, information was obtained from Rockingham Community College, which has operated a men's baseball program for about the same length of time as Blue Ridge and which is similarly classified by the National Junior College Athletic Association as a Division I school. From July 1, 2005, through June 30, 2006, Rockingham spent \$23,500.00 on its men's baseball program. During the same period, Blue Ridge spent \$65,557.32 from Special Funds alone to operate its program, or 2.78 times as much as Rockingham. For Fiscal Year 2006-07, the Trustees of Blue Ridge Community College approved a budget for the baseball program of \$100,312.00.

Some of the major baseball expenditures from the Special Funds account include the following: A total of \$65,067.00 was spent to transport the team to its away

games on chartered buses. Another \$23,957.79 was paid to Coach Towe, mainly in the form of cash advances which he used to pay for the meals of players and coaches whenever the team traveled. There appears to be little, if any, accountability for meal expenditures. Coach Towe developed a sheet that each player and coach eating would initial and expenditures would then be assigned to each player or coach. Receipts were not provided by the Coach, so there can be no accounting for balances that may have been left over and which should have been returned to Special Funds.

A review of the expenditures made from Special Funds suggests that these funds may have been expended unwisely on occasion for items relating to the baseball program. Some examples contained in the documentation include:

- 12 baseball bats were authorized by Purchase Order #2570 on September 2, 2003, from Players Sporting Goods in Charlotte in the amount of \$2,004.00, or \$167.00 each.
- A purchase requisition was signed on November 6, 2003, to Players Sporting Goods that included two pairs of Oakley sunglasses, one for \$130.00 and a second pair for \$105.00.
- The "meal money" sheet dated April 21, 2006, for the Barnwell, South Carolina trip indicates that the players were allocated a total of \$25.00 each for their meals, while the four coaches were allotted a total of \$68.75 each for their meals. Advances for meals for both players and coaches are written from the Special Funds account. From the time that these advances were provided, no excess funds have ever been returned by the Baseball Coach for redeposit into the Special Funds account, and no receipts for the team meals have been provided to the Business Office.
- An invoice from Artistic Framing Company dated March 28, 2003, totaled \$1,392.72, which included five large framed prints of Moreno Stadium (\$105.45 each, total of \$484.16 after discount); twenty-six small framed prints of the Stadium (\$31.45 each, total of \$572.39 after discount); and three framed newspaper articles from the Hendersonville Times-News entitled "Dr. Sink Having a Ball" (\$112.25 each, total of \$286.23 after discount).
- The College spent \$5,750.00 in 2004 and 2005 to transport players and coaches to games in Spartanburg and Greenville, South Carolina on five occasions. These sites are approximately one hour from the Blue Ridge campus and the records do not indicate whether less-costly alternate forms of transportation (such as college vans) were considered. Additionally, the College paid \$970.20 to house the team in Spartanburg at the Fairfield Inn on the evenings of May 5 and 6, 2004, which should have been unnecessary due to the proximity to the College. The hotel receipt further indicates that Coach Towe spent two additional nights at the Fairfield Inn on this trip, May 4 and 7 – the night before and the night after the team was there.
- When the team began its first season in the fall of 2002, the College did not provide health insurance for its players to cover any injuries that they might receive from participation on the team. The program went for a year without coverage, exposing the College to potential liability. One year later, on October 31, 2003, the College was forced to reimburse the

parents of one player in the amount of \$3,139.59 for medical treatment he received following an injury. A second payment was made five months later, on March 31, 2004, to the parents of another player for reimbursement of his medical expenses in the amount of \$3,176.82. The College subsequently contracted with Summit America Insurance Services to provide intercollegiate medical insurance coverage for its players, but waited four and a half months after paying the second claim before doing so, again exposing the College to further liability.

- The College's insurance company was notified on November 19, 2003, that a radar gun, several baseball bats, and a number of golf clubs had been stolen from the Industrial Arts building after Coach Towe had accidentally left a door unlocked. Three months later, on February 24, 2004, the insurance adjustor sent the College a notice of loss that requested a listing of the items that had been reported missing. No response to the letter was sent by the College. The adjustor then sent a second letter, asking for an itemized list to be sent within ten days or the claim would be closed. The adjustor actually waited longer than the ten days for a response from the College, but again, none was forthcoming and the claim was closed by the company as unpaid on April 22, 2004. The insurance agent stated in an interview that the claim would almost certainly have been paid if the College had simply complied with the request for an itemized list. One month prior to the initial letter from the adjustor, Purchase Order #56049 was issued on January 28, 2004 to Applied Concepts of Plano, Texas, for a new radar gun. The cost was \$925.00 and the purchase requisition indicates that the College insurance would provide reimbursement for the expense. However, the College failed to respond to repeated requests for information from the adjustor and nearly \$1,000.00 in Special Funds was expended needlessly by moving ahead with the purchase. This expenditure would not have been necessary had the College performed due diligence in responding to the requests of its own insurance agent.

An itemized listing of expenditures made from Special Funds is included as Attachment 2, with a listing of those made from County Funds as Attachment 3.

On July 18, 2006, the College was notified by the U.S. Department of Education that it had transferred Blue Ridge Community College from the Advance method of payment of federal financial aid to the Heightened Cash Monitoring 2 method of payment. The notification letter stated that, "The Department has taken this action because of findings resulting from the North Carolina Investigative Audit Report #2006-0290 citing fiscal irregularities regarding Work Study funds." This action requires that the College advance from its own cash reserves the amount of funds awarded each semester for such forms of federal financial aid as Pell Grants and student loans. Because more than \$600,000.00 of these reserves was depleted by their expenditure on the baseball program, the College's ability to deal effectively with the Department of Education's restrictions has been adversely impacted.

On July 12, 2006, the Trustees adopted a plan to eliminate deficits in the College's athletic programs. The Annual Financial Statement completed by the Office of the State Auditor on June 23, 2006, stated that the College ended the

2004-05 Fiscal Year with deficits of \$19,900 in the baseball program and \$13,400 in the volleyball program.

12. The Trustees of the College have taken a number of positive actions to address issues raised during the course of the investigations of these matters. However, action remains to be taken on other substantive issues.

As part of the Factual Inquiry approved on April 25, 2006, the Trustees of Blue Ridge Community College adopted an 18-point plan to address a number of issues that were raised by the Auditor's Special Review and their own investigation. Among these positive actions were the completion of an Athletic Policy and Procedures Manual, changes in the training of athletic coaches in the procedures utilized in the administration of financial aid to students, implementation of random visits to all work study sites at least once per semester, and reimbursement of federal work study funds that were distributed in the absence of the College's ability to certify that they were administered properly.

Oversight of the work study program has been strengthened to insure its integrity. The Trustees have included in their Athletic Program Procedure provisions for the use of College athletic facilities by other organizations when they are not in use by the College. Athletic coaches are no longer permitted to sign for and pick up the checks of any student athlete that is participating in the work study program. The Trustees have also adopted a plan that will financially sustain athletic programs offered by the College. The College should be commended for taking these actions in response to the findings of the investigations.

Even so, the College has failed to respond appropriately in other areas. As previously mentioned, it continues to pay its athletic coaches almost exclusively from state funds despite the attention that this matter has received over the past twelve months and repeated admonitions that doing so is a violation of law. A review of the Spring 2007 schedule for the baseball team shows a number of games scheduled during the week at times when the Baseball Coach is being paid from state funds, a continuation of the procedure that has been called into question. The College should immediately cease this practice and come into compliance with directives that have been issued on this subject over the years.

The State Auditor recommended in the Special Review that, "The College should develop and implement policies and procedures for award of athletic scholarships and financial aid." This point was amplified among the listing of Corrective Action Taken by the Trustees in the Factual Inquiry: "All work study and College scholarship awards to athletes will be approved by the College Financial Aid/Scholarship Committee." Dr. Joyner recommended that scholarship committees be the sole vehicle for awarding scholarship funds. Thus, it is disappointing to read the following statement contained in the Intercollegiate Athletic Program Policies and Procedures adopted on September 28, 2006: "Student athletes may be awarded scholarships for athletic participation by head coaches, subject to budget limitations established by the

President and Management Team and the rules and policies of the NJCAA.” The College should adopt its own recommendation to revise its procedure to prevent abuses and prohibit the awarding of scholarships by any single individual.

Since the baseball team began traveling to scheduled away games, the College has had a practice of providing advances for meals for both players and coaches in the form of a check that is requested prior to the travel date and given to the Baseball Coach. Funding for the advances comes from the College’s Special Funds account. Upon return from the trip, the Coach has historically given the Business Office a sheet that has been initialed by each player and coach, indicating how much each of them received as an allowance toward their meals while on a particular trip. This is apparently the only documentation that is provided to support expenditures that were made for meals. The Business Office states that no excess funds have ever been returned by the Baseball Coach for redeposit into the Special Funds account, and no receipts for the team meals have been provided to support the expenditures authorized by this practice. The College should adopt operational guidelines and procedures that insure greater accountability for the expenditures of all funds held in trust by the College, including receipts for food.

Options Available to the State Board

After considering the Synopsis of Findings and Recommendations made in this Report, the State Board of Community Colleges could choose to take no further action, or it could take numerous actions against Blue Ridge Community College, including:

1. Issue a reprimand to the Trustees of Blue Ridge Community College and/or President David W. Sink, Jr., for failures documented in this synopsis.
2. Withhold a portion or all of the state funds presently allocated to Blue Ridge Community College, pursuant statutory authority contained in NCGS 115D-6 and 23 NCAC 02C.0109.
3. Withdraw its approval of David W. Sink, Jr. to serve as President of Blue Ridge Community College.
4. Seek removal of members of the Board of Trustees for failing to discharge the duties of their office as provided in NCGS 115D-19.
5. Require a repayment by Blue Ridge Community College of the state-funded salary paid to athletic coaches and other members of the faculty and staff in proportion to the number of hours spent in performance of duties inconsistent with the permitted uses of state funds.

ATTACHMENT 1

Letter from Ms. Elizabeth Grovenstein,
Office of State Budget and Management
to
Mr. Kennon Briggs, North Carolina Community
College System

April 7, 2006



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

MICHAEL F. EASLEY
GOVERNOR

DAVID T. MCCOY
STATE BUDGET DIRECTOR

April 7, 2006

Mr. Kennon D. Briggs
Vice President, Business and Finance
North Carolina Community College System
200 West Jones Street
Raleigh, NC 27603

Dear Mr. Briggs:

I am writing in response to your letter dated April 4, 2006, requesting written guidance on whether the NCCCS community colleges may use state funds in support of Intercollegiate Athletics, particularly whether state funds can be used to pay coaches, offer scholarships, or pay operating expenses:

In response to your inquiry, we must conclude that community colleges cannot spend state funds to support intercollegiate athletics. Expending state funds for such a purpose would be inconsistent with the NC General Statutes and prior state policy. NC General Statutes, Chapter 143.23(a) states that all appropriations are for the purposes or programs for which they were enacted by the General Assembly. Appropriations that support the colleges in the State Aid budget are for instructional, administrative and support purposes. None of these purposes include intercollegiate athletics.

Furthermore, legislation governing the UNC System designates that special funds be used by an institution for the operation of its program of intercollegiate athletics (G.S. 116-36.2). Although this designation doesn't specifically reference the NCCCS, one must conclude that such a designation sets a precedent with regard to the use of non-state funds for intercollegiate athletics. Therefore, community colleges must rely on non-state funding sources for athletics and cannot use state funds which are appropriated for instructional, administrative and related operating purposes only.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth Grovenstein". The signature is enclosed in a hand-drawn oval.

Elizabeth Grovenstein

cc: Bryan Conrad

ATTACHMENT 2

Itemization of Blue Ridge Community College
Expenditures from
Special Funds Account for Baseball Program

STATE BOARD OF COMMUNITY COLLEGES

Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| Date of Encumbrance | Payee | For | Amount | Date of Check | Check Number |
|---------------------|-------------------------------|------------------------------------|------------|---------------|--------------|
| 11/15/05 | Dixie Sporting Goods | Pullovers, Turf Shoes, Cleats, Etc | \$1,296.85 | 2/6/2006 | 1296.85 |
| 1/20/03 | Emma Bus Lines | February 12 Game Expenses | \$800.00 | 2/10/2003 | 54406 |
| 1/20/03 | Fred L. Branham | Baseball Directory | \$100.00 | 2/10/2003 | 54408 |
| 2/10/03 | Phillip Allen | Officials for Baseball Games | \$3,810.00 | 2/10/2003 | 54410 |
| 1/20/03 | Damon T. Towe | Meals for Georgia Perimeter Col. | \$150.00 | 2/10/2003 | 54411 |
| 2/10/03 | Young Harris Motel | Hotel for Baseball Team | \$385.20 | 2/10/2003 | 54412 |
| 2/10/03 | Damon T. Towe | Meals for Roane State | \$150.00 | 2/12/2003 | 54461 |
| 2/10/03 | Emma Bus Lines | February 22 Game Expenses | \$850.00 | 2/13/2003 | 54474 |
| 2/10/03 | Damon T. Towe | Meals for Young Harris | \$300.00 | 2/13/2003 | 54476 |
| 2/10/03 | Emma Bus Lines | February 28 Game Expenses | \$1,400.00 | 2/18/2003 | 54479 |
| 2/6/03 | Hendersonville Printing | Invitations and Schedule Cards | \$314.18 | 2/24/2003 | 54525 |
| 1/30/03 | Fogel Advertising Company | Imprinted Baseball Cups | \$299.30 | 2/27/2003 | 54535 |
| 2/16/03 | Damon T. Towe | Meals for Kinston | \$500.00 | 2/27/2003 | 54548 |
| 1/20/03 | Damon T. Towe | Meals | \$300.00 | 3/3/2003 | 54569 |
| 3/5/03 | The American Drug Company | Candy and Bubblegum | \$49.79 | 3/13/2003 | 54575 |
| 3/17/06 | The American Drug Company | Candy for Concessions | \$37.12 | 3/19/2003 | 54619 |
| 3/5/03 | Ingles | Pepsi for Ball Game Concessions | \$199.71 | 3/19/2003 | 54640 |
| 3/14/03 | Walmart | Snacks for Concessions | \$67.32 | 3/19/2003 | 54662 |
| 3/20/03 | Emma Bus Lines | March 28 Game Expenses | \$1,008.00 | 3/21/2003 | 54673 |
| 1/27/03 | Blue Ridge Community College | Print Shop Charges | \$5.40 | 3/24/2003 | 54683 |
| 3/24/03 | Best Western - Sandalwood Inn | Lodging 03/07-03/09 | \$1,059.30 | 3/27/2009 | 54699 |
| 3/26/03 | Days Inn | Lodging Baseball | \$846.72 | 3/27/2003 | 54714 |
| 3/24/06 | First Team Sports | Jackets, Bags, Shirts, etc | \$2,231.81 | 3/27/2003 | 54716 |
| 3/24/03 | G & S Turf Equipment | Cable and Service Call | \$436.34 | 3/27/2003 | 54717 |
| 3/24/03 | Hendersonville Portable | Portajohn Rentals | \$129.82 | 3/27/2003 | 54722 |
| 3/25/03 | Damon T. Towe | Meals | \$600.00 | 3/27/2003 | 54728 |
| 3/11/03 | Surry Inn | Lodging for Surry Game | \$941.60 | 3/27/2003 | 54739 |
| 2/28/03 | Verizon Wireless | Cellular Service for Damon Towe | \$308.60 | 3/27/2003 | 54740 |
| 3/31/03 | Emma Bus Lines | April 12 and 13 Baseball Trips | \$900.00 | 4/3/2003 | 54754 |
| 3/31/03 | Hendersonville Portable | Portajohn Rentals | \$129.82 | 4/3/2003 | 54760 |
| 3/20/03 | Hendersonville Printing | Photo Prints of Baseball Field | \$235.37 | 4/3/2003 | 54761 |
| 3/28/03 | Verizon Wireless | Cellular Service for Damon Towe | \$73.14 | 4/11/2003 | 54823 |
| 4/14/03 | Lowe's Home Centers, Inc | Permanent Markers | \$6.21 | 4/22/2003 | 54838 |
| 3/28/03 | Days Inn | Lodging for Baseball Team | \$105.84 | 4/30/2003 | 54924 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|------------|---------------------------------|-----------------------------------|------------|------------|-------|
| 4/29/03 | Emma Bus Lines | May 6-10 Baseball Games | \$600.00 | 4/30/2003 | 54925 |
| 5/5/03 | Baseball Express Inc | Miscellaneous Baseball Items | \$46.41 | 5/8/2003 | 54954 |
| 5/5/03 | Hendersonville Portable | Portajohn Rentals | \$129.82 | 5/8/2003 | 54961 |
| Unknown | Ingles | No Documentation of Purchase | \$24.44 | 5/8/2003 | 54964 |
| 5/5/03 | Lowe's Home Centers, Inc | Bucket | \$22.62 | 5/8/2003 | 54969 |
| 5/8/03 | Players Sporting Goods | Sunglasses, Misc Items | \$190.28 | 5/12/2003 | 54988 |
| 4/28/03 | Verizon Wireless | Cellular Service for Damon Towe | \$118.05 | 5/15/2003 | 55010 |
| 1/5/01 | Artistic Framing Company | Prints and Framing Charges | \$371.17 | 6/10/2003 | 55167 |
| 8/11/03 | Blue Ridge Septic and Portajohn | One Month Rental of Portajohn | \$65.00 | 8/12/2003 | 55373 |
| 8/12/03 | Lowe's Home Centers, Inc | Box Fan and Shade Canopy | \$150.80 | 8/12/2003 | 55376 |
| 8/19/03 | Pepsi Cola Bottling Company | Drinks for Baseball | \$64.17 | 8/25/2003 | 55425 |
| 8/28/03 | Emma Bus Lines | 10/22 Charter Bus | \$450.00 | 9/4/2003 | 55453 |
| 8/12/03 | Emma Bus Lines | 9/20 Charter Bus | \$500.00 | 9/4/2003 | 55454 |
| 9/4/03 | Summit America Ins Services | Sports Policy | \$5,025.00 | 9/4/2003 | 55462 |
| None Given | Neil C. Stephens | 3 Recruiting Trips | \$204.00 | 9/19/2003 | 55496 |
| 9/2/03 | Players Sporting Goods | Baseball Bats and Helmets | \$3,367.71 | 9/26/2003 | 55524 |
| 9/21/03 | Pitt Community College | NJCAA Region X Dues | \$200.00 | 9/26/2003 | 55531 |
| 10/15/03 | Blue Ridge Septic and Portajohn | Monthly Rental for Portajohn | \$69.55 | 10/17/2003 | 55601 |
| 10/14/03 | First Team Sports | 114+132 ProLine Hats | \$3,385.27 | 10/22/2003 | 55635 |
| 10/21/03 | Radison Hotel | 3 Hotel Rooms 10/25/03 | \$233.91 | 10/22/2003 | 55643 |
| 10/21/03 | Spearman Food Distributing | Supplies for Parents Day Cookout | \$314.18 | 10/22/2003 | 55647 |
| 10/21/03 | Damon T. Towe | Reimburse Drinks Parents Day | \$149.80 | 10/22/2003 | 55648 |
| 10/21/03 | Damon T. Towe | Sophmore Showcase Meals | \$200.00 | 10/22/2003 | 55649 |
| 10/23/03 | First Team Sports | Miscellaneous Baseball Items | \$413.18 | 10/31/2003 | 55679 |
| None Given | Steve Guffey | Medical Bills - Anthony Guffey | \$3,139.59 | 10/31/2003 | 55681 |
| 11/3/03 | The European Sampler | Catering Services for BB lunch | \$232.60 | 11/3/2003 | 55692 |
| 11/3/03 | NJCAA | NJCAA Dues | \$662.00 | 11/4/2003 | 55707 |
| 11/3/03 | Joshua Simmons | Hendersonville/Raleigh Recruiting | \$189.60 | 11/4/2003 | 55709 |
| 11/4/03 | Damon T. Towe | Travel Advance | \$200.00 | 11/4/2003 | 55722 |
| 11/4/03 | Bryan Easler Ford | Repairs to Explorer | \$1,639.14 | 11/6/2003 | 55728 |
| 11/4/03 | First Team Sports | 40 Dozen Baseballs | \$2,162.70 | 11/6/2003 | 55733 |
| 11/7/03 | The European Sampler | Catering for BB Function | \$232.60 | 11/7/2003 | 55744 |
| 11/10/03 | Players Sporting Goods | 2 Pair Sunglasses | \$279.50 | 11/11/2003 | 55758 |
| 11/4/03 | Damon T. Towe | Reimburse for Add. Exp re Advance | \$2.74 | 12/9/2003 | 55863 |
| 12/9/03 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$69.55 | 12/10/2003 | 55868 |
| 12/11/03 | Awards and Framing | 13x20 Walnut BB Pic plus Engrav | \$100.58 | 12/12/2003 | 55876 |
| 12/17/03 | Dixie Sporting Goods | Women's Shirts | \$95.25 | 12/29/2003 | 55917 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|-----------|-------------------------------------|---------------------------------|------------|-----------|-------|
| 12/27/03 | Dixie Sporting Goods | Shirts and Jackets | \$4,870.06 | 1/7/2004 | 55941 |
| 1/7/04 | ESPN The Magazine | Subscriptions | \$70.00 | 1/7/2004 | 55943 |
| 11/24/03 | Atchison Charter Service | BB Trip to Sanford FL | \$2,182.00 | 1/13/2004 | 55955 |
| 1/14/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$69.55 | 1/15/2004 | 55973 |
| 1/20/04 | Players Sporting Goods | College T-Shirts | \$1,971.55 | 1/22/2004 | 55994 |
| 1/22/04 | Baseball Carolina | Umpires for 2004 Season | \$4,480.00 | 1/23/2004 | 56003 |
| 1/26/04 | Ramada Inn | Orlando FL 2/13-15/2004 | \$1,433.61 | 1/28/2004 | 56012 |
| Not Dated | Damon T. Towe | Meals | \$600.00 | 1/28/2004 | 56013 |
| 1/29/04 | Applied Concepts | Radar Gun | \$925.00 | 2/10/2004 | 56049 |
| Not Dated | Damon T. Towe | Meals | \$600.00 | 2/10/2004 | 56058 |
| 2/10/04 | Ramada Inn | Additional Room - FL Trip | \$159.29 | 2/11/2004 | 56067 |
| 2/10/00 | Damon T. Towe | Additional Meal Money - FL Trip | \$100.00 | 2/11/2004 | 56068 |
| 2/8/04 | Lowe's Home Centers, Inc | Boots, Fabric, Drain Cleaner | \$47.59 | 2/18/2004 | 56082 |
| 1/14/04 | Atchison Charter Service | BB Trip to Wilkes CC | \$1,438.00 | 3/4/2004 | 56108 |
| Not Dated | NC Department of Revenue | Sales Subject to Sales Taxes | \$170.36 | 3/4/2004 | 56127 |
| 3/31/04 | Damon T. Towe | Meals | \$300.00 | 3/5/2004 | 56146 |
| 1/5/04 | Atchison Charter Service | Team Trip to Clarkston GA | \$4,308.00 | 3/16/2004 | 56163 |
| 3/4/04 | Pizza Inn | Meals for Visiting Team | \$172.75 | 3/16/2004 | 56180 |
| 2/4/04 | Players Sporting Goods | Fungo Bats | \$155.15 | 3/16/2004 | 56181 |
| 3/8/04 | Quality Inn and Suites | 8 Rooms for Wilkes CC | \$439.92 | 3/16/2004 | 56183 |
| 3/17/06 | Damon T. Towe | Meals | \$300.00 | 3/16/2004 | 56187 |
| 3/19/04 | Damon T. Towe | Meals | \$600.00 | 3/17/2004 | 56199 |
| 3/18/04 | Players Sporting Goods | T-Shirts | \$676.24 | 3/19/2004 | 56209 |
| 4/8/04 | Damon T. Towe | Meals | \$660.00 | 3/23/2004 | 56222 |
| 2/13/04 | Burnett Lime Co Inc | Pro's Choice Soilmaster Red | \$361.13 | 3/29/2004 | 56229 |
| 3/21/04 | Young Transportations | Team Trip Greenville SC | \$2,100.00 | 3/29/2004 | 56242 |
| 3/30/04 | Dixie Sporting Goods | T-Shirts, Jackets, Shoes, Pants | \$3,155.71 | 3/31/2004 | 56257 |
| 3/30/04 | Lowe's Home Centers, Inc | Miscellaneous Baseball Items | \$25.34 | 3/31/2004 | 56259 |
| 3/29/04 | Sandy Williams | Medical Bills - Brian Williams | \$3,176.82 | 3/31/2004 | 56263 |
| 11/16/03 | Team Connection Inc | Miscellaneous Baseball Items | \$602.94 | 4/2/2004 | 56271 |
| 3/26/04 | Damon T. Towe | Meals | \$660.00 | 4/2/2004 | 56272 |
| 4/7/04 | Anaconda Sports Inc | Fungo Bats | \$88.80 | 4/8/2004 | 56297 |
| 4/7/04 | Athletic Laundry Soaps and Supplies | Uniform Soap and Laundry | \$577.43 | 4/8/2004 | 56298 |
| 4/7/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 4/8/2004 | 56299 |
| 4/14/04 | Damon T. Towe | Meals | \$300.00 | 4/8/2004 | 56313 |
| 1/5/04 | Atchison Charter Service | Team Trip Young Harris GA | \$1,130.00 | 4/14/2004 | 56318 |
| 2/17/04 | Lowe's Home Centers, Inc | Miscellaneous Baseball Items | \$4.78 | 4/14/2004 | 56329 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|------------|---------------------------------|------------------------------------|------------|-----------|-------|
| 5/8/04 | Damon T. Towe | Meals | \$300.00 | 4/14/2004 | 56334 |
| 3/21/04 | Travelodge Greenville | Lodging 03/21/04 | \$934.74 | 4/14/2004 | 56335 |
| 4/15/04 | Pitt Community College | Region X Tournament Dues | \$250.00 | 4/21/2004 | 56363 |
| 4/1/04 | Damon T. Towe | Meals for Wilkes CC Trip | \$300.00 | 4/21/2004 | 56370 |
| 4/1/04 | Atchison Charter Service | Team Trip Wilkes Cc | \$575.00 | 4/21/2004 | 56372 |
| 4/13/04 | Holiday Inn Express | Team Trip Whiteville NC | \$1,003.20 | 4/21/2004 | 56375 |
| 1/29/04 | First Team Sports | Field Paint | \$128.24 | 4/27/2004 | 56383 |
| 4/29/04 | Applied Concepts | Soft Padded Bag for Software Unit | \$89.00 | 4/29/2004 | 56398 |
| 4/28/04 | Damon T. Towe | Meals | \$300.00 | 4/29/2004 | 56407 |
| 3/26/06 | Hampton Inn - Eden | Lodging 03/26-28/04 | \$1,154.64 | 5/3/2004 | 56413 |
| 5/4/04 | NC Department of Revenue | Sales Subject to Sales Taxes | \$261.57 | 5/4/2004 | 56420 |
| 4/27/04 | First Team Sports | Field Paint | \$454.53 | 5/5/2004 | 56445 |
| 5/4/04 | Lowe's Home Centers, Inc | Weed Killer and Fertilizer | \$200.11 | 5/5/2004 | 56449 |
| 3/5/04 | Flat Rock Signs and Graphics | Admission Price Signs | \$48.15 | 5/20/2004 | 56537 |
| None Given | BRCC Special Funds | Not Provided | \$2,411.25 | 5/24/2004 | 56543 |
| 5/24/04 | Lowe's Home Centers, Inc | Cable Ties, Anchors, Drill Bits | \$50.00 | 5/25/2004 | 56559 |
| 4/21/04 | Photo Quick One Hour | Reprints for Tournament | \$30.36 | 5/26/2004 | 56569 |
| 5/25/04 | Players Sporting Goods | Miscellaneous Baseball Items | \$457.93 | 5/26/2004 | 56570 |
| 1/28/04 | Dixie Sporting Goods | Baseball Supplies | \$240.93 | 5/31/2004 | 56579 |
| 5/5/04 | Atchison Charter Service | Team Trip to Spartanburg SC | \$1,050.00 | 6/4/2004 | 56594 |
| 6/4/04 | NC Department of Revenue | Sales Subject to Sales Taxes | \$109.92 | 6/4/2004 | 56609 |
| 6/18/04 | The NCAA News | Class Ad for Asst BB Coach | \$117.00 | 6/21/2004 | 56707 |
| 6/21/04 | Bankcard Services | Lodging, Car Repair, Sat Radio Svc | \$2,468.57 | 6/22/2004 | 56713 |
| 6/21/04 | Lowe's Home Centers, Inc | Walking Wheel, Open Reel | \$58.74 | 6/22/2004 | 56716 |
| 7/4/04 | NJCAA | Annual Dues | \$650.00 | 7/12/2004 | 56780 |
| 7/13/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 7/13/2004 | 56785 |
| 8/2/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 8/5/2004 | 56870 |
| 8/2/04 | Tire Master of Hendersonville | 2 Michelin Tires for Explorer | \$320.40 | 8/5/2004 | 56898 |
| 6/27/04 | Bankcard Services | Meals, Lodging, Car Wash | \$221.78 | 8/9/2004 | 56913 |
| 8/6/04 | Summit America Ins Services | Intercollegiate Med Insurance | \$7,597.00 | 8/17/2004 | 56947 |
| 9/2/04 | C & H Baseball Inc | 4 Windcreens | \$3,166.70 | 9/9/2004 | 57042 |
| 8/12/04 | First Team Sports | Diamond Baseballs | \$288.28 | 9/14/2004 | 57069 |
| 9/11/04 | Pig Out Bar-B-Que | Dinners for Parents Weekend | \$1,284.00 | 9/14/2004 | 57073 |
| 9/10/06 | Spearman Food Distributing | Plates, Forks, Napkins | \$39.65 | 9/14/2004 | 57077 |
| 9/15/04 | Phillip Allen | Officials for 12 Fall Games | \$1,250.00 | 9/22/04 | 57105 |
| 9/22/04 | BRCC Special Funds | Reimbursement | \$109.84 | 9/22/2004 | 57120 |
| 8/11/04 | Atchison Charter Service | Team Trip Misenheimer NC | \$575.00 | 10/5/2004 | 57134 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|----------|---------------------------------|--------------------------------|------------|------------|-------|
| 10/5/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 10/5/2004 | 57136 |
| 7/23/04 | First Team Sports | Practice Caps | \$422.47 | 10/5/2004 | 57139 |
| 9/16/04 | Nash Welding Co Inc | Welding, Dugout Club | \$90.00 | 10/5/2004 | 57143 |
| 10/5/04 | NC Department of Revenue | Sales Subject to Sales Taxes | \$261.48 | 10/5/2004 | 57144 |
| 8/12/04 | Bankcard Services | 1 Pallet of Sod | \$117.35 | 10/18/2004 | 57240 |
| 8/11/06 | Atchison Charter Service | Team Trip Central SC | \$525.00 | 10/27/2004 | 57278 |
| 10/27/04 | BRCC Special Funds | Reimbursement | \$243.02 | 11/2/2004 | 57291 |
| 10/26/04 | Jason L. Gardner | Repair PA System | \$80.00 | 11/2/2004 | 57297 |
| 10/28/04 | Damon T. Towe | Meals | \$300.00 | 11/2/2004 | 57307 |
| 11/3/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 11/4/2004 | 57324 |
| 11/4/04 | First Team Sports | 72 Baseballs | \$314.32 | 11/9/2004 | 57339 |
| 8/16/04 | Lowe's Home Centers, Inc | Cable and Entrance Lever | \$143.60 | 11/9/2004 | 57343 |
| 10/12/04 | Tomark Sports | Tees and Twine | \$163.52 | 11/11/2004 | 57362 |
| 11/17/04 | Bankcard Services | Meals, Sporting Goods, Brooms | \$430.33 | 11/17/2004 | 57390 |
| 11/18/04 | BRCC Special Funds | Reimbursement | \$522.41 | 11/18/2004 | 57395 |
| 11/15/04 | Players Sporting Goods | Sophmore Showcase Tshirts | \$456.88 | 11/29/2004 | 57411 |
| 11/30/04 | NC Department of Revenue | Sales Subject to Sales Taxes | \$148.03 | 12/2/2004 | 57438 |
| 12/10/04 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$219.10 | 12/13/2004 | 57500 |
| 12/18/04 | BRCC Special Funds | Reimbursement | \$44.26 | 12/28/2004 | 57536 |
| 1/10/05 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$85.60 | 1/11/2005 | 57584 |
| 11/11/04 | First Team Sports | 48 BB Game Hats | \$779.83 | 1/13/2005 | 57617 |
| 1/5/05 | Baseball Carolina | Umpires for 2005 Season | \$4,020.00 | 1/14/2005 | 57628 |
| 12/21/04 | The Sports Cellar | Supplies Paid for By Players | \$1,126.88 | 1/20/2005 | 57652 |
| 12/9/04 | Players Sporting Goods | Catcher's Gear, Socks, Belts | \$914.64 | 1/20/2005 | 57656 |
| 12/5/04 | Bankcard Services | XM Sat Radio for Stadium PA | \$420.80 | 1/24/2005 | 57666 |
| 1/21/05 | BRCC Special Funds | Reimbursement | \$92.04 | 1/24/2005 | 57673 |
| 1/26/05 | Mountain View Tire and Service | 1 Michelin Tire Replacement | \$223.03 | 1/27/2005 | 57687 |
| 1/26/05 | Damon T. Towe | Lineup Cards and Dugout Charts | \$101.00 | 1/27/2005 | 57697 |
| 1/21/05 | Atchison Charter Service | Sanford FL Team Trip | \$2,894.00 | 2/4/2005 | 57716 |
| 2/10/05 | Holiday Inn Express | Sanford FL Team Trip | \$2,049.30 | 2/4/2005 | 57721 |
| 2/10/05 | Damon T. Towe | Meals - Sanford FL | \$1,680.00 | 2/4/2005 | 57729 |
| 12/9/04 | First Team Sports | Jackets, 40 doz Baseballs, etc | \$2,634.66 | 2/8/2005 | 57736 |
| 2/8/05 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$85.60 | 2/15/2005 | 57744 |
| 2/7/05 | Bankcard Services | Guest Rooms for Soph. Showcase | \$185.13 | 2/15/2005 | 57746 |
| 2/26/05 | Atchison Charter Service | Team Trip Georgia Perimeter | \$779.00 | 2/16/2005 | 57769 |
| 11/11/04 | Bankcard Services | Hotel Room (incl Movie Charge) | \$286.02 | 2/16/2005 | 57770 |
| 2/24/05 | Damon T. Towe | Meals Atlanta Trip | \$300.00 | 2/16/2005 | 57772 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|------------|---------------------------------|---------------------------------------|------------|-----------|---------|
| 1/20/05 | Bankcard Services | Tie Wraps and Bungee Cords | \$120.34 | 2/18/2005 | 57775 |
| 1/28/05 | Signature Signs and Graphics | Dugout Ad - Hunter Chevrolet | \$64.20 | 2/18/2005 | 57784 |
| 3/2/05 | Atchison Charter Service | Team Trip Madisonville TN Hiwassee | \$710.00 | 2/21/2005 | 57787 |
| 2/21/05 | BRCC Special Funds | Reimbursement | \$143.20 | 2/21/2005 | 57789 |
| 3/2/05 | Damon T. Towe | Meals Hiawasee Junior College | \$300.00 | 2/21/2005 | 57792 |
| 2/21/05 | Sidney N. Williams | Cable to Repair PA System | \$68.51 | 2/22/2005 | 57801 |
| 3/11/05 | Atchison Charter Service | Team Trip Kinston - Lenoir CC | \$1,698.00 | 3/7/2005 | 57841 |
| 3/10/05 | Damon T. Towe | Meals and Laundry Kinston Trip | \$670.00 | 3/7/2005 | 57853 |
| 3/8/05 | Bankcard Services | Recruiting Visit, Batt Chgr, Air Tank | \$301.16 | 3/8/2005 | 57862 |
| 3/8/05 | Quality Inn - Hendersonville | Salem CC Baseball Team Lodg NJ | \$809.44 | 3/8/2005 | 57864 |
| 3/8/05 | Damon T. Towe | Weekend Meal Money | \$150.00 | 3/10/2005 | 57872 |
| None Given | Damon T. Towe | Meals | \$150.00 | 3/10/2005 | 9057872 |
| 3/17/05 | Damon T. Towe | Meals - Louisburg | \$820.00 | 3/16/2005 | 9057873 |
| 3/18/05 | Atchison Charter Service | Team Trip - Louisburg NC | \$1,465.00 | 3/22/2005 | 9057880 |
| 2/25/05 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$85.60 | 3/22/2005 | 9057884 |
| 2/7/05 | Mac Easler Ford | Repairs to Explorer | \$826.62 | 3/22/2005 | 9057907 |
| 3/18/05 | BRCC Special Funds | Reimbursement | \$65.69 | 3/24/2005 | 9057930 |
| 3/13/05 | Comfort Inn - Kinston | Team Trip - Kinston | \$1,098.36 | 3/24/2005 | 9057932 |
| 3/8/05 | First Team Sports | 12 Game Caps to Sell at Games | \$200.98 | 3/31/2005 | 9057950 |
| 4/9/05 | Damon T. Towe | Meals and Laundry - Florence SC | \$670.00 | 3/31/2005 | 9057959 |
| 3/23/05 | Best Western - Sandalwood Inn | Lodging Florence SC Trip | \$1,117.08 | 4/4/2005 | 9057976 |
| 1/19/05 | Bankcard Services | Recruiting Visit Hotel | \$81.40 | 4/4/2005 | 9057979 |
| 2/8/05 | Dixie Sporting Goods | Pullovers and Jackets for sale | \$792.90 | 4/8/2005 | 9058013 |
| 4/12/05 | Steve Chrisman | Sharpen Blades on Reel Mower | \$180.00 | 4/12/2005 | 9058039 |
| 4/19/05 | Atchison Charter Service | Team Trip - Young Harris College | \$550.00 | 4/13/2005 | 9058043 |
| 4/11/05 | Damon T. Towe | Meals Harriman TN | \$300.00 | 4/13/2005 | 9058053 |
| 4/23/05 | Atchison Charter Service | Team Trip - Spartanburg Meth Coll | \$550.00 | 4/18/2005 | 9058054 |
| 1/28/05 | Flat Rock Signs and Graphics | Lettering for Sign and Helmets | \$353.10 | 4/18/2005 | 9058060 |
| 4/21/05 | Damon T. Towe | Meals - Spartanburg SC | \$600.00 | 4/18/2005 | 9058068 |
| 4/21/05 | BRCC Special Funds | Reimbursement | \$24.09 | 4/22/2005 | 9058100 |
| 4/24/05 | Atchison Charter Service | Team Trip - Spartanburg Meth Coll | \$550.00 | 4/26/2005 | 9058113 |
| 4/30/05 | Damon T. Towe | Meals - Surry CC Trip | \$670.00 | 4/26/2005 | 9058121 |
| 4/26/05 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$192.60 | 4/27/2005 | 9058125 |
| 4/26/05 | Players Sporting Goods | 2 Fungo Bats | \$49.34 | 4/27/2005 | 9058131 |
| 2/8/05 | The Sports Cellar | 64 Tshirts and 2 pr Running Shoes | \$796.62 | 4/27/2005 | 9058134 |
| 4/29/05 | Atchison Charter Service | Team Trip - Surry CC - Dobson NC | \$1,210.00 | 4/28/2005 | 9058135 |
| 4/26/05 | Spartanburg Methodist College | Tournament Fee | \$250.00 | 4/29/2005 | 9058148 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|----------|---------------------------------|-------------------------------------|-------------|------------|---------|
| 4/25/05 | Walmart | Faculty/Staff Day Concessions | \$209.55 | 4/29/2005 | 9058150 |
| 5/10/05 | Damon T. Towe | Conf Tourn Meal Money - Asheboro | \$1,500.00 | 5/4/2005 | 9058166 |
| 3/2/05 | Bankcard Services | Lodging, Meals, Trash Cans | \$466.27 | 5/12/2005 | 9058191 |
| 5/20/05 | BRCC Special Funds | Reimbursement | \$53.30 | 5/20/2005 | 9058217 |
| 5/10/05 | Atchison Charter Service | Trips Asheboro NC and Spart SC | \$2,875.00 | 6/1/2005 | 9058271 |
| 4/5/05 | Bankcard Services | Fence Repairs | \$75.92 | 6/1/2005 | 9058272 |
| 5/31/05 | Spearman Food Distributing | Delinquent Rent on Apartment | \$4,501.29 | 6/1/2005 | 9058288 |
| 5/25/05 | Days Inn Florence SC | Lodging 4/10/05 | \$821.16 | 6/3/2005 | 9058300 |
| 7/28/04 | First Team Sports | 64 Pairs Baseball Pants | \$3,081.60 | 6/3/2005 | 9058301 |
| 5/18/05 | Hampton Inn - Asheboro NC | Lodging 05/11-14/05 & Linen Replace | \$3,432.28 | 6/3/2005 | 9058302 |
| 5/1/05 | Hampton Inn - Mount Airy NC | Lodging 05/01/05 | \$1,576.87 | 6/3/2005 | 9058303 |
| 3/14/05 | Bankcard Services | Pullovers and Jackets for sale, etc | \$729.76 | 6/7/2005 | 9058310 |
| 6/8/05 | Blue Ridge Septic and Portajohn | Portajohn Rentals | \$438.20 | 6/8/2005 | 9058324 |
| 6/6/05 | High Hope Dirt and Mulch | Red Dirt | \$560.00 | 6/8/2005 | 9058327 |
| 6/9/05 | Clell Wade Coaches Directory | NJCAA Membership Directory | \$441.40 | 6/10/2005 | 9058338 |
| 6/7/05 | Bankcard Services | Laundry, Meals | \$187.47 | 6/14/2005 | 9058361 |
| 6/21/05 | BRCC Special Funds | Reimbursement | \$13.32 | 6/24/2005 | 9058389 |
| 6/14/05 | Bankcard Services | Lodging 06/14/05 Raleigh NC | \$114.07 | 6/24/2005 | 9058391 |
| 6/1/05 | Damon T. Towe | Registration State Games | \$40.00 | 6/24/2005 | 9058407 |
| 5/10/05 | Bankcard Services | Lodging 05/10/05 Asheboro NC | \$620.95 | 6/28/2005 | 9058413 |
| 5/31/05 | Bankcard Services | Southern Ag Insecticides | \$231.60 | 7/12/2005 | 9058456 |
| 7/5/05 | Dixie Sporting Goods | 72 Baseball Caps | \$703.93 | 7/19/2005 | 9058493 |
| 7/19/05 | BRCC Special Funds | Reimbursement | \$13.83 | 7/20/2005 | 9058502 |
| 6/28/05 | Bankcard Services | AD Meeting Wilmington NC | \$298.32 | 8/5/2005 | 9058616 |
| 6/28/05 | Bankcard Services | NCAA News Ad for Asst BB Coach | \$170.00 | 8/8/2005 | 9058621 |
| 8/8/05 | NJCAA | Dues and Publications | \$1,341.00 | 8/10/2005 | 9058629 |
| 8/8/05 | NJCAA | Annual Dues | \$175.00 | 8/10/2005 | 9058630 |
| 9/13/05 | Bankcard Services | XM Radio Subscription | \$231.09 | 9/16/2005 | 9058890 |
| 9/6/05 | Nick Jaksa | Travel Advance | \$330.00 | 9/16/2005 | 9058896 |
| 9/23/05 | Baseball Carolina | Sophomore Showcase Officials | \$440.00 | 9/23/2005 | 9059482 |
| 9/23/05 | BRCC Special Funds | Reimbursement | \$70.74 | 9/23/2005 | 9059483 |
| 9/26/05 | Damon T. Towe | Meals Sophomore Showcase | \$300.00 | 10/5/2005 | 9059734 |
| 8/31/05 | Summit America Ins Services | Intercollegiate Med Insurance | \$11,855.00 | 10/6/2005 | 9059758 |
| 9/23/05 | Enterprise Rent-A-Car | Car Rental - Nick Jaksa | \$153.26 | 10/12/2005 | 9059783 |
| 8/30/05 | Dixie Sporting Goods | Practice Tshirts, Balls, Socks | \$1,054.38 | 10/18/2005 | 9059821 |
| 10/18/05 | Steve Chrisman | Repairs to BB Field Mower | \$381.42 | 10/19/2005 | 9059835 |
| 10/18/05 | Nick Jaksa | Travel Advance | \$104.00 | 10/19/2005 | 9059844 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|----------|---------------------------|--------------------------------------|------------|------------|---------|
| 10/19/05 | BRCC Special Funds | Reimbursement | \$59.32 | 10/20/2005 | 9059846 |
| 10/21/05 | Enterprise Rent-A-Car | Car Rental - Nick Jaksa | \$262.76 | 11/1/2005 | 9059975 |
| 9/6/05 | Bankcard Services | Recruiting for Raleigh Fall Showcase | \$62.06 | 11/3/2005 | 9060025 |
| 11/3/05 | NC Department of Revenue | Sales Subject to Sales Taxes | \$279.79 | 11/3/2005 | 9060026 |
| 10/28/05 | Dixie Sporting Goods | 40 Dozen Baseballs | \$2,052.26 | 11/10/2005 | 9060052 |
| 11/7/05 | Nick Jaksa | Travel Advance | \$140.00 | 11/10/2005 | 9060058 |
| 11/3/05 | Enterprise Rent-A-Car | Car Rental 11/03/05 | \$283.37 | 11/16/2005 | 9060074 |
| 11/23/05 | BRCC Special Funds | Reimbursement | \$38.96 | 11/29/2005 | 9060138 |
| 11/4/05 | Lescó Inc | Fertilizer and Annual Rye | \$248.00 | 11/29/2005 | 9060144 |
| 11/14/05 | Bankcard Services | 1 Pallet of Sod, Meals, Etc | \$304.16 | 12/6/2005 | 9060187 |
| 11/30/05 | Southern Agricultural | Lime and Fertilizer | \$175.68 | 12/8/2005 | 9060211 |
| 12/3/05 | Bankcard Services | Meal for Recruiting Visit | \$50.81 | 12/13/2005 | 9060219 |
| 11/21/05 | Hill Manufacturing Co Inc | Wash Kleen Laundry Powder | \$129.48 | 12/13/2005 | 9060220 |
| 10/18/05 | Auten Printing Inc | Business Cards - Towe, Jaksa, Baylor | \$44.94 | 12/21/2005 | 9060239 |
| 11/1/05 | Players Sporting Goods | 4 Air Omaha Bats, Misc BB Supplies | \$1,154.89 | 12/21/2005 | 9060253 |
| 12/29/05 | Baseball Carolina | Umpires for 2006 Season | \$5,290.00 | 12/29/2005 | 9060281 |
| 12/13/05 | Bankcard Services | Meal for Interview Asst Coaches | \$57.82 | 1/12/2006 | 9060334 |
| 12/7/05 | Lowe's Home Centers, Inc | Vents, edger belts, and blades | \$89.44 | 1/12/2006 | 9060337 |
| 1/6/06 | Wilson and Associates | Tilling and Laser Grading BB Field | \$2,500.00 | 1/20/2006 | 9060353 |
| 1/18/06 | BRCC Special Funds | Reimbursement | \$203.64 | 1/20/2006 | 9060359 |
| 12/1/05 | Bankcard Services | Recruiting Trip Cincinnati OH | \$92.44 | 1/20/2006 | 9060361 |
| 2/6/06 | Damon T. Towe | Meals Limestone 02/04/06 | \$210.00 | 2/3/2006 | 9060988 |
| 10/11/05 | Dixie Sporting Goods | Polo Shirt | \$27.29 | 2/8/2006 | 9061005 |
| 2/9/06 | Damon T. Towe | Meals - Southeastern 02/09/06 | \$850.00 | 2/8/2006 | 9061011 |
| 1/4/06 | Bridgestone Golf | Golf Clubs and Items for Raffle | \$491.97 | 2/16/2006 | 9061147 |
| 1/21/06 | Bankcard Services | Recruiting Meals | \$89.39 | 2/16/2006 | 9061148 |
| 2/20/06 | BRCC Special Funds | Reimbursement | \$113.28 | 2/20/2006 | 9061176 |
| 1/4/06 | Fastsigns | Signs and Banner for BB | \$571.44 | 2/20/2006 | 9061179 |
| 2/12/06 | Holiday Inn Express | Lodging for Southeastern Trip | \$1,168.20 | 2/20/2006 | 9061180 |
| 2/3/06 | Damon T. Towe | Recruiting Trip Expenses - Raleigh | \$258.73 | 2/20/2006 | 9061189 |
| 2/23/06 | Dixie Sporting Goods | Line Markers, Fungo Bats, Etc | \$935.07 | 3/6/2006 | 9061249 |
| 2/28/06 | Lowe's Home Centers, Inc | Wheel Barrel, Zip Ties, Sump Pump | \$251.67 | 3/6/2006 | 9061255 |
| 3/9/06 | Damon T. Towe | Meals for Wilkes CC Trip | \$850.00 | 3/6/2006 | 9061270 |
| 12/2/05 | Dixie Sporting Goods | 10 Team Jackets | \$214.00 | 3/7/2006 | 9061277 |
| 2/15/06 | Bridgestone Golf | Golf Clubs and Equipment | \$1,095.41 | 3/7/2006 | 9061279 |
| 2/27/06 | Nick Jaksa | Mileage for Recruiting Trips | \$65.42 | 3/7/2006 | 9061285 |
| 1/29/06 | Bankcard Services | Lineup Cards and Dugout Charts | \$115.50 | 3/8/2006 | 9061318 |

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Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|------------|-------------------------------|--|------------|-----------|---------|
| 3/15/06 | Impact Baseball Inc | Region X Baseball Report | \$100.00 | 3/16/2006 | 9061366 |
| 2/28/06 | Burnett Lime Co Inc | Bagged Mound Clay and Chalk | \$272.85 | 3/16/2006 | 9061371 |
| 3/10/06 | Bankcard Services | Team Meal Wilkes CC | \$252.44 | 3/16/2006 | 9061373 |
| 3/13/06 | Holiday Inn Express | Lodging Wilkes CC Trip | \$1,628.00 | 3/16/2006 | 9061377 |
| 3/7/06 | Quality Inn - Hendersonville | Lodging for College of MD Team | \$594.00 | 3/16/2006 | 9061382 |
| 3/14/06 | Lowe's Home Centers, Inc | Zip Ties and Bungee Cords | \$69.79 | 3/20/2006 | 9061396 |
| 3/26/06 | Damon T. Towe | Meals - Roane State Game | \$300.00 | 3/21/2006 | 9061424 |
| 1/3/03 | Dixie Sporting Goods | 50 White Tshirts w/front print 1 color | \$230.05 | 3/23/2006 | 9061429 |
| 3/8/06 | Dixie Sporting Goods | Cage Nets, Infield Protector, Etc | \$2,710.31 | 3/29/2006 | 9061506 |
| 3/30/06 | Damon T. Towe | Meals - Pitt Game | \$850.00 | 3/29/2006 | 9061530 |
| 3/30/06 | BRCC Special Funds | Reimbursement | \$115.13 | 3/30/2006 | 9061532 |
| 3/7/06 | BRCC County Funds | Credit Card used for Recruiting | \$153.38 | 4/3/2006 | 9061542 |
| 3/25/06 | Bankcard Services | Recruiting Meals | \$65.91 | 4/3/2006 | 9061545 |
| 3/30/06 | Runion Tours and Charters | 5 Team Trips NC, SC, TN | \$7,860.00 | 4/5/2006 | 9061560 |
| 3/28/06 | Fastsigns | Outfield Sign for Mountain 1st Bank | \$261.62 | 4/6/2006 | 9061583 |
| 4/6/06 | Damon T. Towe | Meals for Rockingham Trip | \$850.00 | 4/6/2006 | 9061597 |
| 4/2/06 | Hampton Inn - Greenville NC | Lodging Greenville NC 03/31-04/02/06 | \$1,066.72 | 4/7/2006 | 9061611 |
| 3/27/06 | Dixie Sporting Goods | 10 doz Baseballs | \$208.65 | 4/13/2006 | 9061627 |
| 4/19/06 | Damon T. Towe | Meals for Hiwassee Game | \$300.00 | 4/13/2006 | 9061637 |
| 4/21/06 | Damon T. Towe | Meals for USC-S 04/21/06 | \$850.00 | 4/13/2006 | 9061638 |
| 4/21/06 | Days Inn | Lodging Barnwell SC | \$1,166.40 | 4/19/2006 | 9061646 |
| 4/9/06 | Innkeeper | Lodging Eden Nc | \$1,142.28 | 4/19/2006 | 9061656 |
| 4/24/06 | Damon T. Towe | Meals for Young Harris | \$300.00 | 4/20/2006 | 9061689 |
| 3/30/06 | Players Sporting Goods | Items to Sell at BB Games | \$509.80 | 4/25/2006 | 9061713 |
| 4/26/06 | Spartanburg Methodist College | Tournament Entry Fee | \$250.00 | 4/28/06 | 9061723 |
| 4/7/06 | Dixie Sporting Goods | Fungo Bat | \$53.07 | 4/28/2006 | 9061725 |
| None Given | Damon T. Towe | Meals for Conference Tournament | \$1,500.00 | 5/3/2006 | 9061752 |
| 5/23/06 | BRCC Special Funds | Reimbursement | \$27.20 | 5/23/2006 | 9061881 |
| 5/15/06 | Bankcard Services | Conf Tourn Hotel Spartanburg SC | \$259.60 | 5/23/2006 | 9061882 |
| 4/5/06 | Bankcard Services | XM Satellite Radio Subscription | \$98.87 | 6/1/2006 | 9061920 |
| 5/31/06 | Runion Tours and Charters | Conf Tournament Transportation | \$2,792.00 | 6/1/2006 | 9061922 |
| 2/17/06 | Quality Inn - Hendersonville | Lodging Salem CC Team | \$594.00 | 6/5/2006 | 9061968 |
| 5/23/06 | Damon T. Towe | Mileage for Baseball - Legion | \$675.52 | 6/6/2006 | 9061995 |
| 5/30/06 | Bankcard Services | Recruiting Meal | \$15.89 | 6/7/2006 | 9061998 |
| 6/8/06 | Dixie Sporting Goods | 3 Majestic Jackets | \$120.38 | 6/19/2006 | 9062106 |
| 5/11/06 | Auten Printing Inc | Bus Cards for Asst Coaches | \$191.00 | 6/28/2006 | 9062319 |
| 6/28/06 | BRCC Special Funds | Reimbursement | \$25.12 | 6/28/2006 | 9062320 |

STATE BOARD OF COMMUNITY COLLEGES

Itemization of Blue Ridge CC Expenditures from Special Funds for Baseball Program

| | | | | | |
|--------------------|--------------------------|------------------------------------|---------------------|------------------|---------|
| 6/29/06 | Bankcard Services | Meals, Lodging, Gas to Raleigh | \$376.58 | 6/29/2006 | 9062350 |
| 6/17/06 | Damon T. Towe | Adm to HS Baseball Player Profiles | \$40.00 | 6/29/2006 | 9062351 |
| 8/17/04 | Atchison Charter Service | Team Trip to Greenville SC | \$1,500.00 | 1/5/2004 | None |
| 4/8/05 | Lowe's Home Centers, Inc | Spray Tech Spray | \$131.45 | No Copy Provided | None |
| 4/7/05 | Atchison Charter Service | Team Trip Florence SC | \$1,210.00 | No Copy Provided | None |
| 1/14/04 | Lowe's Home Centers, Inc | Material to Repair Fence Damage | \$70.43 | No Copy Provided | None |
| 1/5/04 | Atchison Charter Service | Team Trip to Wentworth NC | \$1,438.00 | No Copy Provided | None |
| 1/5/04 | Atchison Charter Service | Team Trip to Harriman TN | \$685.00 | No Copy Provided | None |
| 1/5/04 | Atchison Charter Service | Team Trip Whiteville NC | \$1,210.00 | No Copy Provided | None |
| 1/5/04 | Atchison Charter Service | Team Trip Cleveland TN | \$875.00 | No Copy Provided | None |
| | | (Does not match P0008035) | | | |
| Grand Total | | | \$252,091.84 | | |

ATTACHMENT 3

Itemization of Blue Ridge Community College
Expenditures from
County Funds Account for Baseball Program

STATE BOARD OF COMMUNITY COLLEGES

Itemization of Blue Ridge CC Baseball Program Expenditures from County Funds

| Date of Encumbrance | Payee | For | Amount | Date of Check | Check Number |
|--|------------------------------|-------------------------------------|------------|---------------|--------------|
| 9/17/2002 | Lowe's Home Centers | Drainage Items for Field | \$117.40 | 9/18/02 | 14250 |
| 9/23/2002 | Bryan Easler Ford | Oil Change for Ford Explorer | \$22.64 | 9/24/02 | 14261 |
| 10/31/2002 | Hendersonville Portable | Portable Toilet Rental 9/4-10/5/02 | \$129.82 | 11/5/02 | 14382 |
| 11/12/2002 | B F Stepp Electric Company | Materials for Scoreboard | \$4,406.90 | 11/12/02 | 14386 |
| 11/11/2002 | Jackson Steel Inc | Scoreboard Materials and Dugouts | \$2,218.57 | 11/12/02 | 14397 |
| 11/11/2002 | Sing Brothers Inc | Scoreboard Installation | \$2,760.68 | 11/12/02 | 14405 |
| 11/12/2002 | Vulcan Materials Co | 35 Tons of Gray 3/8" Stone | \$431.64 | 11/21/02 | 14428 |
| 12/2/2002 | Lowe's Home Centers | 105 2x2 Stacks for Stacking Pines | \$169.54 | 12/10/02 | 14451 |
| 9/13/2002 | Tree Country Nursery | 35 7'-8' White Pines | \$420.00 | 12/10/02 | 14461 |
| 12/31/2002 | Vulcan Materials Co | 178.9 Tons Gravel for BB Field | \$2,683.95 | 1/9/03 | 14520 |
| 1/16/2003 | Gilbert's Nursery Inc | 76 Needlepoint Chinese Holly | \$646.00 | 1/27/03 | 14541 |
| *Note on Invoice: "Baseball Players are installing plant material" | | | | | |
| 1/16/2003 | Stonecutter Mills Corp | 1 Load Hardwood Mulch | \$853.17 | 1/27/03 | 14554 |
| 1/27/2003 | Gilbert's Nursery Inc | 30 Needlepoint Chinese Holly | \$255.00 | 1/28/03 | 14567 |
| 1/17/2003 | Grindstaff Fence Co | Repair Existing Outfield Fence | \$8,637.65 | 1/28/03 | 14568 |
| 1/29/2003 | Hendersonville Portable | Portable Toilet Rental 10/5-11/5/02 | \$129.82 | 2/4/03 | 14586 |
| 1/29/2003 | Letter Perfect Signs | Signs for Ballfield | \$567.59 | 2/19/03 | 14627 |
| 1/28/2003 | Willow Creek Grading Company | Improve Drainage Around Field | \$850.00 | 2/19/03 | 14634 |
| 3/12/2003 | Ground Engineering Solutions | Field Inspection Services | \$581.25 | 3/12/03 | 14678 |
| 1/29/2003 | Preston Mintz Construction | Construct Concrete Sidewalk | \$4,800.00 | 3/12/03 | 14686 |
| 3/13/2003 | Preston Mintz Construction | Repair Storm Damage to Dugout | \$8,140.00 | 3/21/03 | 14706 |
| 3/21/2003 | Lowe's Home Centers | Rain Repair on Dugout | \$29.40 | 3/26/03 | 14724 |
| 3/31/2003 | Burnett Lime Co, Inc | Turf, Bases, Rye | \$1,412.72 | 4/2/03 | 14733 |
| 3/31/2003 | Foothills Sportsturf Inc | Aerification of BB Field Surface | \$1,500.00 | 4/2/03 | 14737 |
| 3/31/2003 | Lowe's Home Centers | Painting and Dugout Supplies | \$704.82 | 4/2/03 | 14741 |
| 3/31/2003 | Vantage Products | Portable Bench Kits | \$899.48 | 4/2/03 | 14747 |
| 6/10/2003 | Steve Chrisman | Sharpen 3 Jac Reels | \$180.00 | 6/10/03 | 14864 |
| 6/12/2003 | Bryan Easler Ford | Service on Ford Explorer | \$118.54 | 6/18/03 | 14880 |
| 7/20/2003 | Fletcher Lawn and Garden | Hydroseeder Rent for Bare Spots | \$150.00 | 7/21/03 | 14957 |
| 7/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$121.76 | 8/7/03 | 15005 |
| 7/29/2003 | High Hope Dirt and Mulch | 1 Tandem Axel Load Red Dirt | \$160.00 | 8/11/03 | 15010 |
| 9/5/2003 | Cason Companies | 5 yds Creek Sand | \$128.13 | 9/12/03 | 15079 |
| 8/20/2003 | Trugreen Chemlawn | Summer Lawn Treatment | \$350.00 | 8/21/03 | 15035 |
| 8/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$113.03 | 9/24/03 | 15115 |

STATE BOARD OF COMMUNITY COLLEGES
Itemization of Blue Ridge CC Baseball Program Expenditures from County Funds

| | | | | | |
|------------|-----------------------------------|----------------------------------|------------|----------|---------|
| 9/26/2003 | Letter Perfect Signs | Put Info on Sign - Moreno | \$51.36 | 9/26/03 | 15121 |
| 9/26/2003 | UAP Carolinas | Annual Rye Grass | \$400.00 | 10/3/03 | 15140 |
| 9/24/2003 | G&S Turf Equipment | Parts for Repair of Reel Mower | \$530.35 | 10/10/03 | 15149 |
| 9/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$132.91 | 10/10/03 | 15156 |
| 10/15/2003 | Lowe's Home Centers | Field Equipment and Hardware | \$659.52 | 10/15/03 | 15162 |
| 7/8/2003 | UAP Carolinas | Rye Grass | \$513.60 | 10/23/03 | 15183 |
| 10/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$114.22 | 11/12/03 | 15230 |
| 11/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$124.82 | 12/12/03 | 15296 |
| 12/28/2003 | Verizon Wireless | Cellular Service for Damon Towe | \$57.85 | 2/5/04 | 15418 |
| 3/4/2004 | Blue Ridge Septic and Port-a-John | Portajohn Rental | \$246.92 | 3/4/04 | 15464 |
| 2/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$48.58 | 3/12/04 | 15507 |
| 3/17/2004 | Blue Ridge Bearing and P. T. | Hose Repair | \$25.00 | 3/18/04 | 15508 |
| 3/17/2004 | Allison Excavation | Grading Infield Dirt | \$200.00 | 3/25/04 | 15538 |
| 3/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$209.72 | 4/13/04 | 15580 |
| 4/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$59.58 | 5/7/04 | 15647 |
| 5/24/2004 | Blue Ridge Septic and Port-a-John | Port-A-John Rental | \$21.90 | 5/24/04 | 15674 |
| 5/24/2004 | Lowe's Home Centers | Turf Builder and Weed Control | \$217.95 | 5/24/04 | 15678 |
| 5/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$58.29 | 6/10/04 | 15726 |
| 6/7/2004 | Blue Ridge Septic and Port-a-John | Port-A-John Rental | \$288.65 | 6/10/04 | 15713 |
| 6/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$52.99 | 7/15/04 | 15786 |
| 7/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$55.56 | 8/13/04 | 15866 |
| 8/27/2004 | Blue Ridge Septic and Port-a-John | Port-A-John Rental | \$288.65 | 9/14/04 | 15934 |
| 8/31/2004 | Southern Agricultural Insectic | Drive for BB Field for Crabgrass | \$211.86 | 9/1/04 | 15941 |
| 9/28/2004 | Mountain View Tire and Service | Tire repair | \$18.69 | 9/28/04 | 15964 |
| 9/9/2004 | Cason Companies | 20 yds. Creek Sand for Field | \$484.71 | 9/29/04 | 15970 |
| 10/4/2004 | UAP Carolinas | Annual Rye Grass | \$300.00 | 10/22/04 | 16036 |
| 10/19/2004 | Lowe's Home Centers | Pansies | \$28.60 | 11/3/04 | 16060 |
| 10/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$54.13 | 11/5/04 | 16080 |
| 12/3/2004 | S & S Builders | Repair Storm Damage to Fencing | \$2,755.00 | 12/9/04 | 16161 |
| 11/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$61.64 | 12/9/04 | 16164 |
| 12/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$51.27 | 1/7/05 | 16227 |
| 1/10/2005 | Fate's Auto Service Inc | Explorer Tune-up, Brakes, Etc. | \$606.21 | 1/19/05 | 16233 |
| 1/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$54.54 | 2/9/05 | 16302 |
| 2/8/2005 | Burnett Lime Co, Inc | Pitcher's Mound Clay | \$293.72 | 2/16/05 | 16303 |
| 2/28/2004 | Verizon Wireless | Cellular Service for Damon Towe | \$107.80 | 4/1/05 | 3016390 |
| 3/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$66.64 | 4/2/05 | 3016398 |
| 5/28/2000 | Verizon Wireless | Cellular Service for Damon Towe | \$58.83 | 6/10/05 | 3017554 |

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Itemization of Blue Ridge CC Baseball Program Expenditures from County Funds

| | | | | | |
|------------|--------------------------------|-----------------------------------|------------|----------|---------|
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$219.10 | 7/26/05 | 3016634 |
| 6/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$59.08 | 7/11/05 | 3016608 |
| 8/21/2005 | Blue Ridge Porta-john | Porta-John Rental | \$219.10 | 8/5/05 | 3016659 |
| 7/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$72.07 | 8/5/05 | 3016669 |
| 7/19/2005 | Mountain View Tire and Service | Exchange 4 Tires on Explorer | \$111.18 | 8/11/05 | 3016674 |
| 8/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$56.12 | 9/8/05 | 3016743 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$219.10 | 9/15/05 | 3016747 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$69.55 | 10/14/05 | 3016826 |
| 9/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$64.07 | 10/14/05 | 3016834 |
| 9/23/2005 | Lesco Inc | Infield Mix | \$736.00 | 10/28/05 | 3016871 |
| 11/4/2005 | Mac Easler Ford | Repairs to Automatic Transmission | \$826.51 | 11/9/05 | 3016902 |
| 11/3/2005 | S G Mechanical Repair Service | Hose Repair for Field Mower | \$169.55 | 11/9/05 | 3016905 |
| 10/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$70.67 | 11/9/05 | 3016908 |
| 11/5/2005 | NAPA Auto Parts | Tune-Up Parts for Explorer | \$117.73 | 11/29/05 | 3016941 |
| 11/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$61.79 | 12/8/05 | 3016969 |
| 9/20/2005 | Lesco Inc | Choice Promaster and ProMound | \$1,324.25 | 12/2/05 | 3016949 |
| 1/2/2006 | Blue Ridge Porta-john | Porta-John Rental | \$139.10 | 1/6/06 | 3016997 |
| 1/5/2006 | Mac Easler Ford | Engine Diagnostic on Explorer | \$79.95 | 1/6/06 | 3017009 |
| 12/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$61.79 | 1/19/06 | 3017038 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$139.10 | 2/10/06 | 3017091 |
| 1/2/2006 | Verizon Wireless | Cellular Service for Damon Towe | \$78.62 | 2/10/06 | 3017099 |
| 2/17/2006 | Kevin J. King | Security for Game 02/16/06 | \$131.25 | 2/2/06 | 3017119 |
| 2/20/2006 | Trugreen Chemlawn | Annual Lime Application | \$350.00 | 2/23/06 | 3017136 |
| 2/23/2006 | Kevin J. King | Security for Game 02/23/06 | \$162.50 | 2/27/06 | 3017143 |
| 3/4/2006 | Kevin J. King | Security for Game 03/04/06 | \$162.50 | 3/8/06 | 3017173 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$69.55 | 3/9/06 | 3017179 |
| 3/9/2006 | Jason R. Cordell | Security at Game 03/09/06 | \$125.00 | 3/10/06 | 3017185 |
| 3/9/2006 | Lowe's Home Centers | Trash Cans for Field | \$58.74 | 3/13/06 | 3017190 |
| 2/28/2006 | Verizon Wireless | Cellular Service for Damon Towe | \$55.44 | 3/14/06 | 3017194 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$69.55 | 4/7/06 | 3017256 |
| 3/28/2006 | Verizon Wireless | Cellular Service for Damon Towe | \$67.46 | 4/7/06 | 3017260 |
| 4/5/2006 | Jason R. Cordell | Security for Game 04/05/06 | \$75.00 | 4/12/06 | 3017263 |
| 4/15/2006 | James W. Player, III | Security for Game 04/15/06 | \$137.50 | 4/19/06 | 3017276 |
| 4/26/2006 | Robert C. Sieber | Security for Game 04/26/06 | \$75.00 | 4/28/06 | 3017294 |
| 5/2/2006 | James W. Player, III | Security for Game | \$150.00 | 5/3/06 | 3017307 |
| 4/30/2006 | James W. Player, III | Security for Game 04/30/06 | \$150.00 | 5/4/06 | 3017308 |
| 7/22/2005 | Blue Ridge Porta-john | Porta-John Rental | \$69.55 | 5/9/06 | 3017312 |

STATE BOARD OF COMMUNITY COLLEGES

Attachment 3

Itemization of Blue Ridge CC Baseball Program Expenditures from County Funds

| | | | | | |
|-----------------------------------|-----------------------|---------------------------------|--------------------|--------|---------|
| 4/28/2006 | Verizon Wireless | | | 5/9/06 | 3017315 |
| 5/28/2005 | Verizon Wireless | Cellular Service for Damon Towe | \$56.82 | 6/6/06 | 3017365 |
| 7/22/2005 | Blue Ridge Porta-john | Cellular Service for Damon Towe | \$65.30 | 6/8/06 | 3017370 |
| | | Porta-John Rental | \$69.55 | | |
| Grand Total - County Funds | | | \$61,196.70 | | |