



Nashville State
Community College

ANNUAL FINANCIAL REPORT

Year Ending June 30, 2004

Fiscal Year
2003-2004



120 White Bridge Road
Nashville, TN 37209

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE

TABLE OF CONTENTS

Letters of Transmittal

Management's Discussion and Analysis 1 - 13

Financial Statements

- Statement of Net Assets14
- Statement of Revenues, Expenses, and Changes in Net Assets15
- Statement of Cash Flows.....16

Notes to the Financial Statements..... 17 - 26



September 15, 2004

Dr. Charles W. Manning
Chancellor
Tennessee Board of Regents
1415 Murfreesboro Road, Suite 350
Nashville, TN 37217

Dear Dr. Manning:

Presented herewith is the Annual Financial Report for the fiscal year ended June 30, 2004.

Respectfully submitted,

George H. Van Allen
President

lwr

Attachments



September 10, 2004

Dr. George Van Allen, President
Nashville State Technical Community College
120 White Bridge Road
Nashville, TN 37209

Dear Dr. Van Allen:

The unaudited financial statements of Nashville State Technical Community College for the year ended June 30, 2004, are attached, as are certain schedules to support these statements. The most recent certified audit was for the fiscal year ended June 30, 2001.

Statements presented herein follow the generally accepted accounting principles for colleges and universities as prescribed by the Governmental Accounting Standards Board (GASB); in accordance with GASB Statement 15, the institution uses the AICPA College Guide model for accounting and financial reporting.

Hopefully, these comments and the statements following will provide the necessary information to permit your evaluation of the school's financial position.

Sincerely,

Debra Bauer
Vice President
Finance & Administrative Services

lwr

Attachments

Nashville State Technical Community College Management's Discussion and Analysis

This section of Nashville State Technical Community College's annual financial report presents a discussion and analysis of the financial performance of the College during the fiscal year ended June 30, 2004, with comparative information presented for fiscal years ended June 30, 2003 and 2002. This discussion has been prepared by management along with the financial statements and related note disclosures and should be read in conjunction with the financial statements and notes. The financial statements, notes, and this discussion are the responsibility of management.

Using This Annual Report

This report consists of three basic financial statements. The Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows provide information on Nashville State Technical Community College as a whole and present a long-term view of the College's finances.

The Statement of Net Assets

The Statement of Net Assets presents the financial position of the College at the end of the fiscal year and includes all assets and liabilities of the College. The difference between total assets and total liabilities – net assets – is an indicator of the current financial condition of the College. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation.

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the College's equity in property, plant, and equipment owned by the College. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets. Unrestricted net assets are available to the institution for any lawful purpose of the institution.

Statement of Net Assets
(in thousands of dollars)

	<u>Institution</u>			<u>Component Unit</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assets:						
Current assets	\$6,666	\$7,278	\$6,152	\$438	\$296	\$240
Capital assets, net	15,768	16,017	15,874			
Other assets	7,733	3,722	4,925			
Total Assets	\$30,167	\$27,017	\$26,951	\$438	\$296	\$240
Liabilities:						
Current liabilities	\$3,416	\$2,939	\$5,433	\$3	\$27	
Noncurrent liabilities	250	343	141			
Total Liabilities	\$3,666	\$3,282	\$5,574	\$3	\$27	
Net Assets:						
Invested in capital assets, net of related debt	\$15,686	\$15,927	\$15,776			
Restricted – nonexpendable	5	4		\$134	\$66	55
Restricted – expendable	302	192	397	137	69	43
Unrestricted	10,508	7,612	5,204	164	134	142
Total Net Assets	\$26,501	\$23,735	\$21,377	\$435	\$269	\$240

College:

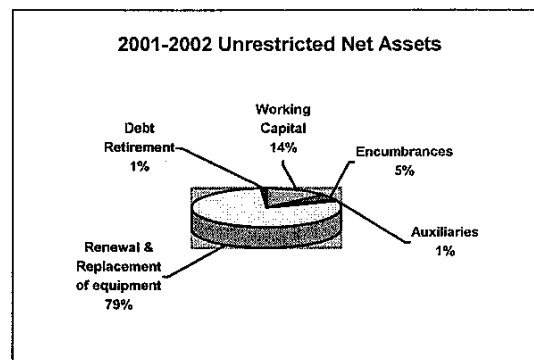
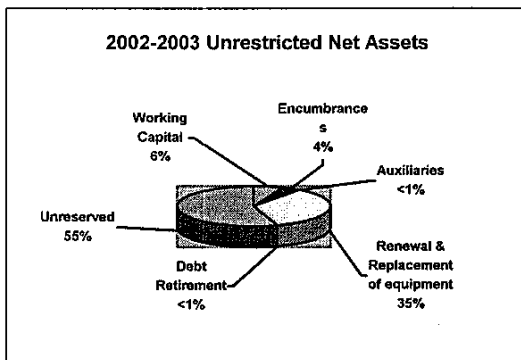
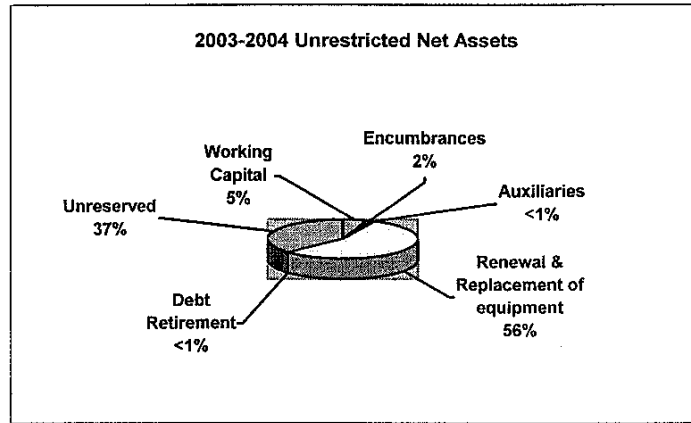
- Current assets decreased due to transfers to non-current for out-year projects. Projects planned from the funds include a \$100,000 upgrade to the electrical system in the Clement building, \$663,600 for the development of an off campus site, \$1,876,580 for an administrative systems software upgrade, \$15,300 for the replacement of a car and \$20,000 to construct designated smoking areas outside of the buildings.
- Increases in current liabilities were due primarily to an 11% increase in accounts payable. The large increase in deferred revenue was caused by a 15% fee increase and moving to the TBR common calendar which caused the summer term to start later.
- The increases in net assets were primarily unrestricted.

Foundation:

- Increases in current assets for the Nashville State Community College foundation were attributable to the addition of two fundraising events, donations to the endowment fund and the receipt of a grant to fund the startup expenses of a nursing program.

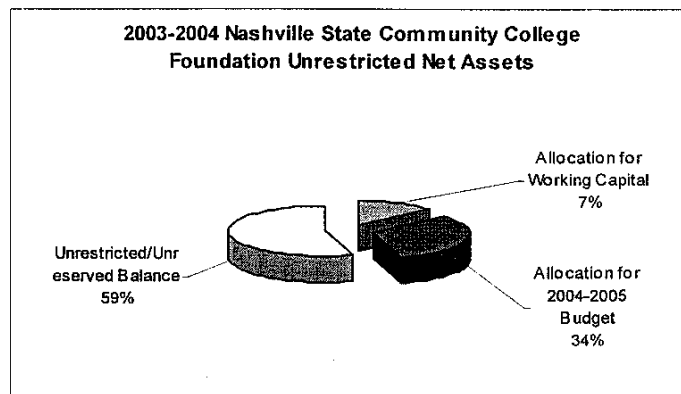
Many of the College's unrestricted net assets have been designated or reserved for specific purposes such as: repairs and replacement of equipment, future debt service, quasi-endowments, capital projects, and student loans. The following graph shows the allocations:

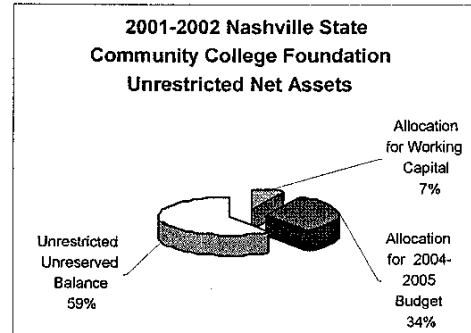
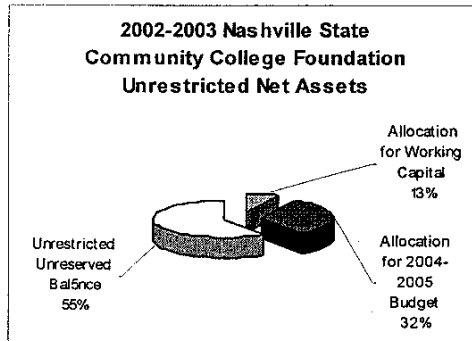
College:



- Funds were transferred to Renewals and Replacement for the software migration project during fiscal year 2003-2004.

Foundation:





- The increase in nonexpendable funds is composed of six new endowments and additions to the endowment base for the O'Bryant endowment.
- The increase in restricted funds is attributable to the receipt of a \$50,000 grant from HCA that is restricted to support of the nursing program and additions to designated restricted funds which are composed primarily of scholarships.
- The increase in unrestricted funds is attributable to the addition of two fundraising events, a golf tournament that occurs in the fall and a scholarship dinner that occurs in February.

The Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the College, as well as the non-operating revenues and expenses. Annual state appropriations, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

Statement of Revenues, Expenses, and Changes in Net Assets (in thousands of dollars)

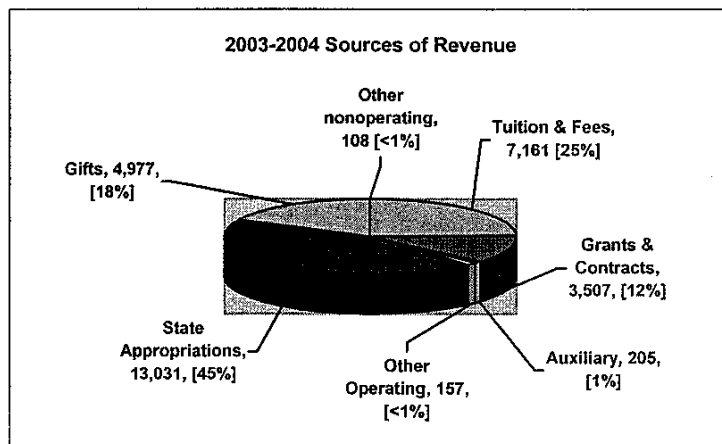
	<u>Institution</u>			<u>Component Unit</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operating revenues:						
Net tuition and fees	\$7,161	\$5,967	\$5,820			
Grants and contracts	3,507	6,950	6,030	\$195	\$120	\$72
Auxiliary	205	179	171			
Other	157	163	74	81		
Total operating revenues	\$11,030	\$13,259	\$12,095	\$276	\$120	\$72
Operating expenses	\$27,451	\$26,871	\$24,333	\$112	\$97	\$63
Operating Income (Loss)	(\$16,421)	(\$13,612)	(\$12,238)	\$164	\$23	\$9
Nonoperating revenues and expenses:						
State appropriations	\$13,031	\$13,231	\$12,658			
Gifts	4,976	127	205			
Investment income	120	141	164	\$3	\$6	\$6
Other revenues and expenses	(12)	(9)	(1)			
Total nonoperating revenues and expenses	\$18,115	\$13,490	\$13,026	\$3	\$6	\$6

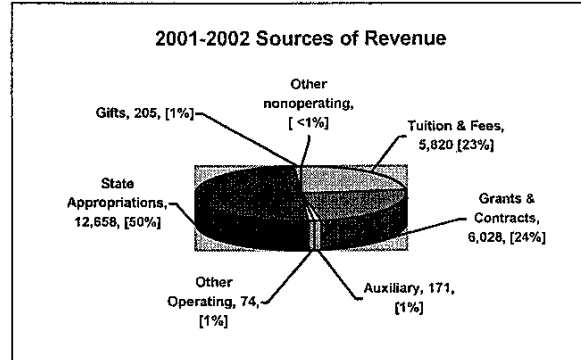
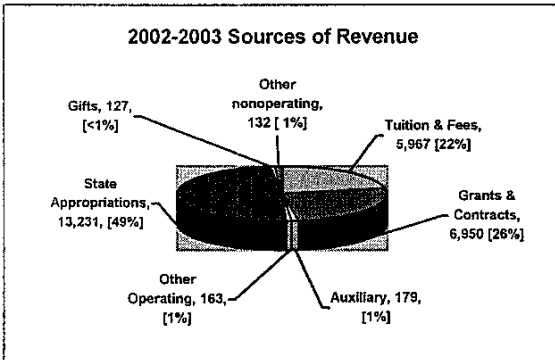
Income (loss) before other revenues, expenses, gains, or losses	\$1,694	(\$122)	\$788	\$167	\$29	\$15
Other revenues, expenses, gains, or losses:						
Capital appropriations	\$1,028	\$2,106	\$6,082			
Other	8	8				
Total other revenues, expenses, gains, or losses	\$1,036	\$2,113	\$6,082			
Increase in net assets	\$2,731	\$1,992	\$6,870	\$167	\$29	\$15
Net assets at beginning of year, as originally reported	23,735	21,377	26,206	269	240	\$225
Cumulative effect of changes in accounting principle			(11,708)			
Net asset at beginning of period, restated	\$23,735	\$21,377	\$14,498	\$269	\$240	\$225
Prior year correction	\$35	\$366	\$9			
Net assets at end of year	\$26,501	\$23,735	\$21,377	\$436	\$269	\$240

Revenues

The following is a graphic illustration of revenues by source (both operating and nonoperating), which are used to fund the College's operating activities for the year ended June 30, 2004 and the years ended June 30, 2003 and June 30, 2002 (amounts are presented in thousands of dollars).

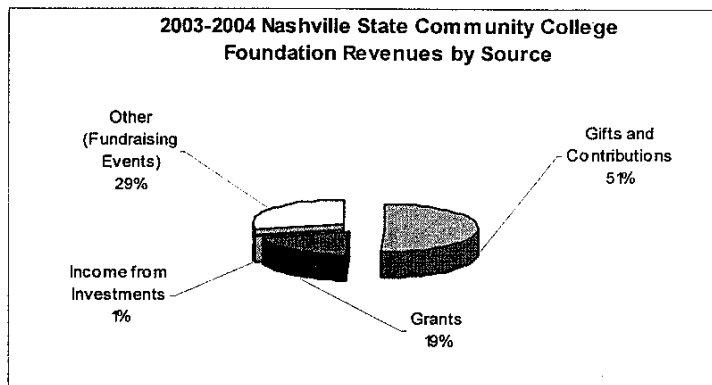
College:

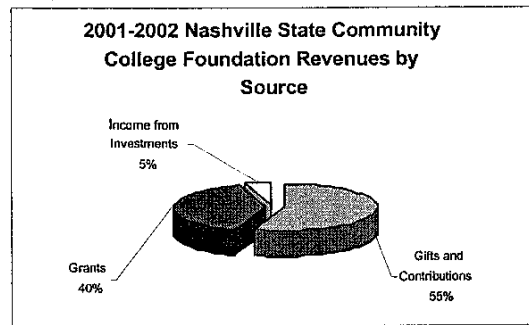
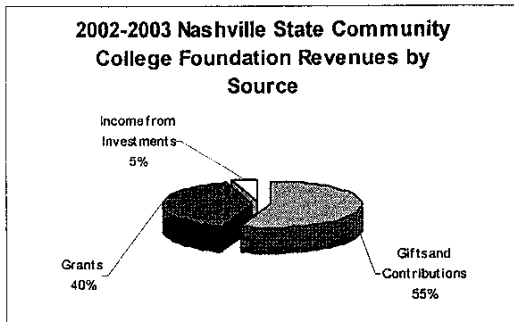




- The decrease in current grants and contracts is attributable to reclassifying amounts received from student grants as non-current.
- Revenue from state grants and contracts increased \$56,757.06.
- Revenue from local grants and contracts decreased \$25,803.82. Williamson County schools reimbursed the college for a secretarial salary during fiscal year 2002-2003. Effective 2003-2004 Williamson County paid the secretary directly.
- Private Gifts and Contracts decreased \$104,620.63. Fewer contract classes were requested by private industry.
- The college increased the in-state and out-of-state maintenance fees 14% during the 2003-2004 year. The fee increase coupled with enrollment growth resulted in an overall increase of \$1,191,045.61.
- Revenue from the bookstore contract increased 14% (\$25,577.82)
- The hiring and salary freeze that was effective for the latter part of 2003 ended, positions previously lapsed were filled resulting in increased expenses for salaries and benefits.
- Salary and benefit expenses were also increased due to a mid-year raise given in January of 2003 and a \$10 per credit hour adjunct pay rate increase.
- A mid year health insurance premium increase also increased the cost of benefits.
- Non-operating revenue decreases were due to a reduced operating state appropriation and reduced state appropriations for capital improvements.

Foundation:





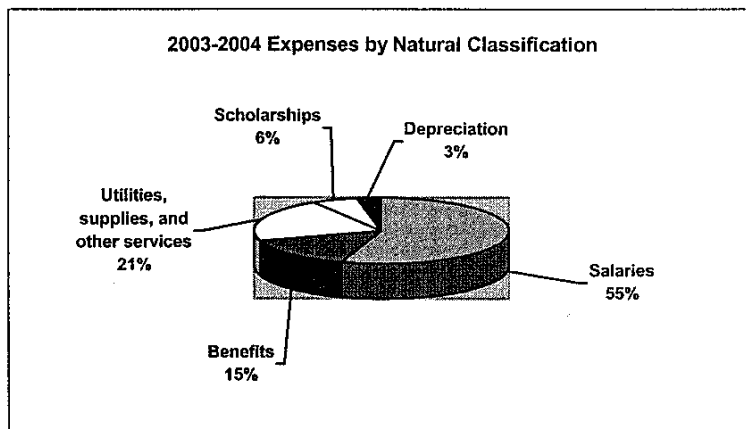
- The increase of gifts and contributions is attributable to the addition of six endowments.
- The increase in grant revenue is due to the addition of a Frist Technology grant to update the fundraising software.
- The increase in other revenue represents the addition of two fund raising events.

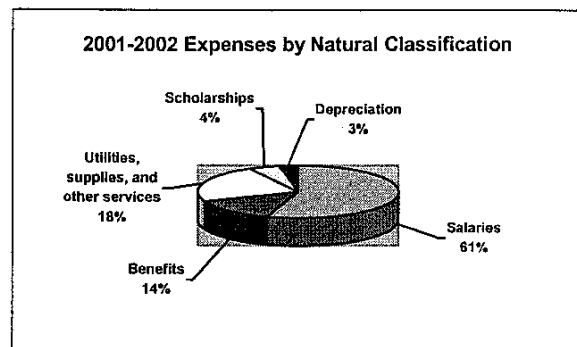
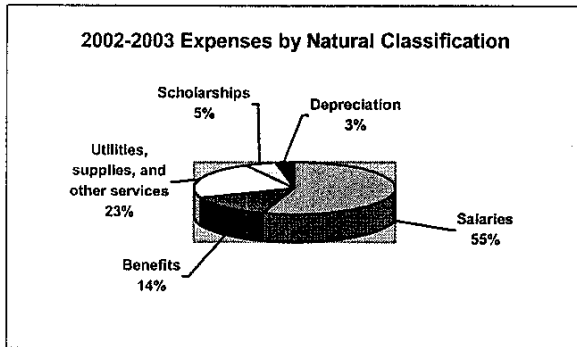
Expenses

Operating expenses can be displayed in two formats, natural classification and program classification. Both formats are displayed below.

Natural Classification

Operating Expense	Institution			Component Unit		
	2004	2003	2002	2004	2003	2002
Salaries	\$15,076	\$14,567	\$14,834			
Benefits	4,098	3,881	3,473			
Utilities, supplies, and other services	5,764	6,158	4,489	\$54	\$6	\$13
Scholarships	1,631	1,396	877	30	59	48
Depreciation	882	869	660			
Payments to or on behalf of NSCC				29	32	2
TOTAL	\$27,451	\$26,871	\$2,333	\$113	\$97	\$63

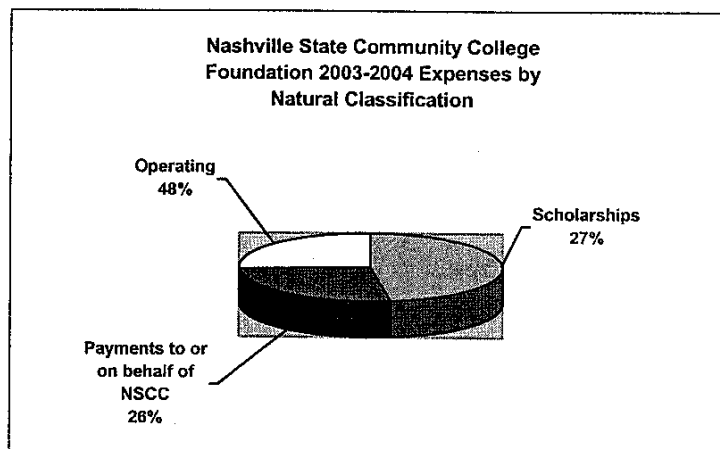


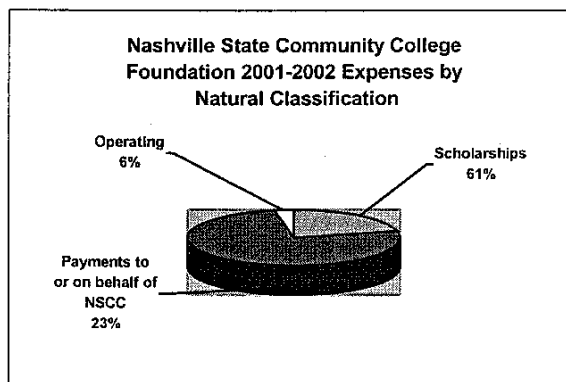
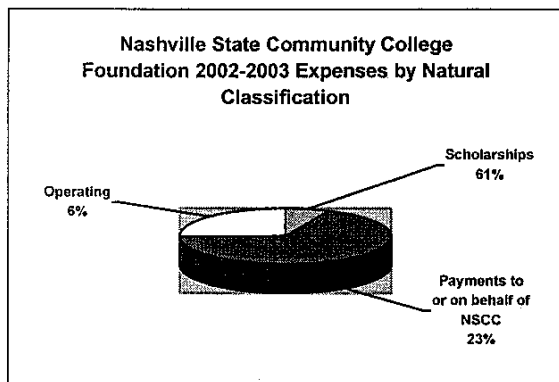


College:

- The largest expense in all three fiscal years was salaries, representing 55% of the total operating expense in fiscal years 2004 and 2003 and 61% in FY 2002.
- The benefit portion rose slightly to 15% of operating expenses in FY 2004, compared to 14% in fiscal years 2003 and 2002.
- The utilities, supplies, and other expenses classification includes such items as printing, utilities, classroom and office supplies, and maintenance costs.
- Depreciation expense also remained steady at 3% for all three fiscal years.
- Federal grants represent the largest component of the scholarship percentage.

Foundation:



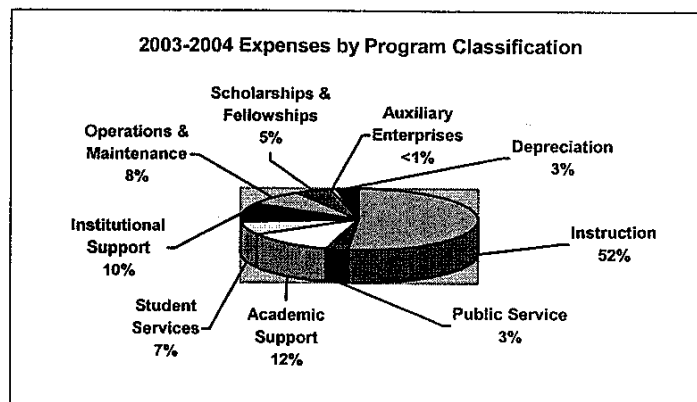


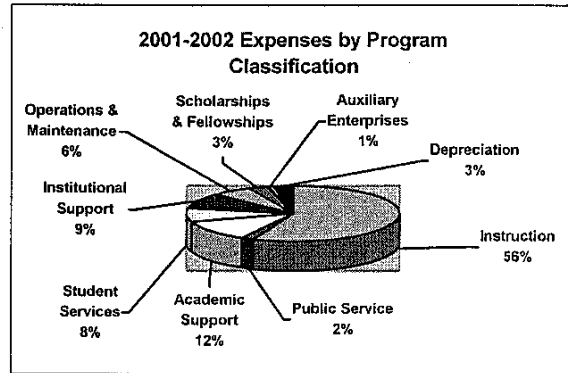
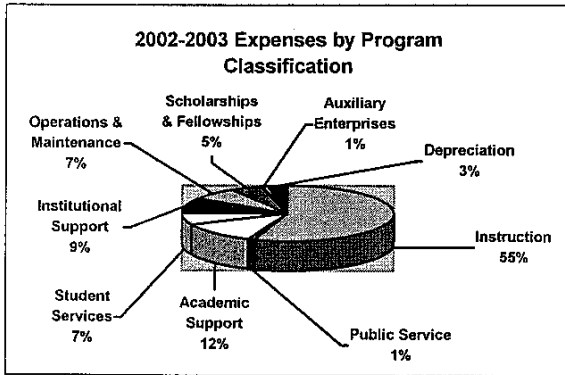
- The addition of two fund raising events increased operating expenses \$47,356.77. The events were a golf tournament and a fund raising dinner. Both events were profitable with the golf event netting \$6,877.93 after expenses and the dinner event raising \$27,140.68 after expenses.
- Allocations for scholarships for 2003-2004 were decreased from 2002-2003 because the foundation elected to maintain a minimum of \$100,000 in unrestricted funds in order to finance fundraising events and to allocate no more than seventy five percent of the previous year's unrestricted gifts.

Program Classification

Operating Expenses	Institution			Component Unit		
	2004	2003	2002	2004	2003	2002
Instruction	\$14,270	\$14,676	\$13,169	\$25	\$25	
Public Service	728	495	857			
Academic Support	3,354	3,161	3,017		1	
Student Services	1,953	1,981	1,953			
Institutional Support	2,700	2,547	2,197	57	7	\$15
Operations & Maintenance	2,060	1,804	1,744	1	5	
Scholarships & Fellowships	1,502	1,335	734	29	59	48
Auxiliary Enterprises	2	3	111			
Depreciation	882	869	660			
TOTAL	\$27,451	\$26,871	\$24,333	\$112	\$97	\$63

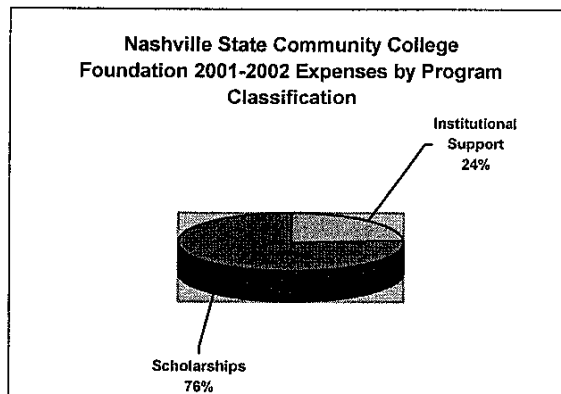
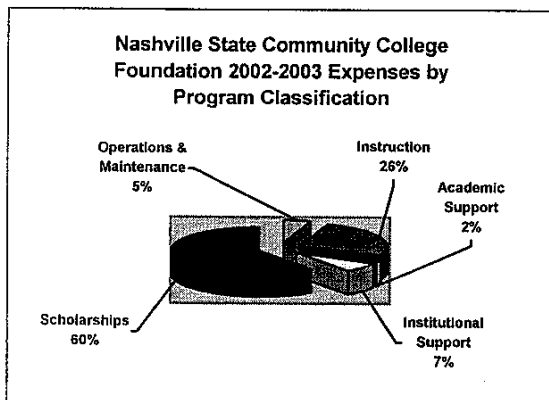
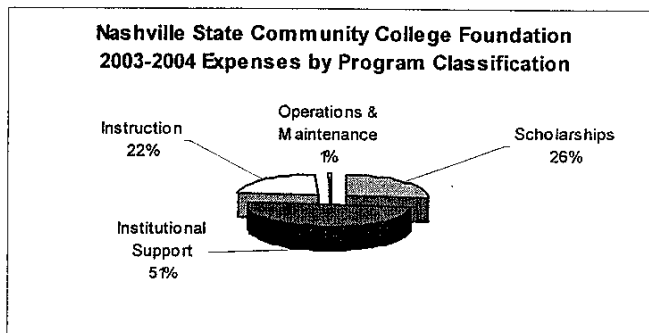
College:





- The largest program expense is instruction. This represents instructional salaries, benefits, and supplies used in the classrooms and laboratories.
- General administrative expenses for Nashville State include the program functions of student services, institutional support, academic support, and public services, which combined total 32% of operating expense for FY 2004, 29% for FY 2003, and 31% for FY 2002.
- Operations and maintenance expenses include utilities, custodial supplies, and general maintenance support. This category increased 1% each year. Utilities make up at least half of the program area expenses.
- Auxiliary expense represents approximately 1% of the program classification. The College contracts the bookstore operation on a commission basis.

Foundation:



- The increase in program expenditures in institutional support is attributable to the addition of two fundraising events.
- A major repair was performed on a masonry wall for the college in 2002-2003. There were no major operations and maintenance functions performed in 2003-2004.
- The decrease in scholarship expenses was attributable to the foundation decision to maintain a minimum unrestricted fund balance and to allocate funds based on the prior year's collections.

The Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also assists users in assessing the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

Statement of Cash Flows (in thousands of dollars)

	<u>Institution</u>			<u>Component Unit</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Cash provided (used) by:						
Operating activities	(\$15,213)	(\$12,526)	(\$12,119)	\$145	\$43	(\$2)
Noncapital financing activities	18,267	12,489	12,872			9
Capital and related financing activities	418	1,447	148			
Investing activities	120	141	163	108	1	(75)
Net increase in cash	\$3,592	\$2,551	\$1,064	\$253	\$44	(\$68)
Cash, beginning of year	9,412	6,861	8,447	\$112	\$68	136
Cash, end of year	\$13,004	\$9,412	\$9,511	\$365	\$112	\$68

College:

- The largest factor contributing to the College's improved cash flow in FY 2004 was a student maintenance fee increase of 15%. A 7.5% maintenance fee increase was imposed in FY 2003 as well.
- Interest rates paid by the local government investment pool declined during FY 2003 resulting in an interest income decline of approximately \$21,000 in FY 2004, and \$136,000 decline in the prior year.
- The primary source of the College's cash flow is the state appropriation, which increased approximately \$276,722 in FY 2004, compared to last year's increase of \$2,891,018 in FY 2003, and \$358,000 in FY 2002.

Foundation:

- \$106,567.12 invested in certificates of deposit matured and were not reinvested due to low interest rates.
- \$50,000 was received as a grant for the nursing program.
- \$34,356.77 of the increase in cash was attributable to the addition of two fund raising events.
- \$84,720 was received in endowment fund contributions.
- The Nashville State Community College Foundation's cash liquidity increased during FY 2004.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2004, Nashville State Technical Community College had \$15,767,929.24 invested in capital assets, net of accumulated depreciation of \$11,533,584.45. Depreciation charges totaled \$882,113.94 for the current fiscal year. Details of these assets are shown below.

	<u>Institution</u>		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Land	\$1,340	\$1,340	\$403
Land improvements & infrastructure	835	565	535
Buildings	12,646	13,233	6,546
Equipment	617	552	443
Library holdings	330	327	336
Projects in progress			7,611

- The College plans the following for the upcoming year: renovation of science labs, upgrade of security and fire systems and the renovation of off-campus space for classroom usage. More detailed information about the College's capital assets is presented in Note 7 to the financial statements.
- In FY 2003, an increase in land was due to a donation from the City of Cookeville for the Don Sundquist campus. Land improvements were made to the parking areas of the Cookeville campus and construction campus buildings were completed. There were also increases in equipment for purchases of an automobile, piano, and computer equipment.
- The College replaced the main chiller in FY 2002. Projects in progress included the construction of the Don Sundquist campus in Cookeville and major equipment purchased was a milling machine for the engineering technologies program.

Debt

At June 30, 2004, the College had \$81,947.93 in debt outstanding. The table below summarizes these amounts by type of debt instrument.

<u>Description of Debt</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
TSSBA Bonds due 2012	\$81,947.93	\$90,201.70	\$97,962.50

The only debt issuance was TSSBA Bonds to finance a portion of the chiller replacement project. The state bond fund rating as of July 1, 2004, was rated as AA by Standard and Poor's with the outlook changed from stable to negative. More detailed information about the College's long-term liabilities is presented in Note 9 to the financial statements.

Economic Factors That Will Affect the Future

The college is highly dependent upon state appropriations to offset operating losses. The funding formula used to establish appropriations recommendations is currently under review. Despite the recent attention to the funding formula, long term improvement of state appropriations is remains unlikely due to the current disparity between funding recommendations and actual funding received as well as inequities that exist within the current formula.

Technology access fee increases during fiscal year 2003-2004 have enabled to the college to upgrade labs despite reductions received in state appropriations. It is anticipated that all computer labs will be able to move to a three year up-grade cycle as a result of the increased revenues.

The implementation of the lottery scholarship will likely have little to no effect on enrollment at the college. Compliance with reporting requirements for the lottery scholarship has increased the work loads of both the Student Records Office and the Financial Aid Office and has resulted in significant operating cost increases.

Inadequate capital financing for space expansion to serve the College's growing population severely limits the College's ability to serve the citizens of the service delivery area. The most noticeable space deficiencies are in student services, faculty offices, and physical education, which all fall below 50% of the standard. Although the college has been recommended for additional space by the Tennessee Higher Education Commission, funding in the near future is unlikely due to funding constraints. The college has earmarked funds for the establishment of a rented off campus site as an interim solution to the continuing space problem.

Requests for Information

This financial report is designed to provide a general overview of the institution's finances for all those with an interest in the College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Dr. George Van Allen, President, Nashville State Technical Community College, 120 White Bridge Road, Nashville, TN, 37209.

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
Unaudited Statement of Net Assets
June 30, 2004, with comparative figures at June 30, 2003

	Institution		Component Unit	
	FY 2004	FY 2003	FY 2004	FY 2003
ASSETS				
Current assets:				
Cash and cash equivalents (Notes 3 and 4)	\$ 6,690,269.59	\$ 7,070,634.02		
Short-term investments (Note 5)	61,340.34	165,915.37		
Deposits with university/college/technology center (Note 19)			426,600.83	277,960.34
Accounts, notes, and grants receivable (net) (Note 6)	1,260,262.10	1,243,248.61		5,800.00
Pledges receivable (net) (Note 18)			10,370.20	12,127.00
Prepaid expenses and deferred charges	73,777.55	178,639.90	1,500.00	
Total current assets	8,085,649.58	8,658,437.90	438,471.03	295,887.34
Noncurrent assets:				
Cash and cash equivalents (Notes 3 and 4)	10,111,908.83	5,665,796.79		
Capital assets (net) (Note 7)	15,767,929.24	16,017,407.92		
Total noncurrent assets	25,879,838.07	21,683,204.71	-	-
Total assets	\$ 33,965,487.65	\$ 30,331,642.61	\$ 438,471.03	\$ 295,887.34
LIABILITIES				
Current liabilities:				
Accounts payable	673,105.87	577,096.64	819.85	27,250.75
Accrued liabilities	863,856.94	838,772.94		
Deferred revenue	797,119.54	616,140.31	2,500.00	
Compensated absences (Note 8)	456,835.47	378,022.07		
Accrued interest payable	723.51	754.59		
Long-term liabilities, current portion (Note 8)	8,600.43	8,253.77		
Deposits held in custody for others	4,273,966.89	3,647,573.71		
Other liabilities	139,663.56	186,840.59		
Total current liabilities	7,213,872.21	6,253,454.62	3,319.85	27,250.75
Noncurrent liabilities:				
Compensated absences (Note 8)	177,081.78	260,877.14		
Long-term liabilities (Note 8)	73,347.50	81,947.93		
Total noncurrent liabilities	250,429.28	342,825.07	-	-
Total liabilities	\$ 7,464,301.49	\$ 6,596,279.69	\$ 3,319.85	\$ 27,250.75
NET ASSETS				
Invested in capital assets, net of related debt	15,695,981.31	15,927,206.22		
Restricted for:				
Nonexpendable:				
Scholarships and fellowships	4,739.67	4,739.67	134,175.91	66,020.71
Expendable:				
Scholarships and fellowships	5,228.72	4,375.54	70,052.77	30,050.78
Instructional department uses	161,001.59	186,231.50	50,000.00	25,000.00
Loans	1,008.90	1,008.90		
Other	134,711.17		16,999.59	13,914.66
Unrestricted (Note 10)	10,508,514.80	7,611,801.09	163,922.91	133,650.44
Total net assets	\$ 26,501,186.16	\$ 23,735,362.92	\$ 435,151.18	\$ 268,636.59

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

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
Unaudited Statement of Revenues, Expenses, and Changes in Net Assets
For the Year Ended June 30, 2004, with comparative figures for the year ended June 30, 2003

	Institution		Component Unit	
	FY 2004	FY 2003	FY 2004	FY 2003
REVENUES				
Operating revenues:				
Student tuition and fees (net of scholarship allowances of	\$ 3,987,826.71			
for the year ended June 30, 2004, and	<u>\$ 3,162,280.37</u>			
for the year ended June 30, 2003.)	\$ 7,161,241.43	\$ 5,967,195.82	\$ -	\$ -
Gifts and contributions			142,298.71	69,938.97
Governmental grants and contracts	3,098,939.83	6,441,514.92		
Non-governmental grants and contracts	403,966.14	505,299.69	52,650.00	50,000.00
Sales and services of educational departments	4,147.41	3,766.06		
Bookstore (net of scholarship allowances of	\$ -			
for the year ended June 30, 2004, and	<u>\$ -</u>			
for the year ended June 30, 2003: all bookstore revenues are used as security for revenue bonds, see Note B)	204,707.21	179,129.39		
Other operating revenues	157,589.77	162,681.50	81,375.38	
Total operating revenues	<u>\$ 11,030,591.79</u>	<u>\$ 13,259,587.38</u>	<u>\$ 276,324.09</u>	<u>\$ 119,938.97</u>
EXPENSES				
Operating Expenses				
Salaries and wages	\$ 15,076,175.33	\$ 14,567,061.04	\$ -	\$ -
Benefits	4,098,177.14	3,880,937.22		
Utilities, supplies, and other services	5,763,700.65	6,158,419.95	53,705.55	6,211.43
Scholarships and fellowships	1,631,434.56	1,396,210.99	30,105.30	58,662.50
Depreciation expense	882,113.94	868,804.65		
Payments to or on behalf of Nashville State Technical Community College			29,034.71	32,321.79
Total operating expenses	<u>27,451,601.62</u>	<u>26,871,433.85</u>	<u>112,845.56</u>	<u>97,195.72</u>
Operating income (loss)	<u>\$ (16,421,009.83)</u>	<u>\$ (13,611,846.47)</u>	<u>\$ 163,478.53</u>	<u>\$ 22,743.25</u>
NONOPERATING REVENUES (EXPENSES)				
State appropriations	\$ 13,030,900.00	\$ 13,231,170.00	\$ -	\$ -
Gifts, including	\$ 29,034.71			
from component unit(s) in FY 2004 and	<u>\$ 32,321.79</u>			
from component unit(s) in FY 2003	228,359.86	126,839.79		
Grants and contracts	4,748,446.70			
Investment income (net of investment expense of	\$ -			
for the institution and	<u>\$ -</u>			
for the component unit(s) for FY 2004 and	<u>\$ -</u>			
for the institution and	<u>\$ -</u>			
for the component unit(s) for FY 2003)	120,218.81	140,830.72	3,036.06	5779.67
Interest on capital asset-related debt	(4,282.37)	(4,181.36)		
Other non-operating revenues/(expenses)	<u>(8,133.77)</u>	<u>(4,405.52)</u>		
Net nonoperating revenues	<u>18,115,509.23</u>	<u>13,490,253.63</u>	<u>3,036.06</u>	<u>5,779.67</u>
Income before other revenues, expenses gains, or losses	1,694,499.40	(121,592.84)	166,514.59	28,522.92
Capital appropriations	1,028,338.13	2,105,718.24		
Other capital	8,253.77	7,760.80		
Total other revenues	<u>1,036,591.90</u>	<u>2,113,479.04</u>		
Increase (decrease) in net assets	<u>\$ 2,731,091.30</u>	<u>\$ 1,991,886.20</u>	<u>\$ 166,514.59</u>	<u>\$ 28,522.92</u>
NET ASSETS				
Net Assets -beginning of year	\$ 23,735,362.92	\$ 21,377,134.04	\$ 268,636.59	\$ 240,113.67
Net Assets - beginning of year, as restated	\$ 23,735,362.92	\$ 21,377,134.04	\$ 268,636.59	\$ 240,113.67
Prior period adjustment (Note 16)	34,731.94	366,342.68		
Net Assets - end of year	<u>\$ 26,501,186.16</u>	<u>\$ 23,735,362.92</u>	<u>\$ 435,151.18</u>	<u>\$ 268,636.59</u>

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
Unaudited Statement of Cash Flows
for the Year Ended June 30, 2004, with comparative figures for the year ended June 30, 2003

	Institution		Component Unit	
	FY 2004	FY 2003	FY 2004	FY 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and fees	\$ 7,383,403.29	\$ 5,944,504.23	\$ -	\$ -
Gifts and contributions	-	-	149,855.51	63,037.93
Grants and contracts	3,556,268.95	6,971,498.65	52,650.00	50,000.00
Sales and services of educational activities	4,147.41	3,766.06	-	-
Payments to suppliers and vendors	(5,716,796.72)	(6,020,124.39)	(55,253.71)	(6,211.43)
Payments to employees	(15,069,694.47)	(14,505,267.30)	-	-
Payments for benefits	(4,084,053.53)	(3,858,228.65)	-	-
Payments for scholarships and fellowships	(1,648,353.12)	(1,404,442.27)	(31,621.55)	(56,212.25)
Payments to Nashville State Technical Community College	-	-	(53,949.36)	(7,146.79)
Auxiliary enterprise charges:				
Bookstore	204,707.21	179,129.39	-	-
Other receipts (payments)	157,589.77	162,681.50	83,875.38	-
Net cash flows provided (used) by operating activities	<u>\$ (15,212,781.21)</u>	<u>\$ (12,526,482.78)</u>	<u>\$ 145,556.27</u>	<u>\$ 43,467.46</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
State appropriations	\$ 13,035,448.16	\$ 13,312,170.00	\$ -	\$ -
Gifts and grants received for other than capital or endowment purposes, including from (component unit) for FY 2004 and for FY 2003	<u>\$ 53,949.36</u> <u>\$ 7,146.79</u>	-	-	-
Federal student loan receipts	4,976,806.56	126,839.79	-	-
Federal student loan disbursements	5,920,555.40	4,611,991.87	-	-
Changes in deposits held for others	(5,920,555.40)	(4,611,991.87)	-	-
Other non-capital financing receipts (payments)	738,067.70	711,213.24	-	-
Net cash flows provided (used) by non-capital financing activities	<u>\$ 18,750,322.42</u>	<u>\$ 14,153,576.31</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	\$ -	\$ -	\$ -	\$ -
Capital - state appropriation	1,028,338.13	2,105,718.24	-	-
Purchase of capital assets and construction	-	(645,713.04)	-	-
Principal paid on capital debt and lease	(8,253.77)	(7,760.80)	-	-
Interest paid on capital debt and lease	(4,313.45)	(5,007.90)	-	-
Other capital and related financing receipts (payments)	(597,783.32)	-	-	-
Net cash flows provided (used) by capital and related financing activities	<u>\$ 417,987.59</u>	<u>\$ 1,447,236.50</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	\$ -	\$ -	\$ 106,567.12	\$ -
Income on investments	120,218.81	140,830.72	1,043.97	733.78
Net cash provided (used) by investing activities	<u>\$ 120,218.81</u>	<u>\$ 140,830.72</u>	<u>\$ 107,611.09</u>	<u>\$ 733.78</u>
Net increase (decrease) in cash and cash equivalents	4,075,747.61	3,215,162.75	253,167.36	44,201.24
Cash and cash equivalents - beginning of year	12,726,430.81	9,511,268.06	112,044.97	67,843.73
Cash and cash equivalents - end of year (Note 3)	<u>\$ 16,802,178.42</u>	<u>\$ 12,726,430.81</u>	<u>\$ 365,212.33</u>	<u>\$ 112,044.97</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income/(loss)	\$ (16,421,009.83)	\$ (13,611,846.47)	\$ 163,478.53	\$ 22,743.25
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	882,113.94	868,804.65	-	-
Change in assets and liabilities:				
Receivables, net	(28,603.08)	(80,364.41)	7,508.64	(6,501.54)
Prepaid/deferred items	4,596.21	(27,317.77)	(1,500.00)	-
Accounts payable	48,605.12	148,012.29	(26,430.90)	27,225.75
Accrued liabilities	25,253.02	(118,830.33)	-	-
Deferred revenues	281,245.37	85,970.66	2,500.00	-
Compensated absences	(4,981.96)	209,088.60	-	-
Net cash provided (used) by operating activities	<u>\$ (15,212,781.21)</u>	<u>\$ (12,526,482.78)</u>	<u>\$ 145,556.27</u>	<u>\$ 43,467.46</u>
Non-cash transactions				
Unrealized gains/losses on investments	-	-	\$ (985.07)	\$ (5,045.89)

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

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
Standard Notes to the Financial Statements
June 30, 2004

1. Summary of Significant Accounting Policies

REPORTING ENTITY

The institution is a part of the State University and Community College System of Tennessee (Tennessee Board of Regents). This system is a component unit of the State of Tennessee because the state appoints a majority of the system's governing body and provides financial support; the system is discretely presented in the Tennessee Comprehensive Annual Financial Report.

BASIS OF PRESENTATION

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* and in May 2002 by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The financial statement presentation required by GASB No. 34, No. 35 and No. 39 provides a comprehensive, entity-wide perspective of the institution's, including component units, assets, liabilities, net assets, revenues, expenses, changes in net assets, cash flows.

BASIS OF ACCOUNTING

For financial statement purposes, the institution is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant interfund transactions have been eliminated.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The institution has the option of following private-sector guidance issued subsequent to November 30, 1989, subject to the above limitation. The institution has elected not to follow private-sector guidance issued subsequent to November 30, 1989.

Amounts reported as operating revenues include: 1) tuition and fees, net of waivers and discounts, 2) federal, state, local and private grants and contracts, 3) sales and services of auxiliary enterprises, and 4) other sources of revenue. Operating expenses for the institution include: 1) salaries and wages, 2) employee benefits, 3) scholarships and fellowships, 4) depreciation, and 5) utilities, supplies, and other services.

All other activity is nonoperating in nature. This activity includes: 1) state appropriations for operations, 2) investment income, 3) bond issuance costs, 4) interest on capital asset-related debt, and 5) gifts.

When both restricted and unrestricted resources are available for use, generally it is the institution's policy to use the restricted resources first.

COMPENSATED ABSENCES

The institution's employees accrue annual leave at varying rates, depending upon length of service or classification. Some employees also earn compensatory time. The amount of these liabilities and their related benefits are reported in the Statement of Net Assets.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and library holdings, are reported in the Statement of Net Assets at historical cost or at fair value at date of donation, less accumulated depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized.

A capitalization threshold of \$100,000 is used for buildings, and \$50,000 is used for infrastructure. Equipment is capitalized when the unit acquisition cost is \$5,000 or greater. The capitalization threshold for additions and improvements to buildings and land is set at \$50,000.

These assets, with the exception of land, are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years.

LWIA EQUIPMENT

Under a contract with the Tennessee Department of Labor and Workforce Development, the institution is the administrative entity and grant recipient for the Local Workforce Investment Area in workforce investment area Numbers 8 and 9 of the State of Tennessee. The title to all the equipment purchased by Nashville State Technical Community College under the provisions of the Workforce Investment Act resides with the U.S. Government. Therefore, this equipment is not included in Nashville State Technical Community College capital assets.

NET ASSETS

The institution's net assets are classified as follows:

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT: This represents the institution's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

RESTRICTED NET ASSETS – NONEXPENDABLE: Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may be expendable or added to principal.

RESTRICTED NET ASSETS – EXPENDABLE: Restricted expendable net assets include resources in which the institution is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

UNRESTRICTED NET ASSETS: Unrestricted net assets represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the institution, and may be used at the discretion of the institution to meet current expenses for any purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discount and allowances in the statement of revenues, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the institution, and the amount that is paid by the student and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or nonoperating revenues in the institution's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the institution has recorded a scholarship discount and allowance.

2. Independent Audit

The financial statements for the year ended June 30, 2004 are unaudited. The most recent audit covered the year(s) ended June 30, 2000 and June 30, 2001 for which an audit report has been issued. The institution received an unqualified opinion in the audit report for the year ended June 30, 2001. There is an audit in progress for the years ended June 30, 2002 and June 30, 2003.

3. Cash and Cash Equivalents

In addition to demand deposits and petty cash on hand, this classification includes instruments which are readily convertible to known amounts of cash and which have original maturities of three months or less. At June 30, 2004, cash and cash equivalents consists of \$760,886.95 in bank accounts, \$1,500 of petty cash on hand, \$16,039,791.47 in the State of Tennessee Local Government Investment Pool administered by the State Treasurer.

LGIP Deposits – Capital Projects - Payments related to the institution's capital projects are made by the State of Tennessee's Department of Finance and Administration. The institution's estimated local share of the cost of each project is held in a separate Local Government Investment Pool (LGIP) account. As expenses are incurred, funds are withdrawn from the LGIP account by the Tennessee Board of Regents and transferred to the Department of Finance and Administration. The funds in the account are not available to the institution for any other purpose until the project is completed and the Tennessee Board of Regents releases any remaining funds.

4. Deposits

The institution's bank accounts are in financial institutions that participate in the bank collateral pool administered by the State Treasurer. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

At June 30, 2004, the carrying amount of the institution's deposits was \$760,886.95, and the bank balance including accrued interest was \$1,085,709.45. The bank balance was insured.

In accordance with the laws of the State of Tennessee, commercial banks have pledged securities as collateral for institution funds on deposit. The required collateral accepted as security for deposits shall be collateral whose market value is equal to either one hundred fifteen percent (115%), one hundred percent (100%), or ninety percent (90%) of the uninsured deposits. The pledge level is based on financial criteria set by the Collateral Pool Board with the financially strongest institutions being eligible for the lowest pledge level.

The institution also has deposits in the Local Government Investment Pool (LGIP) administered by the State Treasurer. The LGIP is part of the Pooled Investment Fund. The Pooled Investment Fund's investment policy and custodial credit risk are presented in the Tennessee Comprehensive Annual Financial Report. That report may be obtained by writing to the Tennessee Department of Finance and Administration, Division of Accounts, 14th Floor William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville, Tennessee 37242-0298, or by calling (615) 741-2140.

5. Investments

The institution is authorized by statute to invest funds in accordance with Tennessee Board of Regents policies. Under the current policy, funds other than endowments may be invested only in obligations of the United States or its agencies which are backed by the full faith and credit of the United States, repurchase agreements for United States securities, certificates of deposit in banks and savings and loan associations, banker's acceptances, commercial paper, money market mutual funds and the State of Tennessee Local Government Investment Pool. The policy requires that investments of endowments in equity securities be limited to funds from private gifts or other sources external to the institution and that endowment investments be prudently diversified. The Nashville State Technical Community College Foundation is authorized to invest funds in accordance with its board of directors' policies.

All investments permitted to be reported at fair value under GASB Statement 31 are reported at fair value, including those with a maturity date of one year or less at the time of purchase. Certificates of deposit have been included with other deposits in Note 4 to determine the adequacy of collateral security pledged.

The foundation's investments are categorized below to give an indication of the level of risk assumed by the foundation at year-end. Category 1 consists of investments that are insured or registered or for which the institution or its agent in the institution's name holds the securities. Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the institution's name. Category 3 consists of uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the institution's name

	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments not susceptible to credit risk categorization:		
Mutual Funds-Pershing	\$61,340.34	\$61,340.34
Total Investments per Statement of Net Assets	\$61,340.34	\$61,340.34

6. Accounts, Notes, and Grants Receivable

Accounts receivable included the following at June 30, 2004:

Student accounts receivable	\$701,987.66
Grants receivable	529,638.13
State appropriation receivable	45,400.00
Other receivables	<u>62,236.31</u>
Subtotal	\$1,339,262.10
Less allowance for doubtful accounts	(79,000.00)
Total	<u>\$1,260,262.10</u>

7. Capital Assets

Capital asset activity for the year ended June 30, 2004, was as follows:

	<u>Beg Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Reductions</u>	<u>End Balance</u>
Land	\$ 1,340,140.00				\$ 1,340,140.00
Land imp. & Infrastr.	1,131,290.10	\$339,512.86			1,470,802.96
Buildings	21,069,601.86				21,069,601.86
Equipment	2,643,613.88	212,813.84		\$131,214.73	2,725,212.99
Library holdings	693,583.00	80,308.56		78,135.68	695,755.88
Total	\$26,878,228.84	\$632,635.26		\$209,350.41	\$27,301,513.69
Less accum dep:					
Land imp. & Infrastr.	\$ 566,750.35	\$ 69,324.23			\$ 636,074.58
Buildings	7,836,052.41	587,690.70			8,423,743.11
Equipment	2,091,064.91	147,709.85		\$131,214.73	2,107,560.03
Library holdings	366,953.25	77,389.16		78,135.68	366,206.73
Total accum dep	\$10,860,820.92	\$882,113.94		\$209,350.41	\$11,533,584.45
Capital assets, net	\$16,017,407.92	(\$249,478.68)			\$15,767,929.24

8. Long-term Liabilities

Long term liability activity for the year ended June 30, 2004, was as follows:

	<u>Beg Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>End Balance</u>	<u>Current Portion</u>
Payables:					
Bonds		\$81,947.93		\$81,947.93	\$8,600.43
Subtotal		\$81,947.93		\$81,947.93	\$8,600.43
Other Liabilities					
Comp Absences	\$638,899.37	\$503,475.08	\$508,457.20	\$633,917.25	\$456,835.47
Subtotal	\$638,899.37	\$503,475.08	\$508,457.20	\$633,917.25	\$456,835.47
Total long-term liabilities	\$638,899.37	\$585,423.01	\$508,457.20	\$715,865.18	\$465,435.90

Bonds Payable

Bond issues, with interest rates ranging from 4.5% to 5% for Tennessee State School Bond Authority bonds, are due serially to May 1, 2012 and are secured by pledges of the facilities' revenues to which they relate and certain other revenues and fees of the university, including state appropriations. The bonded indebtedness with the Tennessee State School Bond Authority reported on the balance sheet is shown net of assets held by the authority in the debt service reserve and net of unexpended loan proceeds.

Debt service requirements to maturity for all bonds payable at June 30, 2004, are as follows:

<u>For the Year(s)</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$8,600.43	\$3,984.72	\$12,585.15
2006	9,004.65	3,597.70	12,602.35
2007	9,450.38	3,169.98	12,620.36
2008	9,894.55	2,744.72	12,639.27
2009	10,409.06	2,250.00	12,659.06
2010 – 2014	34,588.86	3,517.60	38,106.46
Total	\$81,947.93	\$19,264.72	\$101,212.65

9. Endowments

If a donor has not provided specific instructions to the Nashville State Technical Community College, state law permits the college to authorize for expenditure the earnings of the investments of endowment funds. When administering its power to spend these earnings, the university/college is required to consider the college's long-term and short-term needs, present and anticipated financial requirements, expected return on its investments, price-level trends, and general economic conditions. Any earnings spent are required to be spent for the purposes for which the endowment was established.

The college chooses to spend only a portion of the investment income each year. Under the spending plan established by the college, a scholarship award has been authorized for expenditure. The remaining amount, if any, is retained to be used in future years when the amount computed using the spending plan exceeds the investment income. At June 30, 2004, investment income of \$83.81 is available to be spent, of which \$83.81 is restricted to specific purposes.

10. Unrestricted Net Assets

Unrestricted net assets include funds that have been designated or reserved for specific purposes. These purposes include the following:

	<u>FY 2004</u>
Working capital	\$505,474.97
Encumbrances	224,821.08
Auxiliaries	9,000.00
Renewal and replacement of equipment	5,842,210.93
Debt retirement	24,121.70
Unreserved/undesignated balance	<u>3,902,886.12</u>
Total	\$10,508,514.80

11. Pension Plans

Defined Benefit Plan

Plan Description - The institution contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement, death, and disability benefits as well as annual cost-of-living adjustments to plan members and their beneficiaries. Title 8, Chapters 34-37, Tennessee Code Annotated, establishes benefit provisions. State statutes are amended by the Tennessee General Assembly.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for SETHEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0230 or by calling (615) 741-8202, extension 139.

Funding Policy - Plan members are noncontributory. The institution is required to contribute at an actuarially determined rate. The current rate is 7.29% of annual covered payroll. The contribution requirements of the institution are established and may be amended by the TCRS Board of Trustees. The institution's contributions to TCRS for the years ending June 30, 2004, 2003, and 2002 were \$515,155.30, \$518,740.79, and \$446,641.56, respectively, equal to the required contributions for each year.

Defined Contribution Plans

Plan Description - The institution contributes to three defined contribution plans: Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF), Aetna Life Insurance and Annuity Company, and Variable Annuity Life Insurance Company (VALIC). These plans are administered by the Tennessee Department of the Treasury. Each plan provides retirement benefits to faculty and staff who are exempt from the overtime provisions of the Fair Labor Standards Act and who waive membership in the TCRS. Benefits depend solely on amounts contributed to the plan plus investment earnings. Plan provisions are established by state statute in Title 8, Chapter 35, Part 4, Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly.

Funding Policy - Plan members are noncontributory. The institution contributes an amount equal to 10% of the employee's base salary up to the social security wage base and 11% above the social security wage base. Contribution requirements are established and amended by state statute. The contribution made by the institution to the plans for the year ended June 30, 2004, was \$ 513,194.10 and for the year ended June 30, 2003, was \$485,435.29. Contributions met the requirements for each year.

12. Other Post-Employment Benefits

The State of Tennessee administers a group health insurance program that provides post-employment health insurance benefits to eligible institution retirees. This benefit is provided by and administered by the State of Tennessee. The institution assumes no liability for retiree health care programs. Information related to this plan is available at the statewide level in the Tennessee Comprehensive Annual Financial Report. That report may be obtained by writing to the Tennessee Department of Finance and Administration, Division of Accounts, 14th Floor William R. Snodgrass Tennessee Tower, 312 Eighth Avenue North, Nashville, Tennessee 37243-0298, or by calling (615) 741-2140.

13. Insurance-Related Activities

The state purchases commercial insurance for real property, flood, earthquake, and builder's risk losses and surety bond coverage on the state's officials and employees. The insurance policy deductibles vary from \$1 million to \$5 million by type of risk coverage. A designation of \$5 million for incurred losses has been established in the state's general fund. In FY 2003, the state incurred 13 property claims which exceeded the per occurrence deductible. The gross amount of claims for the period was approximately \$7.2 million, of which the state's property insurance carrier will ultimately assume approximately \$2.2 million.

At June 30, 2004, the scheduled coverage was \$32,550,300 for buildings and \$17,463,500 for contents.

The state has set aside assets for claim settlement in an internal service fund, the Claims Award Fund. This fund services all claims for risk of loss to which the state is exposed, including general liability, automobile liability, professional malpractice, and workers' compensation. The institution participates in the Claims Award Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the institution based on a percentage of the institution's expected loss costs, which include both experience and exposures. This charge considers recent trends in actual claims experience of the state as a whole. An actuarial valuation is performed as of fiscal year-end to determine the fund liability and premium allocation. The institution is subject to the liability limitations under the provisions of the Tennessee Claims Commission Act, Tennessee Code Annotated 9-8-101 et seq. Liability for the negligence of the institution for bodily injury and property damage is limited to \$300,000 per person and \$1,000,000 per occurrence. The limits of liability under workers' compensation are set forth in Tennessee Code Annotated 50-6-101 et seq. Claims are paid through the State's Claims Award Fund.

The state has also set aside assets in the Employee Group Insurance Fund, an internal service fund, to provide a program of health insurance coverage for the employees of the state with the risk retained by the state. The institution participates in the Employee Group Insurance Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the institution based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Employees and providers have 13 months to file medical claims.

14. Commitments and Contingencies

Sick Leave - The institution records the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness, injury, or related family death, there is no liability for sick leave at June 30. The dollar amount of unused sick leave was \$4,522,447.65 at June 30, 2004.

Operating Leases - The institution has entered into various operating leases for buildings and equipment. Such leases will probably continue to be required. Expenses under operating leases for personal property was \$59,053.98 for the year ended June 30, 2004. The comparative amount for personal property for the year ended June 30, 2003 was \$56,585.04. The following is a schedule by years of future minimum rental payments required under noncancelable operating leases that have initial or remaining lease terms in excess of one year as of June 30, 2004:

Year ending June 30:	
2005	\$96.00

Construction in Progress - At June 30, 2004, outstanding commitments under construction contracts totaled \$65,211.49 for capital improvements of which \$65,211.49 will be funded by future state capital outlay appropriations.

Litigation - The institution was involved in two lawsuits, none of which are expected to have a material effect on the accompanying financial statements. One of these lawsuits was dismissed in January 2004.

15. Natural Classifications with Functional Classifications

The institution's operating expenses by functional classification for the year ended June 30, 2004, are as follows:

<u>Functional Classification</u>	<u>Natural Classification</u>					<u>Total</u>
	<u>Salaries</u>	<u>Benefits</u>	<u>Other Operating</u>	<u>Scholarship</u>	<u>Depreciation</u>	
Instruction	\$9,024,056.15	\$2,366,495.01	\$2,688,495.46	\$191,035.02		\$14,270,081.64
Public Service	415,784.18	106,715.42	205,978.89			728,478.49
Academic Support	2,386,010.48	563,134.06	380,826.39	23,563.50		3,353,534.43
Stud Services	1,069,080.29	376,851.64	480,155.21	26,887.00		1,952,974.14
Instit Support	1,681,491.58	526,279.63	477,324.30	14,880.79		2,699,976.30
M&O	499,752.65	158,701.38	1,401,690.23			2,060,144.26
Scholar & Fellow			126,548.49	1,375,068.25		1,501,616.74
Auxiliary			2,681.68			2,681.68
Depreciation					\$882,113.94	882,113.94
Total Expenses	\$15,076,175.33	\$4,098,177.14	\$5,763,700.65	\$1,631,434.56	\$882,113.94	\$27,451,601.62

16. Prior Period Adjustment(s)

INVESTMENT IN PLANT \$34,731.94 Boiler Capitalization Infrastructure correction

17. Restatement of Prior Year Balances

In prior years, the institution included foundation accounts receivable and accounts payable in the agency fund and reported them on the statement of net assets. The following FY 2003 amounts have been restated to remove accounts receivable and accounts payable amounts. Non-governmental Grants and Contracts and Gifts on the Statement of Revenues, Expenses, and Changes in Net Assets and Grants and Contracts and Gifts on the Statement of Cash Flows have been restated to record component unit gifts.

	<u>Original Amount</u>	<u>Restated Amount</u>
<u>Statement of Net Assets:</u>		
Accounts Receivable	\$1,261,175.61	\$1,243,248.61
Accounts Payable	604,347.39	\$577,096.64
Deposits Held in Custody for Others	324,217.35	333,541.10
<u>Statement of Revenues, Expenses, and Changes in Net Assets:</u>		
Non-governmental Grants and Contracts	\$537,621.48	\$505,299.69
Gifts	94,518.00	126,839.79
<u>Statement of Cash Flows:</u>		
Grants and Contracts	\$7,003,820.44	\$6,971,498.65
Gifts	94,518.00	126,839.79

18. Component Unit(s)

Nashville State Technical Community College Foundation is a legally separate, tax-exempt organization supporting Nashville State Technical Community College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 32-member board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the year ended June 30, 2004, the Foundation made distributions of \$29,034.71 to or on behalf of the College for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from Debra Bauer, Nashville State Technical Community College, 120 White Bridge Road, Nashville, TN, 37209.

The Foundation is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

Deposits with the College – Deposits with the College consists of certain assets of the Foundation that are held and managed by the College for the Foundation. These assets include \$365,212.33 in cash and cash equivalents, \$61,340.34 in investments, and \$48.16 in accounts, notes, and grants receivable. These assets have been reported by the institution and included in the institution's applicable note disclosures above.

Pledges Receivable - Pledges receivable are summarized below net of the allowance for doubtful accounts:

Current pledges	\$10,370.20
Pledges due in one to five years	<u>10,370.20</u>
Subtotal	10,370.20
Less discounts to net present value	<u>(0.00)</u>
Total pledges receivable, net	\$10,370.20

Unrestricted Net Assets

Unrestricted net assets include funds that have been designated or reserved for specific purposes. These purposes include the following:

	<u>FY 2004</u>
Working capital	\$ 4,346.16
Unreserved/undesignated balance	<u>159,576.75</u>
Total	\$163,922.91

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF BALANCES IN UNRESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004

With Comparative Figures as of June 30, 2003
 Unaudited

	Current Year	Prior Year
ALLOCATED		
Non-discretionary Allocations		
Allocation for Working Capital:		
Petty Cash	\$1,500.00	\$1,700.00
Accounts Receivable	608,303.04	565,425.66
Accrued Benefits on Faculty Salaries	(178,826.07)	(165,212.72)
Prepaid Expenditures	53,146.45	47,400.40
Total Allocation for Working Capital	<u>\$484,123.42</u>	<u>\$449,313.34</u>
Allocation for Encumbrances:	\$224,821.08	\$290,255.48
Allocation for Designated Appropriations:	760.35	982.60
Total Non-discretionary Allocations	<u>\$709,704.85</u>	<u>\$740,551.42</u>
Discretionary Allocations		
Special Allocations	748,800.00	982,700.00
Total Discretionary Allocations	<u>\$748,800.00</u>	<u>\$982,700.00</u>
Allocation for Compensated Absences	(\$574,884.63)	(\$583,502.14)
UNALLOCATED	\$475,173.38	\$158,676.53
Total Unrestricted Educational and General Funds	<u>\$1,358,793.60</u>	<u>\$1,298,425.81</u>

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF BALANCES IN AUXILIARY ENTERPRISES FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 With Comparative Figures as of June 30, 2003
 Unaudited

	Current Year	Prior Year
ALLOCATED		
Non-discretionary Allocations		
Allocation for working capital:		
Accounts Receivable	\$21,351.55	\$13,163.15
Total Allocation for working capital	<u>\$21,351.55</u>	<u>\$13,163.15</u>
Total Non-discretionary Allocations	<u>\$21,351.55</u>	<u>\$13,163.15</u>
Discretionary Allocations		
Allocation for contingencies	<u>\$9,000.00</u>	<u>\$8,600.00</u>
Total Discretionary Allocations	<u>\$9,000.00</u>	<u>\$8,600.00</u>
UNALLOCATED		
Total Auxiliary Enterprises Fund Balances	<u>\$753,620.97</u>	<u>\$560,395.44</u>

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS REVENUE
 For the Year Ended June 30, 2004
 Unaudited

	Unrestricted	Restricted	Total	Prior Year Total
TUITION AND FEES				
Maintenance Fees	\$ 9,097,590.05		\$ 9,097,590.05	\$ 7,708,749.99
Senior Disabled Contracts	(66,375.75)		(66,375.75)	(71,223.75)
RODP Maintenance	259,758.00		259,758.00	123,441.70
Out-of-State Fees	401,213.25		401,213.25	346,714.25
CEU Student Fees	19,709.00		19,709.00	30,332.00
W/FTC-Computer Open	103,686.60		103,686.60	84,388.20
TTC/Com Ed-Public Service CEU	17,141.00		17,141.00	19,236.00
TTC-Reg CEU	34,762.97		34,762.97	7,360.40
Application Fees	33,198.00		33,198.00	34,073.00
Late Fees	29,450.00		29,450.00	27,415.00
Graduation Fees	17,115.00		17,115.00	13,475.00
Returned Check Fees	2,500.00		2,500.00	3,320.00
ID Replacement Fees	265.00		265.00	3.00
Special Exam Fees	1,975.00		1,975.00	1,275.00
Locker Fees	210.00		210.00	164.00
Library Fines	854.39		854.39	1,576.48
Library Fines-Video	3,160.00		3,160.00	4,605.00
Transcript Fees	1,123.00		1,123.00	151.00
Technology Access Fees	1,075,738.26		1,075,738.26	580,558.45
Deferred Payment Service Fees	21,740.00		21,740.00	19,180.00
Deferred Payment Late Fees	68,000.00		68,000.00	30,000.00
On-line Fee	56,524.00		56,524.00	37,747.00
TOTAL TUITION AND FEES	\$11,179,337.77	\$ -	\$11,179,337.77	\$ 9,002,541.72
APPROPRIATIONS				
State Appropriations	\$12,902,700.00	\$ 128,200.00	\$13,030,900.00	\$13,231,170.00
TOTAL APPROPRIATIONS	\$12,902,700.00	\$ 128,200.00	\$13,030,900.00	\$13,231,170.00
GOVERNMENT GRANTS & CONTRACTS				
Federal	\$ 185,944.91	\$6,251,835.44	\$ 6,437,780.35	\$ 5,020,771.93
State	218,576.86	1,343,640.20	1,562,217.06	1,495,689.10
Local	64,440.00		64,440.00	90,243.82
TOTAL GOVERNMENT GRANTS & CONTRACTS	\$ 468,961.77	\$7,595,475.64	\$ 8,064,437.41	\$ 6,606,704.85

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS REVENUE
 For the Year Ended June 30, 2004
 Unaudited

Schedule 2

	Unrestricted	Restricted	Total	Prior Year Total
PRIVATE GIFTS, GRANTS, & CONTRACTS	\$ 405,569.81	\$ 239,394.16	\$ 644,963.97	\$ 649,930.41
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES	\$ 4,147.41		\$ 4,147.41	\$ 3,766.06
OTHER SOURCES	\$ 100,028.30		\$ 100,028.30	\$ 112,927.23
Interest on Invested Funds	3,821.08		3,821.08	5,378.73
Interest FANB	196.93		196.93	323.85
Int. Inc.-Unre. Donations		\$ 83.81	83.81	75.79
Endowment Income	88,985.00		88,985.00	88,154.43
Parking Permits	19,930.00		19,930.00	23,525.00
Traffic and Parking Fines	5,704.00		5,704.00	2,725.00
Rental of Facilities	13,000.00		13,000.00	18,978.83
Rental of Facilities-Cookeville	7,154.00		7,154.00	9,055.00
Compass Test	4,825.00		4,825.00	5,575.00
ACT Fees	0.00		0.00	843.00
Work Keys	460.00		460.00	380.00
Compass Re-test Fee	1,571.50		1,571.50	4,223.00
WFTC-Computer Testing	1,100.00		1,100.00	
Independent Study Fee	9,755.03	120.00	9,875.03	12,707.98
Other	8.48		8.48	404.93
Personal Telephone Calls	5,096.76		5,096.76	731.89
Collection Costs	261,636.08	203.81	261,839.89	286,009.66
TOTAL OTHER SOURCES	\$ 204,707.21	\$ -	\$ 204,707.21	\$ 179,129.39
TOTAL AUXILIARY ENTERPRISES REVENUES	\$ 25,427,060.05	\$ 7,963,273.61	\$ 33,390,333.66	\$ 29,959,252.09
TOTAL REVENUES				

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EDUCATION AND GENERAL VOCATIONAL/TECHNICAL INSTRUCTION GENERAL STUDIES		EXPENDITURES BY PURPOSE			
	Unrestricted	Restricted	Total	Personal Services	Supplies & Expenses	Equipment & Capital Outlay
RODP English	\$ 53,966.86		\$ 53,966.86	\$ 53,966.86	\$	\$
Video Adm./Gen. Acad.	18,900.88		18,900.88	18,900.88	2,562.86	
Arts & Sciences Copy/Machine	2,562.86		2,562.86		6,280.51	
Dual Enrollment-English	16,271.97		16,271.97	10,011.46	7,926.00	
Personnel Search	7,926.00		7,926.00			
Unemployment	157.20		157.20	157.20		
English	791,898.01		791,898.01	778,502.93	13,395.08	
English Video	114,810.97		114,810.97	102,307.42	12,503.55	
English Web	151,797.19		151,797.19	151,225.41	571.78	
Mathematics	927,473.10		927,473.10	922,437.27	5,035.83	
Math Video	12,087.42		12,087.42	12,087.42		
Dual Enrollment-Math	6,903.73		6,903.73	7,583.73	1,320.00	
Math Web	36,813.62		36,813.62	36,813.62		
Physics	185,243.03		185,243.03	181,677.92	3,565.11	
Social Sciences	553,122.00		553,122.00	536,005.96	17,116.04	
Social Sciences Video	67,333.91		67,333.91	47,087.86	20,246.05	
Social Science Web	33,453.50		33,453.50	33,453.50		
Dual Enrollment-Social Science	5,443.28		5,443.28	1,453.28	3,990.00	
Social Science RODP	10,803.38		10,803.38	10,803.38	27,427.93	
Biology	321,748.71		321,748.71	294,321.78	14,148.63	
Biology Video	20,738.92		20,738.92	14,148.63	6,590.29	
Middle College-Gen Acad	34,502.70		34,502.70	34,502.70		
NST Online	7.71		7.71	7.71		
Chemistry	57,571.99		57,571.99	58,170.79	(598.80)	
Chemistry-Humphrey	14,755.25		14,755.25	14,755.25		
Chemistry-Video	1,979.05		1,979.05	1,979.05	7,765.05	
Communications	7,765.05		7,765.05		7,765.05	
Deeseg Faculty	325.00		325.00		325.00	
Computer Serv./Alloc.	28,262.91		28,262.91		28,262.91	
General Academic WS	254,519.74		254,519.74		254,519.74	
Work Scholarship	2,018.51		2,018.51	2,018.51		
Dependent Fee Waiver	21,514.50		21,514.50		21,514.50	
Employee Fee Waivers	5,197.00		5,197.00	5,197.00		
Liability Insurance	1,218.00		1,218.00	1,218.00		
Dual Enrollment	18,630.00		18,630.00		18,630.00	
Personal Search	138.80		138.80		138.80	
Unemployment	3,629.33		3,629.33		3,629.33	
Horticulture	8,890.76		8,890.76	8,890.76	4,150.65	
Surgical Technology	8,890.76		8,890.76	58,115.19	18,007.25	
Nursing	62,265.84		62,265.84	220,404.80	7,283.08	
Occupational Therapy	238,412.05		238,412.05		9,479.91	
Special Courses-Rel	7,263.08		7,263.08	181,120.65		
Police Science	190,600.56		190,600.56	18,386.28	13,619.74	
University of Tenn	18,386.28		18,386.28	42,521.07	33,556.64	
Deeseg Faculty	42,521.07		42,521.07	176,550.43	6,809.20	
Supplemental Instructors	190,170.17		190,170.17	152,415.72	325.00	
HCA Nursing Program	186,012.36		186,012.36	4,177.93		
TOTAL GENERAL STUDIES	\$ 4,740,015.25	\$ 61,569.52	\$ 4,801,584.77	\$ 4,184,682.41	\$ 611,003.46	\$ 5,892.90

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EXPENDITURES BY PURPOSE			EXPENDITURES BY PURPOSE		
	Unrestricted	Restricted	Total	Personal Services	Supplies & Expenses	Equipment & Capital Outlay
BUSINESS SCIENCE TECHNOLOGY						
Copy Machine Alloc.	\$ (2,894.44)		\$ (2,894.44)	\$ 14,849.39	\$ (2,894.44)	
CIS Video	14,849.39		14,849.39	675,460.02	22,239.98	
Computer Info System	697,700.00		697,700.00	16,955.82	16,955.82	
Computer Lab Replace	16,955.82		16,955.82	49,858.50		
Bus Tech Help Desk	49,858.50		49,858.50	16,804.57		
CIS Web	16,804.57		16,804.57	20,702.80		
CIS RODP	20,702.80		20,702.80	339,191.06	9,604.77	
Computer Accounting	348,795.83		348,795.83	107,856.79		
Accounting Video	107,856.79		107,856.79	14,033.70	7,861.01	
Accounting RODP	14,033.70		14,033.70	24,215.53	24,521.80	
Communication Tech	32,076.54		32,076.54	321,651.71	24,521.80	
Office Administration	346,173.51		346,173.51	274,450.44	3,541.30	
Office Administration	277,991.74		277,991.74	82,798.64		
QAD Web	82,798.64		82,798.64	229,914.08	21,607.00	
Quick Copy Services	21,607.00		21,607.00	23,490.83	1,960.42	
Visual Communication	231,874.50		231,874.50	191,308.85	(39,350.68)	
In-House Printing	21,607.00		21,607.00	1,453.28	28,184.69	
Visual Com Web	23,490.83		23,490.83	74,816.50	2,250.00	
Photography	3,703.28		3,703.28	134,551.51	4,569.51	
Photography Video	79,386.01		79,386.01	74,019.20	7,949.89	
Special Courses-Bis	142,501.40		142,501.40	140,003.14	8,305.50	
Business Management	82,324.70		82,324.70	93,719.64		
Business Management Web	140,003.14		140,003.14	101,999.27	16,302.35	
Business Management RODP	93,719.64		93,719.64	132,703.80	9,874.22	
Culinary	118,301.62		118,301.62	132,703.80	144,582.84	
Music Technology	142,578.02		142,578.02	3,139,853.25		
TOTAL BUSINESS SCIENCE TECHNOLOGY	\$ 3,284,536.19	\$ -	\$ 3,284,536.19	\$ 3,139,853.25	\$ 144,582.84	\$ -
ENGINEERING TECHNOLOGIES						
Bio Technology	\$ 42,590.66		\$ 42,590.66	\$ 32,467.80	\$ 10,122.86	
Architect Eng Tech	162,952.91		162,952.91	150,102.48	12,850.43	
Eng Tech (Arch) Web	6,842.38		6,842.38	6,842.38		
Civil & Const Eng Tech	158,383.92		158,383.92	151,614.21	6,769.71	
Cad	7,468.08		7,468.08	7,468.08		
Electrical Eng Tech	316,486.57		316,486.57	314,775.54	1,711.03	
Electronic Eng Tech	147,752.86		147,752.86	132,415.18	15,337.68	
Manufacturing Eng	186,302.25		186,302.25	176,855.99	9,446.26	
Special Courses-Engo	71,090.78		71,090.78	70,536.88	553.90	
Computer Technology	168,085.66		168,085.66	163,298.06	4,787.60	
Automotive Technology	234,701.00		234,701.00	133,696.94	101,004.06	
Acad Skills Waiverly	7,611.82		7,611.82	7,234.09	377.73	
Accounting Waiverly	18,519.16		18,519.16	18,519.16		
Biology Waiverly	12,889.16		12,889.16	12,595.06	294.10	
Education Waiverly	1,453.24		1,453.24	1,453.24		
English Waiverly	30,491.33		30,491.33	30,491.33		
History Waiverly	8,015.64		8,015.64	8,015.64		
Math Waiverly	14,954.42		14,954.42	14,954.42		
Phys Education	4,051.41		4,051.41	4,051.41		
Psychology Waiverly	1,453.31		1,453.31	1,453.31		
Spanish Waiverly	3,875.40		3,875.40	3,875.40		
Mid College-Voc Tech	127.98		127.98		127.98	

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EXPENDITURES BY PURPOSE		Total	EXPENDITURES BY PURPOSE		Total
	Unrestricted	Restricted		Personal Services	Supplies & Expenses	
ENGINEERING TECHNOLOGY (cont'd)						
Cookeville IT Center	735,741.50	\$ 6,414.54	735,741.50	684,791.26	50,950.24	
Tech Deans Grant 2004		88,349.54	88,349.54	4,006.68	2,404.86	
Center of Emphasis		56.72	56.72	86,186.57	162.97	
TPT Business & Industrial		25,753.81	25,753.81	15,998.00	9,755.81	
Synergy 2004		40,043.62	40,043.62	138,897.92	40,043.62	
NSF SWM Engineering 2001-02		272,116.94	272,116.94	158,087.25	133,219.02	
IT NSF 2002-2003		225,430.98	225,430.98	106,798.11	67,343.73	
CITE 2003-2004		161,175.29	161,175.29	64,879.79	44,377.18	
NSF-Case Files 02-03		121,497.93	121,497.93	32,644.61	66,758.14	
NSF-Case Files 03-04		104,730.76	104,730.76	27,295.33	72,086.15	
Dept. of Ed Information Tech		84,002.15	84,002.15	27,295.33	56,706.82	
Dept. of Ed Information Tech 2004		28,315.00	28,315.00	28,315.00		
Voc Tech W/S			28,315.00			
TOTAL ENGINEERING TECHNOLOGY	\$2,341,841.44	\$1,147,827.28	\$3,489,668.72	\$2,782,410.12	\$ 707,258.60	\$ -
COMMUNITY EDUCATION						
CONTINUING EDUCATION	\$ 21,314.05		21,314.05	21,314.05	125,113.10	
Distance Education	125,113.10		125,113.10	55,017.45	55,017.45	
Equipment-VocElectns	55,017.45		55,017.45	476,164.14	476,164.14	
Communications	476,164.14		476,164.14	9,692.37	17,416.50	
Computer Serv. Alloc.	9,692.37		9,692.37	28,090.37	3,579.00	
Voc Tech W/S	17,416.50		17,416.50	890,999.12	822,981.18	
Work Scholarship	28,090.37		28,090.37	35,530.00	35,530.00	
Dependent Fee Waiver	3,579.00		3,579.00	728.00	728.00	
Employee Fee Waivers	890,999.12		890,999.12	36,813.04	14,225.68	
Tech Access Fee	35,530.00		35,530.00	63,706.14	13,369.20	
Liability Insurance	728.00		728.00	566.79	566.79	
Personnel Search	36,813.04		36,813.04	4,611.45	4,611.45	
CEU Courses	63,706.14		63,706.14	1,120.03	1,120.03	
WFTC Long	566.79		566.79	3,115.15	3,115.15	
Communication-Community Ed	4,611.45		4,611.45	870.00	870.00	
Computer Serv. Alloc.	1,120.03		1,120.03	3,115.15	3,115.15	
CEU W/S	3,115.15		3,115.15	101,165.16	101,165.16	
Liability Insurance	312.00		312.00	28,249.75	28,249.75	
SDA-Rener, Wilda	870.00		870.00	101,165.16	101,165.16	
NSTCC-UCHRA-5-17677				3,360.42	3,360.42	
TRA				140,392.54	1,699,123.55	
CEU W/S				1,907,534.03	1,699,123.55	
TOTAL CONTINUING EDUCATION	\$1,771,643.55	\$ 135,890.48	\$1,907,534.03	\$ 140,392.54	\$1,699,123.55	\$ 68,017.94
PREPARATORY/REMEDIAL INSTRUCTION						
Unemployment	\$ 1,159.29		1,159.29	1,159.29	43,318.74	
Academic Skills	831,101.86		831,101.86	787,783.12	3,602.08	
Amer Sign Lang Web	4,478.42		4,478.42	4,478.42	7,095.43	
English/Remed/Development	3,602.08		3,602.08	3,481.37	3,481.37	
Math/Remed/Development	7,095.43		7,095.43	116,851.24	3,849.41	
RID Reading Strat	3,481.37		3,481.37	36,914.55	225.04	
Learning Center	116,851.24		116,851.24	9,174.09	9,174.09	
LD Grant Match	36,914.55		36,914.55			
LD Grant Match	225.04		225.04			
Deseg. Faculty	9,174.09		9,174.09			
Communications						

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

Schedule 3

	EXPENDITURES BY PURPOSE		Total	EXPENDITURES BY PURPOSE		Total
	Unrestricted	Restricted		Personal Services	Supplies & Expenses	
PREPARATORY/REMEDIAL INSTRUCTION (cont'd)						
Computer Serv. Alloc.	76,884.84		76,884.84		76,884.84	
Work Scholarship	8,196.00		8,196.00		8,196.00	
Dependent Fee Waiver	451.00		451.00	451.00		
Employee Fee Waivers	312.00		312.00	312.00		
Liability Insurance	5,280.00		5,280.00		5,280.00	
Families First		90.00	90.00		90.00	
Disabilities 2002-03		2,209.53	2,209.53	2,252.81		
Disabilities 2003-04		93,714.47	93,714.47	85,623.82	(43.28)	8,090.65
Ford 2000		575.57	575.57	575.57		575.57
Ford 2004		111,167.44	111,167.44	109,158.35		2,009.09
Geier 2003		2,472.35	2,472.35	2,077.85		394.70
Deseg. Facility		225.04	225.04		225.04	
TOTAL PREPARATORY/REMEDIAL INSTRUCTION	\$ 1,105,167.21	\$ 210,454.40	\$ 1,315,621.61	\$ 1,143,212.84	\$ 172,408.77	\$ 73,910.84
TOTAL EDUCATION & GEN. VOC. TECH. INSTRUCTION						
	\$13,243,203.64	\$ 1,555,741.69	\$14,798,945.32	\$11,390,851.16	\$ 3,334,483.92	\$ 73,910.84
PUBLIC SERVICE						
NCAC/COMDATA St Cost	96.75		96.75		96.75	
Project Psychcheck	1,325.53		1,325.53		1,325.53	
Nashville Read CWSP	84.72		84.72	84.72		
WFTC-Short	409,156.19		409,156.19	251,270.97	157,885.22	
WFTC-Computer Training	189.95		189.95		189.95	
TPT Public Serv CEU	1,200.00		1,200.00		1,200.00	
Communication	2,189.43		2,189.43		2,189.43	
Computer Serv. Alloc.	21,272.63		21,272.63		21,272.53	
Employee Fee Waivers	234.00		234.00	234.00		
Liability Insurance	1,590.00		1,590.00		1,590.00	
Nashville Read CWSP		5,616.10	5,616.10		5,616.10	
Resources Conserv.		15,116.81	15,116.81		15,116.81	
Tech Prep 2003,2004		103,895.65	103,895.65	77,550.60	26,335.05	
TN Quality Award		187,743.21	187,743.21	187,743.21		
FAMS WS & State Couns		89.55	89.55		89.55	
TOTAL PUBLIC SERVICE	\$ 437,339.20	\$ 312,451.32	\$ 749,790.52	\$ 522,499.60	\$ 227,289.92	\$ -
ACADEMIC SUPPORT LIBRARIES						
Library	551,797.24		551,797.24	396,787.28	74,721.40	80,308.56
Communications	3,747.00		3,747.00		3,747.00	
Computer/Ser. Alloc.	34,301.83		34,301.83		34,301.83	
Library WS	1,729.69		1,729.69	1,729.69		
Work Scholarship	1,024.50		1,024.50		1,024.50	
Liability Insurance	2,150.00		2,150.00		2,150.00	
Audio Visual Admin.	1,307.98		1,307.98		1,307.98	
Liability Insurance	40.00		40.00		40.00	
Library WS		5,062.88	5,062.88		5,062.88	
TOTAL LIBRARIES	\$ 596,096.24	\$ 5,062.88	\$ 601,159.12	\$ 403,559.65	\$ 117,282.71	\$ 80,308.56
ACADEMIC COMPUTING SUPPORT						
Personnel Search	195.00		195.00		195.00	
Unemployment	4,950.00		4,950.00	4,950.00		
Computer Center	1,069,314.22		1,069,314.22	875,267.32	94,046.90	
Data Entry Services	27,020.62		27,020.62	27,020.62		
Computer Center Allo	(1,096,334.84)		(1,096,334.84)		(1,096,334.84)	

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	ACADEMIC COMPUTING SUPPORT (cont'd)		ANCILLARY SUPPORT		ACADEMIC ADMINISTRATION		ACADEMIC PERSONNEL DEVELOPMENT		TOTAL ACADEMIC SUPPORT		SOCIAL & CULTURAL DEVELOPMENT		TOTAL SOCIAL & CULTURAL DEVELOPMENT		EXPENDITURES BY PURPOSE			
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Personal Services	Supplies & Expenses	Equipment & Capital Outlay
Deseg. Staff	1,960.17		1,960.17														1,960.17	
Communications	8,713.68		8,713.68														8,713.68	
Dependent Fee Waiver	7,693.85		7,693.85															
Employee Fee Waivers	586.00		586.00															
Deseg. Staff		1,960.18	1,960.18														1,960.18	
TOTAL ACADEMIC COMPUTING SUPPORT	\$ 24,058.70	\$ 1,960.18	\$ 26,058.88			\$ 1,015,517.79			\$ (939,456.91)								\$ -	
Interpreters	22,412.74		22,412.74														22,412.74	
Communications	203.17		203.17														203.17	
Liability Insurance	130.00		130.00														130.00	
TBR Cooperation Education		9,785.70	9,785.70															
Dept. of F&A-Div. of CIR		701,285.26	701,285.26														701,285.26	
TOTAL ANCILLARY SUPPORT	\$ 22,745.91	\$ 711,050.96	\$ 733,796.87			\$ 733,463.70			\$ 333.17								\$ -	
Personal Search	390.00		390.00														390.00	
Arts and Science Adm	158,589.30		158,589.30														158,589.30	
Business & Tech Adm	139,923.57		139,923.57														139,923.57	
Workforce/Com Ed Svc	96,923.55		96,923.55														96,923.55	
Community Educ Center	109,714.90		109,714.90														109,714.90	
Com. Educ. Copier Act	(7,246.33)		(7,246.33)														(7,246.33)	
Off Campus Programs	166,470.11		166,470.11														166,470.11	
Academic Web Development	47,824.36		47,824.36														47,824.36	
Academic Program Assessment	19,220.53		19,220.53														19,220.53	
Waverly Center	103,169.98		103,169.98														103,169.98	
Business and Applied Art	3,931.29		3,931.29														3,931.29	
Math and Natural Science	3,000.00		3,000.00														3,000.00	
Communications	6,692.87		6,692.87														6,692.87	
Computer Service Allocated	70,941.17		70,941.17														70,941.17	
Work Scholarship	22,539.00		22,539.00														22,539.00	
Dependent Fee Waiver	1,597.50		1,597.50														1,597.50	
Employee Fee Waivers	1,890.00		1,890.00														1,890.00	
Liability Insurance	4,190.00		4,190.00														4,190.00	
TOTAL ACADEMIC ADMINISTRATION	\$ 949,761.80	\$ -	\$ 949,761.80			\$ 786,603.20			\$ 153,158.60								\$ -	
Instructional Staff Development	62,161.40		62,161.40														62,161.40	
TOTAL ACADEMIC PERSONNEL DEVELOPMENT	\$ 62,161.40	\$ -	\$ 62,161.40			\$ -			\$ 62,161.40								\$ -	
TOTAL ACADEMIC SUPPORT	\$ 1,654,866.05	\$ 719,074.02	\$ 2,372,940.07			\$ 2,949,144.54			\$ (656,513.03)								\$ 80,308.56	
Liability Insurance	59,451.56		59,451.56														59,451.56	
IA/SIS	70.00		70.00														70.00	
Student Life	23,899.22		23,899.22														23,899.22	
Student Service Administration	165,075.54		165,075.54														165,075.54	
Student Government	(354.19)		(354.19)														(354.19)	
Communications	1,397.99		1,397.99														1,397.99	
Computer Services-Student Acct	13,468.83		13,468.83														13,468.83	
Liability Insurance	850.00		850.00														850.00	
TOTAL SOCIAL & CULTURAL DEVELOPMENT	\$ 263,858.95	\$ -	\$ 263,858.95			\$ 156,076.32			\$ 107,782.63								\$ -	

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EXPENDITURES BY PURPOSE					
	Unrestricted	Restricted	Total	Personal Services	Supplies & Expenses	Equipment & Capital Outlay
COUNSELING & CAREER GUIDANCE						
Unemployment	\$ 8,128.00		\$ 8,128.00	\$ 8,128.00	\$ 712.43	
Advising	(2,354.92)		(2,354.92)	(3,067.35)	5,785.72	
Career Employment	86,087.23		86,087.23	80,281.51	13,469.59	
Testing	131,206.72		131,206.72	117,737.13		
Student Information	(2,125.02)		(2,125.02)	(2,125.02)		
Communications	2,214.60		2,214.60		2,214.60	
Computer Services Allocated	16,052.92		16,052.92		16,052.92	
Counseling & Career WS	1,823.73		1,823.73	1,823.73		
Work Scholarship	10,245.00		10,245.00	2,957.25	10,245.00	
Dependent Fee Waiver	2,957.25		2,957.25	2,957.25		
Employment Fee Waivers	576.00		576.00	576.00		
Liability Insurance	1,010.00		1,010.00		1,010.00	
Coun 7 Career WS						
TOTAL COUNSELING & CAREER GUIDANCE	\$ 255,801.51	\$ 5,471.87	\$ 261,273.38	\$ 211,783.12	\$ 49,490.26	\$ -
FINANCIAL AID ADMINISTRATION						
Personnel Search	\$ 390.00		\$ 390.00	\$ 3,697.56	\$ 390.00	
Unemployment	3,697.56		3,697.56	3,697.56	25,699.02	
Financial Aid	390,871.56		390,871.56	365,172.54	2,739.03	
Communications	2,739.03		2,739.03		2,739.03	
Computer Services Allocated	25,640.08		25,640.08	1,401.88	25,640.08	
Financial Aid WS	1,401.88		1,401.88	1,401.88		
Work Scholarship	6,147.00		6,147.00		6,147.00	
Employee Fee Waivers	156.00		156.00	156.00		
Liability Insurance	1,700.00		1,700.00		1,700.00	
Educ. Fin. Aid Admin	25,665.04	\$ 25,665.04	25,665.04	7,101.40	18,563.64	
Financial Aid WS	4,146.36	4,146.36	4,146.36	4,146.36		
Deeeg Staff	(106.14)	(106.14)	(106.14)		(106.14)	
TOTAL FINANCIAL AID ADMINISTRATION	\$ 432,743.11	\$ 29,705.28	\$ 462,448.37	\$ 391,675.74	\$ 80,772.63	\$ -
STUDENT ADMISSIONS & RECORDS						
Personnel Search	\$ 195.00		\$ 195.00	\$ 2,250.00	\$ 195.00	
Unemployment	2,250.00		2,250.00	2,250.00	28,060.23	
Admissions	356,386.53		356,386.53	328,326.30	20,565.92	
Records	248,105.77		248,105.77	227,639.85	86,264.92	
Catalog	86,264.92		86,264.92		16,391.22	
Recruiting	19,217.94		19,217.94	2,826.72	135,409.65	
Public Development	259,031.61		259,031.61	123,621.96		
PD Sound Room	722.85		722.85		722.85	
Non-Credit Student	20,057.88		20,057.88	20,057.88		
Deeeg Staff	(106.14)		(106.14)		(106.14)	
Communications	5,872.69		5,872.69		5,872.69	
Computer Services Allocated	54,191.90		54,191.90	983.16	54,191.90	
Admissions WS	983.16		983.16	983.16		
Work Scholarship	7,171.50		7,171.50		7,171.50	
Dependent Fee Waiver	2,225.00		2,225.00	2,225.00		
Employee Fee Waiver	5,901.00		5,901.00	5,901.00		
Liability Insurance	3,560.00		3,560.00		3,560.00	
Admissions WS	2,722.76		2,722.76	2,722.76		
TOTAL STUDENT ADMISSIONS & RECORDS	\$ 1,072,031.61	\$ 2,722.76	\$ 1,074,754.37	\$ 696,396.75	\$ 378,357.62	\$ -
TOTAL STUDENT SERVICES						
	\$ 2,024,435.18	\$ 37,699.89	\$ 2,062,335.07	\$ 1,445,931.93	\$ 616,403.14	\$ -

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

Schedule 3

	EXPENDITURES BY PURPOSE					
	Unrestricted	Restricted	Total		Personal Services	Supplies & Expenses
INSTITUTIONAL SUPPORT						
EXECUTIVE MANAGEMENT						
President's Office	\$ 221,796.09		\$ 221,796.09	\$ 209,606.98	\$ 12,189.11	
Housing and Administration Allowance	13,200.00		13,200.00	142,756.62	13,200.00	
Vice-President Academic	145,080.14		145,080.14	131,023.72	2,323.52	
Institutional Research	131,493.48		131,493.48	1,706.44	489.76	
Institutional Representative	1,706.44		1,706.44	9,866.00	1,706.44	
Institutional Memberships	9,866.00		9,866.00	75.78	9,866.00	
Faculty Chairperson	75.78		75.78	143,499.56	75.78	
Vice-President Finance & Administration	150,670.89		150,670.89	400.00	7,181.33	
Staff Assembly	1,987.24	2.50	1,987.24		1,587.24	
Legal Services	1,386.50		1,386.50	165,796.43	1,386.50	
VP for Comm and Econ Dev	174,292.18		174,292.18		6,495.75	
Special Projects	1,093.84		1,093.84		1,093.84	
Communications	7,108.08		7,108.08		7,108.08	
Computer Services Allocated	71,403.56		71,403.56		71,403.56	
Work Scholarship	12,294.00		12,294.00	3,310.00		
Executive Dependent	3,310.00		3,310.00	643.50		
Employee Fee Waivers	643.50		643.50			
Liability Insurance	4,110.00		4,110.00		4,110.00	
Fund Raising		2,593.73	2,593.73			
Rest Fund Raising Inst		2.50	2.50			
TOTAL EXECUTIVE MANAGEMENT	\$ 961,517.72	\$ 2,596.23	\$ 954,113.95	\$ 797,026.81	\$ 157,087.14	\$ -
FISCAL OPERATIONS						
Personal Search	\$ 868.31		\$ 868.31	\$ 6,195.00	\$ 868.31	
Unemployment	6,195.00		6,195.00	338.32	338.32	
Cash Over/Short	338.32		338.32	36,518.21	418.38	
Budgeting	36,936.59		36,936.59	176,031.93	22,242.55	
Bursar	198,274.10		198,274.10	9,468.03	9,468.03	
HRS	9,468.03		9,468.03	238,729.71	8,257.95	
Accounting	246,987.66		246,987.66	8,011.41	8,011.41	
FRS Maintenance	8,011.41		8,011.41	120,254.07	120,254.07	
Bad Debt Expense	120,254.07		120,254.07	20,005.04	20,005.04	
Banking Charges	20,005.04		20,005.04	76,333.18	76,333.18	
Bank Charges-Bank Cards	76,333.18		76,333.18	12.71	12.71	
External Audits	12.71		12.71	127,293.27	7,879.35	
Payroll	135,118.62		135,118.62	817.80	817.80	
Communications	817.80		817.80	49,013.54	4,265.56	
Computer Services Allocated	49,013.54		49,013.54	289.25	1,990.88	
Fiscal Operations WS	4,554.81		4,554.81	376.00	376.00	
Work Scholarship	1,990.88		1,990.88	2,246.00	2,246.00	
Dependent Fee Waivers	376.00		376.00	20,657.96	1,174.73	
Employee Fee Waivers	2,246.00		2,246.00	49,763.47	753.84	
Liability Insurance	3,280.00		3,280.00	21,387.06	680.01	
Internal Auditor	21,872.69		21,872.69	55,200.00	55,200.00	
Purchasing	50,537.31		50,537.31	718.18	718.18	
Alternative Action	22,067.07		22,067.07	5,887.44	5,887.44	
Flexible Benefits	3,608.09		3,608.09	54,362.09	54,362.09	
TBR Chargeback	55,200.00		55,200.00	599.56	599.56	
Deaseg Staff	718.18		718.18			
Communications	5,887.44		5,887.44			
Computer Services Allocated	54,362.09		54,362.09			
General Administration W/S	599.56		599.56			

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EXPENDITURES BY PURPOSE		Total	EXPENDITURES BY PURPOSE		
	Unrestricted	Restricted		Personal Services	Supplies & Expenses	Equipment & Capital Outlay
FISCAL OPERATIONS (cont'd)						
Dependent Fee Waivers	4,905.75		4,905.75	4,905.75		
Employee Fee Waivers	1,072.00		1,072.00	1,072.00		
Liability Insurance	3,510.00		3,510.00		3,510.00	
Liability Insurance	970.00		970.00		970.00	
Fiscal Operations WS		867.75	867.75	867.75		
Design Staff		718.17	718.17		718.17	
Affirmative Action WS		1,798.94	1,798.94	1,798.94		
TOTAL FISCAL OPERATIONS	\$ 1,146,392.25	\$ 3,384.86	\$ 1,149,777.11	\$ 888,737.48	\$ 461,039.63	\$ -
PERSONNEL SERVICES						
Personnel Search	776.00		776.00		776.00	
Unemployment	330.09		330.09	330.09		
Personnel	135,167.84		135,167.84	132,580.68	2,587.16	
TOTAL PERSONNEL SERVICES	\$ 199,273.93	\$ -	\$ 199,273.93	\$ 132,810.77	\$ 3,363.16	\$ -
PROPERTY MANAGEMENT						
Property Management	137,239.42		137,239.42	135,623.54	1,615.88	
Postage and Mailing	67,678.55		67,678.55		67,678.55	
Postage and Mailing Allocated	(68,377.45)		(68,377.45)		(68,377.45)	
Central Stores	1,400.60		1,400.60		1,400.60	
TOTAL PROPERTY MANAGEMENT	\$ 137,941.12	\$ -	\$ 137,941.12	\$ 135,623.54	\$ 2,317.58	\$ -
SAFETY & SECURITY						
Safety & Security	362,903.09		362,903.09	349,881.21	13,021.88	
Security-Cookeville	16,017.21		16,017.21	13,356.74	2,660.47	
Motor Vehicle Operations	12,934.74		12,934.74		12,934.74	
Motor Vehicle Allocation	(20,914.90)		(20,914.90)		(20,914.90)	
TOTAL SAFETY & SECURITY	\$ 370,940.14	\$ -	\$ 370,940.14	\$ 363,237.95	\$ 7,702.19	\$ -
OTHER OPERATING SERVICES						
Telephone	89,500.81		89,500.81		89,500.81	
Telephone Cookeville	23,688.78		23,688.78		23,688.78	
Telephone Waverly	9,378.95		9,378.95		9,378.95	
Telephone Allocated	(122,568.54)		(122,568.54)		(122,568.54)	
TOTAL OTHER OPERATING SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PUBLIC RELATIONS DEVELOPMENT						
Graduation	22,982.42		22,982.42		22,982.42	
TN Board of Regents 04	204.40		204.40	90,234.66		
Institutional Fund Raising	100,461.07		100,461.07		10,226.41	
TOTAL PUBLIC RELATIONS DEVELOPMENT	\$ 123,647.89	\$ -	\$ 123,647.89	\$ 90,234.66	\$ 33,413.23	\$ -
TOTAL INSTITUTIONAL SUPPORT	\$ 2,866,713.05	\$ 5,981.09	\$ 2,872,694.14	\$ 2,207,771.21	\$ 664,922.93	\$ -
OPERATION & MAINTENANCE OF PHYSICAL PLANT						
PHYSICAL PLANT						
Physical Plant Administration	186,533.56		186,533.56	92,369.32	94,164.24	
Maintenance Insurance	(31,073.41)		(31,073.41)		(31,073.41)	
Communications	900.58		900.58		900.58	
Computer Services Allocated	7,758.85		7,758.85		7,758.85	
Employee Fee Waivers	234.00		234.00	234.00		
Liability Insurance	490.00		490.00		490.00	
TOTAL PHYSICAL PLANT	\$ 164,843.58	\$ -	\$ 164,843.58	\$ 92,603.32	\$ 72,240.26	\$ -

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	EXPENDITURES BY PURPOSE			Equipment & Capital Outlay
	Unrestricted	Restricted	Total	
OPERATIONS & MAINTENANCE				
Personal Search	\$ 78.00		\$ 78.00	
Building Maintenance	302,474.28		302,474.28	
Building Maintenance - Cookeville	17,618.89		17,618.89	
Building Maintenance - Waverly	28,695.28		28,695.28	
Communications	2,108.72		2,108.72	
Computer Services Allocated	46,067.27		46,067.27	
Liability Insurance	1,660.00		1,660.00	
Unemployment	1,637.88		1,637.88	
Custodial Services	375,336.86		375,336.86	
Custodial Services - Cookeville	29,281.90		29,281.90	
Custodial Services - Waverly	2,762.16		2,762.16	
Communications	2,662.79		2,662.79	
Facilities W/S	130.96		130.96	
Dependent Fee Waiver	284.00		284.00	
Liability Insurance	2,110.00		2,110.00	
Utilities	443,568.72		443,568.72	
Utilities - Cookeville	67,975.16		67,975.16	
Utilities - Waverly	27,231.39		27,231.39	
Utilities Allocated to Auxiliaries	(2,731.64)		(2,731.64)	
Landscape & Grounds	44,828.72		44,828.72	
Landscape - Cookeville	6,551.77		6,551.77	
Landscape - Waverly	1,587.59		1,587.59	
Communications	225.87		225.87	
Liability Insurance	310.00		310.00	
Major Repairs and Renovations	218,854.26		218,854.26	
ADA	5,703.66		5,703.66	
Facilities W/S		\$ 392.94	\$ 392.94	
TOTAL OPERATIONS & MAINTENANCE	\$ 1,626,994.49	\$ 392.94	\$ 1,627,387.43	\$ 392.94
TOTAL OPERATIONS & MAINT. OF PHYSICAL PLANT	\$ 1,791,838.07	\$ 392.94	\$ 1,792,231.01	\$ 658,454.03
SCHOLARSHIPS & FELLOWSHIPS				
TBR/UT Employee Waivers	\$ 14,968.00		\$ 14,968.00	
TBR/UT Dependent Waivers	1,480.25		1,480.25	
Fee Waivers - State Employees	102,878.50		102,878.50	
Contract Fee Remissions	125,125.00		125,125.00	
State Fee - Teachers Discount	37,757.50		37,757.50	
Geir Minority School	3,328.00		3,328.00	
SEOG	35,916.55		35,916.55	
State Employee Dependents	37,700.89		37,700.89	
TSAC Audit Recoveries	4,105.17		4,105.17	
Design Minority		\$ 36,900.00	\$ 36,900.00	
Geir Minority		2,218.00	2,218.00	
PELL 2002-03		11,848.43	11,848.43	
PELL 2003-04		4,628,848.62	4,628,848.62	
SEOG 2003-04		107,749.65	107,749.65	
TSAC NSST		277,142.00	277,142.00	
Sponsored Scholarships		81,077.16	81,077.16	
TOTAL SCHOLARSHIPS & FELLOWSHIPS	\$ 363,229.89	\$ 5,145,783.86	\$ 5,509,013.72	\$ 5,509,013.72
TOTAL EDUCATION AND GENERAL	\$ 22,381,654.05	\$ 7,776,324.80	\$ 30,157,978.85	\$ 18,174,352.47
				\$ 10,829,406.98
				\$ 154,219.40

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

Schedule 3

	EXPENDITURES BY PURPOSE					
	Unrestricted	Restricted	Total	Personal Services	Supplies & Expenses	Equipment & Capital Outlay
TRANSFERS						
NONMANDATORY TRANSFERS						
Debit Serv Transfers	\$ 16,200.00		\$ 16,200.00		\$ 16,200.00	
Transfers-Unexpended	1,950,531.00		1,950,531.00		1,950,531.00	
Transfers-Renewal/R	813,600.00		813,600.00		813,600.00	
TOTAL NONMANDATORY TRANSFERS	\$ 2,780,331.00	\$ -	\$ 2,780,331.00	\$ -	\$ 2,780,331.00	\$ -
AUXILIARY ENTERPRISES						
Expenditures	\$ 2,671.68		\$ 2,671.68		\$ 2,671.68	
TOTAL AUXILIARY ENTERPRISES	\$ 2,671.68	\$ -	\$ 2,671.68	\$ -	\$ 2,671.68	\$ -
TRANSFERS						
NONMANDATORY	\$ 8,800.00		\$ 8,800.00		\$ 8,800.00	
Renewal & Replacement	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -
TOTAL NONMANDATORY TRANSFERS	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -	\$ 8,800.00	\$ -
TOTAL EDUCATION & GENERAL EXP. & TRANSFERS	\$25,173,456.73	\$7,776,324.80	\$32,949,781.53	\$18,174,352.47	\$13,621,209.66	\$ 154,219.40

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCES - RESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	Balance 7/1/03	ADDITIONS				DEDUCTIONS				Balance 6/30/04
		Gifts, Grants & Appropriations	Endowment Income	Other	Indirect Cost Recoveries	Expenditures	Refund to Grantor	Other		
INSTRUCTION										
GENERAL STUDIES										
Tetrahedra	\$ 76.07									\$ 76.07
University of Tennessee	39,917.71	1,975.00				10,987.13				30,905.58
Ed Clark Memorial	1,050.00					43,999.20				1,050.00
HCA Nursing Program	24,232.65	25,000.00				219.83				5,233.45
Supplemental Instruction	219.83									-
Deseg Faculty		325.00				325.00				-
Bio Tech Summer Workshop		1,000.00								1,000.00
General Academic W/S		6,038.36				6,038.36				-
TOTAL GENERAL STUDIES	\$ 65,496.26	\$ 34,338.36	\$ -	\$ -	\$ -	\$ 61,569.52	\$ -	\$ -	\$ -	\$ 38,265.10
BUSINESS SCIENCE TECHNOLOGIES	\$ 1,069.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,069.40
Graphic Arts	\$ 1,069.40									\$ 1,069.40
TOTAL BUSINESS SCIENCE TECHNOLOGIES	\$ 1,069.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,069.40
ENGINEERING TECHNOLOGIES	\$ 3,710.59	\$ 88,400.00	\$ 40,043.62	\$ 47,482.61	\$ 88,349.54	\$ 272,116.94	\$ 2,000.00	\$ -	\$ -	\$ 3,710.59
Engineering Technology Conferences	3,710.59									3,710.59
Nissan	1,927.32									1,927.32
Square D Company	2,000.00									2,000.00
Architectural Engineering Technology	200.00									200.00
Electrical Engineering Technology	1,006.92									1,006.92
Jackson Foundation	15,082.96									15,082.96
State Board of Architects	920.71									920.71
TP1-Business & Industry	56.72									56.72
GE Program Logic	8,802.00									8,802.00
GM Dealer Training	81,819.79									81,819.79
Fleetguard	70.34									70.34
Center of Emphasis		\$ 88,400.00	\$ 40,043.62	\$ 47,482.61	\$ 88,349.54	\$ 272,116.94	\$ 2,000.00	\$ -	\$ -	\$ 50.46
NSF SWM Engineering 2001-02										-
NSF IT 2002-2003										-
NSF CITE 2003-2004										-
NSF Case Files 2002-2003										-
NSF Case Files 2003-2004										-
Dept. of Ed Info Tech										-
Dept. Educ. IT 2004										-
Synergy 2004										-
Deseg Faculty										-
Voc Tech W/S		28,315.00	6,414.54			28,315.00				-
Tech Dean's Grant 2004		6,414.54				6,414.54				-
TOTAL ENGINEERING TECHNOLOGIES	\$ 115,597.35	\$ 1,285,313.93	\$ -	\$ 137,492.91	\$ 1,147,827.28	\$ -	\$ -	\$ -	\$ -	\$ 115,597.09
COMMUNITY EDUCATION	\$ -	\$ 28,291.20	\$ 104,983.36	\$ -	\$ 28,291.20	\$ -	\$ -	\$ -	\$ -	\$ -
Upper Cumberland										-
JTPA-TRA										-
SDA 11										-
Government Procurement										-
Deseg Faculty										-
CEU W/S										-
TOTAL COMMUNITY EDUCATION	\$ 3,620.25	\$ 3,360.42	\$ 136,634.98	\$ -	\$ 3,360.42	\$ 135,890.48	\$ -	\$ -	\$ -	\$ 4,364.75

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCES - RESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	Balance 7/1/03	ADDITIONS			DEDUCTIONS			Balance 6/30/04
		Gifts, Grants & Appropriations	Endowment Income	Other	Indirect Cost Recoveries	Expenditures	Refund to Grantor	
PREPARATORY/REMEDIAL INSTRUCTION								
Families First	\$ 90.00					\$ 90.00		\$ -
Ford Learning Lab 2000	575.57					575.57		-
Ford Learning Lab 2004		\$ 119,496.54			\$ 8,329.10	111,167.44	\$ 43.28	-
Learning Disabled 2003		2,252.81				2,209.53		-
Learning Disabled 2004		95,425.72				93,714.47		1,711.25
Geier 2003		2,472.35				2,472.35		-
Dezeg Faculty	226.13					226.04		601.09
TOTAL PREPARATORY/REMEDIAL INSTRUCTION	\$ 891.70	\$ 220,247.42	\$ -	\$ -	\$ 8,329.10	\$ 210,454.40	\$ 43.28	\$ 2,312.34
TOTAL INSTRUCTION	\$ 186,674.96	\$ 1,676,534.69	\$ -	\$ -	\$ 145,822.01	\$ 1,555,741.68	\$ 43.28	\$ 161,602.68
PUBLIC SERVICE								
Perkins Funds-Tech Prep 2003-2004		\$ 103,885.65				\$ 103,885.65		\$ -
FAMS Project	\$ 11,909.18					89.55		11,909.18
FAMS W/S & State Couns.	2,396.25							2,306.70
FAMS Tech Prep	1.98							1.98
Resources Conservation	25,021.00	7,421.94				15,116.81		17,326.13
Tennessee Quality Award	(7,800.35)	194,809.78			\$ 9,072.27	187,743.24		(9,806.05)
Oasis W/S								-
CRTC W/S								-
Nashville Read W/S		5,616.10				5,616.10		-
TOTAL PUBLIC SERVICE	\$ 31,528.06	\$ 311,733.47	\$ -	\$ -	\$ 9,072.27	\$ 312,451.32	\$ -	\$ 21,737.94
ACADEMIC AND ANCLILIARY SUPPORT								
ACADEMIC LIBRARY SUPPORT		\$ 5,062.88				\$ 5,062.88		\$ -
Library W/S	\$ -	\$ 5,062.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL ACADEMIC COMPUTING SUPPORT	\$ -	\$ 5,062.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACADEMIC COMPUTING SUPPORT								
Dezeg Staff	\$ -	1,960.18				\$ 1,960.18		\$ -
TOTAL ACADEMIC COMPUTING SUPPORT	\$ -	\$ 1,960.18	\$ -	\$ -	\$ -	\$ 1,960.18	\$ -	\$ -
ANCLILIARY SUPPORT								
FA-Div. of OIR		\$ 738,807.00			\$ 37,541.74	\$ 701,265.26		\$ -
TBR Cooperative Educ.		10,873.00			1,087.30	9,785.70		-
TOTAL ACADEMIC SUPPORT	\$ -	\$ 749,680.00	\$ -	\$ -	\$ 38,629.04	\$ 711,050.96	\$ -	\$ -
TOTAL ACADEMIC AND ANCLILIARY SUPPORT	\$ -	\$ 756,703.06	\$ -	\$ -	\$ 38,629.04	\$ 718,074.02	\$ -	\$ -
STUDENT SERVICES								
Educ. Financial Aid Administration	\$ 115,688.89	\$ 20,125.38				\$ 25,665.04		\$ 110,149.23
Counseling & Career Guidance W/S		5,471.87				5,471.87		-
Dezeg Staff						4,146.36		-
Financial Aid W/S	735.47					(682.35)		159.26
Dezeg Staff		2,722.76				2,722.76		-
Admission W/S		31,784.02				37,899.89		-
TOTAL STUDENT SERVICES	\$ 116,424.36	\$ 31,784.02	\$ -	\$ -	\$ -	\$ 37,899.89	\$ -	\$ 110,308.49

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCES - RESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	ADDITIONS			DEDUCTIONS			Balance 6/30/04	
	Balance 7/1/03	Gifts, Grants & Appropriations	Endowment Income	Other	Indirect Cost Recoveries	Expenditures		Refund to Grantor
INSTITUTIONAL SUPPORT								
Fund Raising	\$ 2,938.53					\$ 2,593.73		
Restricted Fundraising	2.50					2.50		
TBR Meeting 1999	1,718.85					718.17	0.50	
Deseg Staff	21.00					867.75		
Fiscal Operations W/S						1,798.94		
Affirmative Action W/S						5,981.09		
TOTAL INSTITUTIONAL SUPPORT	\$ 4,680.88	\$ 3,363.86	\$ -	\$ -	\$ -	\$ 11,688.00	\$ 0.50	\$ 2,063.65
OPERATIONS & MAINTENANCE								
Facilities W/S		\$ 392.94				\$ 392.94		
TOTAL OPERATIONS & MAINTENANCE	\$ -	\$ 392.94	\$ -	\$ -	\$ -	\$ 392.94	\$ -	\$ -
SCHOLARSHIPS AND FELLOWSHIPS								
Pell Grant		\$ 4,649,482.05			\$ 8,785.00	\$ 4,640,697.05		
SEOG		114,932.65			7,183.00	107,749.65		
CWSP		4,167.38			4,157.38			
TSAC	\$ 876.00	288,392.00				277,142.00		
Geier Minority Scholarship		2,218.00				2,218.00		
Deseg Minority Scholarship		36,900.00				36,900.00		
ADD Dept. Scholarship	398.50							
Bennie Jones Memorial	1,296.88							
ACT Scholarship	587.58							
Lisa S. Roberts	1,214.50							
Environmental Scholarship		34.50		\$ 83.81		200.00		
UAW Ford-Johnson		1,824.00				2,049.00		
D. Hill Memorial/Russell		900.00				1,824.00		
Ove/Barnes/McDaniel		1,000.00				164.00	736.00	
21st Century Ed/Tyler		1,590.00				1,000.00		
Ove/Barnes/Owens		22,147.00				1,500.00	506.00	
Citizens Sch - Ford		750.00				750.00		
Citizens Sch - Ford		865.50				854.00	1.50	
Citizens Scholarship		1,400.00				1,400.00		
Ove/Barnes Sch		1,812.00				1,802.00	10.00	
Citizens Scholarship		1,500.00				1,500.00		
Ove/Barnes Sch		275.00				275.00		
The Sponsors		1,250.00				1,250.00		
Citizens Scholarship		1,000.00				1,000.00		
Elizabeth Buford		500.00				500.00		
Immanuel Missionary		1,000.00				1,000.00		
GH Weems Educational		1,000.00				1,000.00		
Citizens Scholarship		1,025.00				1,024.50	0.50	
Citizens Scholarship		1,370.23				1,262.23	108.00	
TN Valley Ins-Smith		100.00				100.00		
Percy Priest-Carney		1,000.00				1,000.00		
Percy Priest-Carney		1,000.00				1,000.00		
Brian Wright Mem-Spe		500.00				500.00		
Teksid Aluminum-Rowl		500.00				500.00		
Co/Conci FCE Beam		500.00				500.00		
Comm F'dation -Miller		237.50				237.50		

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCES - RESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	Balance 7/1/03	ADDITIONS				DEDUCTIONS			Balance 6/30/04
		Gifts, Grants & Appropriations	Endowment Income	Other	Indirect Cost Recoveries	Expenditures	Retard to Grantor	Other	
Goodlark-Rowland		1,000.00				1,000.00			
Goodlark-Cooksey		1,000.00				1,000.00			
Goodlark-Dutton		500.00				500.00			
Goodlark-Bailey		500.00				500.00			
Goodlark-Street		1,138.00				1,000.00	138.00		
Goodlark-Grigsby		500.00				500.00			
Goodlark-Smith		500.00				256.13	243.87		
Goodlark-Johns		500.00				500.00			
Goodlark-Smith		1,000.00				1,000.00			
Goodlark-Beam		1,000.00				1,000.00			
O'Charley-Ozusi		2,000.00				2,000.00			
Memphis Edu Asc-Fayn		750.00				340.00	410.00		
Nash Fire Fight-Sisk		1,000.00				1,000.00			
Fraternal Order-Procc		500.00				500.00			
Comm Impact-Adams		400.00				400.00			
Ciliz S'Ship-Perkins		1,900.00				1,900.00			
Humphrey Civ-Johns		500.00				500.00			
Co Coun FCE Club-Smit		500.00				500.00			
Business S'Ship-Smit		250.00				250.00			
Jeanine Webb Mem-Smit		500.00				500.00			
Wavy Exc-Stribling		1,000.00				1,000.00			
Ansel America-Hopkin		1,000.00				1,000.00			
Wavy Exc Club-Arms		289.00				289.00			
Educational Serv-Ame		4,500.00				4,500.00			
1st United Mth Merg		400.00				400.00			
Goodlark-Druetler		1,000.00				774.00	226.00		
Community-Found Babb		666.00				666.00			
Fraternal Order Bake		500.00				500.00			
One Barnes McDaniel		1,450.00				1,450.00			
Immanuel-McHasting		500.00				500.00			
GH Weems Walker		1,000.00				199.00	801.00		
Co Council FCE Bryan		500.00				500.00			
Lake Prov Ch Anderso		500.00				500.00			
Cilizens Palmer		531.00				531.00			
Vanderbilt Univ Reed		1,000.00				1,000.00			
Nashville Co-op Gart		1,000.00				1,000.00			
Mt. Zion Wordlaw Jama		250.00				250.00			
Mt. Zion Wordlaw Jase		250.00				250.00			
Helia Temple Denning		200.00				200.00			
Cilizens-Gardner		500.00				372.00	128.00		
Cilizens Sch Gardner		500.00				500.00			
Little People		250.00				250.00			
New Hope Baptist-Job		500.00				500.00			
Herald Citizem-Keser		250.00				250.00			
Vanderbilt Foster		500.00				500.00			
Build Your Tomorrow		2,800.00				616.00			2,184.00
Westfield-Larsen		300.00				300.00			
Tenn Dept of Transpo		500.00				500.00			
Seneca Nation-Lawson		512.00				512.00			
The Sponsors-MacId		806.70				806.70			
Clark Memorial-Rober		500.00				179.85			320.15
Fors International		322.25				322.25			
TOTAL SCHOLARSHIPS AND FELLOWSHIPS	\$ 4,373.26	\$5,181,757.76	\$ 83.81	\$ 920.00	\$ 20,125.38	\$5,145,783.86	\$ 15,996.87	\$ -	\$ 5,228.72

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCES - RESTRICTED CURRENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

	ADDITIONS				DEDUCTIONS			Balance 6/30/04	
	Balance 7/1/03	Gifts, Grants & Appropriations	Endowment Income	Other	Indirect Cost Recoveries	Expenditures	Refund to Grantor		Other
TOTAL EDUCATION AND GENERAL	\$ 343,681.52	\$ 7,962,269.80	\$ 83.81	\$ 920.00	\$ 213,648.70	\$ 7,776,324.80	\$ 16,040.15	\$ -	\$ 300,941.48
TOTAL RESTRICTED FUNDS	\$ 343,681.52	\$ 7,962,269.80	\$ 83.81	\$ 920.00	\$ 213,648.70	\$ 7,776,324.80	\$ 16,040.15	\$ -	\$ 300,941.48

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE FOR CHANGES IN FUND BALANCE - LOAN FUNDS
 For the Year Ended June 30, 2004
 Unaudited

Schedule 5

INSTITUTIONAL LOAN FUNDS

Principal 7/1/03	ADDITIONS				Balance 6/30/04	FUND ASSETS	
	Gifts & Grants	Interest	Other	Deductions		Notes Receivable	Cash & Investment
\$ 1,008.90	\$ -	\$ -	\$ -	\$ -	\$ 1,008.90	\$ -	\$ 1,008.90

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE FOR CHANGES IN FUND BALANCE - ENDOWMENT FUNDS
 For the Year Ended June 30, 2004
 Unaudited

Schedule 6

INSTITUTIONAL ENDOWMENT FUNDS

Principal 7/1/03	ADDITIONS			Deductions	Balance 6/30/04	FUND ASSETS	
	Gifts & Grants	Income Added to Principal	Other			Interest Receivable	Principal
\$ 4,739.67	\$ -	\$ -	\$ -		\$ 4,739.67	\$ -	\$ 4,739.67

NASHVILLE STATE TECHNICAL INSTITUTE
 SCHEDULE OF CHANGES IN FUND BALANCE
 UNEXPENDED PLANT FUNDS
 For the Year Ended June 30, 2004
 Unaudited

	Total Project Budget	Balance 7/1/03	Investment Income	ADDITIONS		DEDUCTIONS		Balance 6/30/04
				Transferred from Current Funds	Other (Footnotes)	Expended for Plant Funds	Other (Footnotes)	
FUNDS FOR UNEXPENDED PLANT FUNDS								
Extraordinary Maintenance		\$ 253,279.49	\$ 3,596.00				\$ 7,376.00	\$ 249,499.49
Portables		47,172.76					47,172.76	0.00
Master Plan Update		4,000.00					4,000.00	0.00
Music Lab		23,751.58					23,751.58	0.00
Security System Upgrade		221,000.00					221,000.00	0.00
Site Improvement		56,021.00					56,021.00	0.00
Off Campus Development		450,000.00		\$ 693,600.00	\$ 351,945.34		1,045,545.34	450,000.00
Biotechnology Lab				100,000.00	182,921.34		155,099.00	27,822.34
UPS Panel				20,000.00			2,360.00	97,640.00
Awnings					100,000.00			20,000.00
Cooling Tower Repair					50,000.00			100,000.00
Greenhouse					450,000.00			50,000.00
Fire and Security Repair					420,000.00			450,000.00
Science Labs								420,000.00
Projects-in-Progress								
Nashville Tech-Cookeville Center	\$ 11,769,138.60	\$ 1,964,097.44				\$ 108,162.00	\$ 591,089.88	\$ 1,264,945.56
NSTI-Site Remediation	350,000.00	5,443.07				2,803.68	2,639.39	1,962.00
NSTI-ADA Improvements	45,877.00	14,347.16			\$ 3,783.00	16,168.16		1,962.00
NSTI-Infrastructure Replacement	170,000.00	135,268.06						21,360.93
Total Projects-in-Progress	\$ 12,335,015.60	\$ 2,119,155.73			\$ 3,783.00	\$ 222,069.13	\$ 610,061.72	\$ 1,290,807.88
Chiller								
Capital Projects Administrative Costs								
Adjustment for Unexpended								
TOTAL FUNDS FOR UNEXPENDED PLANT FUNDS	\$ 12,335,015.60	\$ (2,119,155.73)	\$ 3,596.00	\$ 813,600.00	\$ 832,130.85	\$ 412,942.92	\$ 3,783.00	\$ (1,290,807.88)
		\$ 1,056,224.83		\$ 813,600.00	\$ 2,586,987.81	\$ 2,181,503.89		\$ 1,864,961.83

(1) Other Additions
 Transfer from Extraordinary Maintenance \$ 7,376.00
 Transfer among Capital Projects 1,547,490.68
 Total \$ 1,554,866.68

(2) Other Deductions
 Transferred to Capital Projects \$ 7,376.00
 Transfer among Capital Projects 1,547,490.68
 Expended for Non-Capital 7,459.00
 Total \$ 1,562,325.68

New Capital Appropriations \$ 3,783.00
 Chiller #2 \$ 190,873.79
 Capital Administrative Costs \$ 5,333.49

Expended for Non-Capital \$ 610,061.72
 Capital Administrative Costs \$ 5,333.49

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF CHANGES IN FUND BALANCE
 FUNDS FOR RENEWAL AND REPLACEMENT
 For the Year Ended June 30, 2004
 Unaudited

Schedule 8

	ADDITIONS			DEDUCTIONS		Balance 6/30/04
	Balance 7/1/03	Investment Income	Transferred from Current Funds	Other (Footnotes)	Expended for Plant Funds	
FUNDS FOR RENEWAL AND REPLACEMENT						
Computer Equipment	\$ 566,574.86	\$ 7,102.22	\$ 8,800.00	\$ 80,300.00	\$ 30,741.00	\$ 544,470.17
Bookstore	38,980.00		15,300.00	5,750.00		47,780.00
Motor Vehicles	10,264.02	144.09		28,200.00		31,458.11
Telephone System	369,681.12	5,246.38		100,000.00		403,127.50
Institutional Computing	648,715.28					704,063.39
Computer Equipment - Industry	108,842.60		58,651.00			81,072.74
TAF Equipment	58,008.00					108,659.02
Inst. Equipment	2,045,000.00		1,876,580.00			2,045,000.00
Software Replacement & Related Expenses						1,876,580.00
TOTAL FUNDS FOR RENEWAL AND REPLACEMENT	<u>\$3,846,065.88</u>	<u>\$ 12,492.69</u>	<u>\$1,959,331.00</u>	<u>\$ 214,250.00</u>	<u>\$ 30,741.00</u>	<u>\$5,842,210.93</u>

(1) Other Additions
 Equipment User Charges \$ 214,250.00

(2) Other Deductions
 Expended for Non-Capital Items \$ 159,187.64

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN FUND BALANCES
 Funds for the Retirement of Indebtedness
 For the Year Ended June 30, 2004

	Balances July 1, 2003	Additions			Deductions			Balances June 30, 2004
		Investment Income	Mandatory Transfers [Footnote]	Other Additions [Footnote]	Retirement of bonds	Interest	Trustee Service Charges	
Bond Authority Projects								
Chiller Conversion	\$ 20,457.84		\$ 16,200.00		\$ 8,253.77	\$ 4,282.37		\$ 24,121.70
Total Funds for the Retirement of Indebtedness	\$ 20,457.84		\$ 16,200.00		\$ 8,253.77	\$ 4,282.37		\$ 24,121.70

Footnotes:

NASHVILLE STATE TECHNICAL INSTITUTE
 SCHEDULE OF CHANGES IN INVESTMENT IN PLANT
 For the Year Ended June 30, 2004
 Unaudited

	Book Value 7/1/03	Current Funds	ADDITIONS Unexpended Funds	Other (Footnotes)	DEDUCTIONS Other (Footnotes)	Book Value 6/30/04
LAND	\$ 1,340,140.00	\$ -	\$ -	\$ -	\$ -	\$ 1,340,140.00
Campus	\$ 1,340,140.00	\$ -	\$ -	\$ -	\$ -	\$ 1,340,140.00
TOTAL LAND	\$ 1,340,140.00	\$ -	\$ -	\$ -	\$ -	\$ 1,340,140.00
BUILDINGS						
Administration	\$ 1,131,965.57					\$ 1,131,965.57
Classroom Weld	2,637,456.68					2,637,456.68
Cafeteria	545,928.77					545,928.77
Maintenance	1,194,275.58					1,194,275.58
Classroom Clement	3,379,092.58					3,379,092.58
Library Building	4,105,449.57					4,105,449.57
Cookeville Building	8,075,433.11					8,075,433.11
TOTAL BUILDINGS	\$21,069,601.86	\$ -	\$ -	\$ -	\$ -	\$21,069,601.86
IMPROVEMENTS OTHER THAN BUILDINGS	\$ 1,131,290.10	\$ -	\$ 304,780.92	\$ 34,731.94 (1)	\$ -	\$ 1,470,802.96
EQUIPMENT						
Education and General	\$ 2,643,613.88	\$ 73,910.84	\$ 108,162.00	\$ 30,741.00	\$ 131,214.73	\$ 2,725,212.99
TOTAL EQUIPMENT	\$ 2,643,613.88	\$ 73,910.84	\$ 108,162.00	\$ 30,741.00 (1)	\$ 131,214.73 (2)	\$ 2,725,212.99
LIBRARY HOLDINGS	\$ 693,583.00	\$ 80,308.56	\$ -	\$ -	\$ 78,135.68 (2)	\$ 695,755.88
TOTAL INVESTMENT IN PLANT	\$26,878,228.84	\$ 154,219.40	\$ 412,942.92	\$ 65,472.94 (1)	\$ 209,350.41 (2)	\$27,301,513.69
(1) Other Additions						
Prior Year Adjustment (Boilers)	\$ 34,731.94					\$ 131,214.73
Additions from Renewals & Replacements	\$ 30,741.00					78,135.68
Total Other Additions	\$ 65,472.94					\$ 209,350.41
(2) Other Deductions						
Equipment Deletions						
Library Purchases Deletions (1995)						
Total Other Deductions						

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
SCHEDULE OF REVENUES AND EXPENDITURES - BOOKSTORE CONTRACT
FOR THE YEAR ENDED JUNE 30, 2004
Unaudited

REVENUES		
Other Revenue-Commissions	<u>\$ 204,707.21</u>	\$ 204,707.21
TOTAL REVENUES		
		<u>\$ 204,707.21</u>
EXPENDITURES AND TRANSFERS		
Expenditures	\$ 2,681.68	
Nonmandatory Transfers	<u>8,800.00</u>	
TOTAL EXPENDITURES AND TRANSFERS		\$ 11,481.68
EXCESS REVENUES OVER EXPENDITURES		<u><u>\$ 193,225.53</u></u>

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF INVESTMENTS BY FUND GROUPS
 FOR THE YEAR ENDED JUNE 30, 2004
 Unaudited

Appendix II

	Value	OWNERSHIP BY FUND					
		Current Unrestricted	Auxiliary Enterprises	Endowment	Unexpended Plant	Renewal & Replacement	Agency
INVESTMENTS-SHORT TERM							
Local Government Investment Pool	\$ 12,633,181.51	\$ 7,108,827.44	-	\$ 4,739.67	\$ 256,727.73	\$ 5,262,886.67	\$ 61,340.34
Foundation	61,340.34						
TOTAL INVESTMENTS	<u>\$ 12,694,521.85</u>	<u>\$ 7,108,827.44</u>	<u>\$ -</u>	<u>\$ 4,739.67</u>	<u>\$ 256,727.73</u>	<u>\$ 5,262,886.67</u>	<u>\$ 61,340.34</u>

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES BY OBJECT
 For the Year Ended June 30, 2004

Appendix III

	E&G		Auxiliaries		Total	Prior Year Total
	Unrestricted	Restricted	Unrestricted	Restricted		
PERSONAL SERVICES						
Admin/Professional Salaries	\$ 2,730,722.81	\$ 433,242.47	\$ 3,163,965.28	\$ 3,037,798.96		
Acad/Professional Salaries	7,953,776.99	281,275.64	8,235,052.63	7,841,570.22		
Clerical & Support Salaries	2,731,725.84	152,914.73	2,884,640.57	2,907,148.21		
Student Salaries	37,771.92	754,744.93	792,516.85	780,543.65		
TOTAL PERSONAL SERVICES	\$13,453,997.56	\$ 1,622,177.77	\$ 15,076,175.33	\$14,567,061.04		
EMPLOYEE BENEFITS						
Retirement Contributions	\$ 485,066.85	\$ 21,590.46	\$ 506,657.31	\$ 516,023.24		
Optional Retirement Contributions	478,498.02	42,634.27	521,133.29	488,696.80		
FICA Contributions	988,070.21	85,530.80	1,073,601.01	1,042,286.26		
Group Insurance	1,694,590.60	95,332.15	1,789,922.75	1,645,496.27		
Unemployment	37,395.78		37,395.78	31,865.71		
Staff Benefits	80,777.22		80,777.22	48,306.50		
401K Matching	45,804.51	2,385.56	48,190.07	45,779.57		
Compensated Absences	(12,458.32)	7,476.36	(4,981.96)	51,788.64		
Other	45,541.67		45,541.67	11,714.23		
TOTAL EMPLOYEE BENEFITS	\$ 3,843,227.54	\$ 254,949.60	\$ 4,098,177.14	\$ 3,880,937.22		
OTHER EXPENDITURES						
Travel	\$ 67,819.83	\$ 83,344.07	\$ 151,163.90	\$ 94,248.18		
Printing, Duplicating, & Film Processing	171,118.30	16,987.81	188,106.11	206,776.92		
Communication & Shipping Costs	225,485.04	4,560.56	230,045.60	234,918.06		
Maintenance Repairs & Service	299,042.71	17,931.03	316,973.74	142,369.74		
Professional/Administrative Services	2,367,906.18	265,809.71	2,633,715.89	2,475,027.49		
Supplies	1,532,927.77	109,355.63	1,642,283.40	1,351,677.15		
Rentals and Insurance	250,917.75	3,088.98	254,006.73	200,099.59		
Awards and Indemnities	346,487.98	5,289,691.88	5,636,179.86	4,566,722.64		
Grants and Subsidies	141,268.71	6,107.21	147,375.92	166,657.26		
Other Services and Expenses	75,967.70	96,178.62	172,146.32	193,148.30		
Utilities and Fuel	535,231.43		537,903.11	501,540.78		
Motor Vehicle Operations	18,263.89	249.03	18,512.92	17,614.21		
Data Processing Insltl.	(1,096,334.84)		(1,096,334.84)	(1,109,192.53)		
Equipment	68,017.94		73,910.84	56,755.05		
Library Holdings and Bindings	80,308.56		80,308.56	65,292.60		
Transfers and Debt Service	2,780,331.00	8,800.00	2,789,131.00	1,716,084.98		
TOTAL OTHER EXPENDITURES	\$ 7,864,759.95	\$ 11,471.68	\$ 7,876,231.63	\$ 10,883,920.42		
TOTAL EXPENDITURES BY OBJECT	\$25,161,985.05	\$ 11,471.68	\$ 25,173,456.73	\$ 29,331,918.66		

NASHVILLE STATE TECHNICAL COMMUNITY COLLEGE
 SCHEDULE OF BONDS PAYABLE
 For the Year Ended June 30, 2004

Appendix IV

Bonds	Date of Issue	Due Serially to	Balances	Other	Interest Rate %	Interest Paid Maturity	Amount	Bonds and	Other	Balances
			July 1, 2003					Notes Retired		June 30, 2004
Tennessee State School Bond Authority										
Chillers CFC Conversion	April 2002	May 2012	\$ 90,201.70	-	4.5%-5%	Nov-May	\$ 4,282.37	\$ 8,253.77	-	\$ 81,947.93
Total Tennessee State School Bond Authority			<u>\$ 90,201.70</u>	<u>-</u>			<u>\$ 4,282.37</u>	<u>\$ 8,253.77</u>	<u>-</u>	<u>\$ 81,947.93</u>
Total Bonds Payable			<u>\$ 90,201.70</u>	<u>-</u>			<u>\$ 4,282.37</u>	<u>\$ 8,253.77</u>	<u>-</u>	<u>\$ 81,947.93</u>