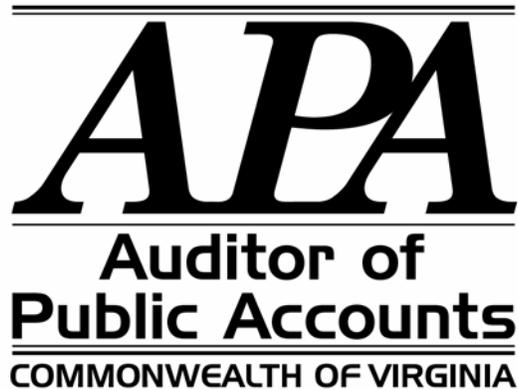


**DANVILLE COMMUNITY COLLEGE**

**REPORT ON REVIEW  
FOR THE YEAR ENDED  
JUNE 30, 2004**





# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

March 1, 2005

Mr. Carlyle Ramsey, President  
Danville Community College  
1008 South Main Street  
Danville, VA 24541

Dear Mr. Ramsey:

We have reviewed the accompanying Statement of Net Assets of Danville Community College as of June 30, 2004, and the related statement of Revenues, Expenses, and Changes in Net Assets for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the individual community college.

A review consists principally of inquiries of college personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

This letter is for the express use of the accreditation review board and is not intended to be used for any other purpose.

Sincerely,

Walter J. Kucharski  
Auditor of Public Accounts

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DANVILLE COMMUNITY COLLEGE  
STATEMENT OF NET ASSETS  
As of June 30, 2004

	Component Unit	
	Community College	Danville Community College Educational Foundation
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,053,189	\$ 900,462
Accounts receivable	853,330	-
Pledges receivable	-	562
Due from Commonwealth	5,012	-
Due from system office	64,586	-
Interest receivable	-	7,451
Inventories	310,162	-
Notes receivable	-	2,268
Total current assets	3,286,279	910,743
Noncurrent assets:		
Restricted cash and cash equivalents	2,348,592	-
Endowment cash and cash equivalents	-	55,692
Endowment investments	-	1,782,121
Non-depreciable capital assets	1,037,114	163,892
Depreciable capital assets, net	9,622,670	143,122
Total noncurrent assets	13,008,376	2,144,827
Total assets	16,294,655	3,055,570
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and retainage payable	355,488	22,500
Accrued payroll expense	610,449	-
Deferred revenue	340,929	-
Long-term liabilities-current portion	265,251	-
Due to Commonwealth	2,000	-
Deposits	163,607	-
Total current liabilities	1,737,724	22,500
Noncurrent liabilities:		
Account payable for noncurrent assets	8,091	-
Long-term liabilities	453,803	-
Total noncurrent liabilities	461,894	-
Total liabilities	2,199,618	22,500
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	10,659,784	307,014
Restricted for:		
Nonexpendable	-	1,763,470
Expendable	2,276,909	338,590
Unrestricted	1,158,344	623,996
Total net assets	\$ 14,095,037	\$ 3,033,070

See Auditor of Public Accounts' Review Report

DANVILLE COMMUNITY COLLEGE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
For the Year Ended June 30, 2004

	Component Unit	
	Community College	Danville Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowances of \$1,408,265)	\$ 3,395,492	\$ -
Federal grants and contracts	4,292,283	20,020
State and local grants	39,964	-
Nongovernmental grants	377,660	46,602
Auxiliary enterprises (net of scholarship allowances of \$339,507)	899,878	-
Gifts and contributions	-	95,625
Endowment income	-	83,387
Other operating revenues	31,175	202
<b>Total operating revenue</b>	<b>9,036,452</b>	<b>245,836</b>
Operating expenses:		
Instruction	8,728,179	-
Public service	12,946	-
Academic support	1,706,140	158,960
Student services	825,456	-
Institutional support	2,248,319	474,767
Operation and maintenance	2,251,177	57,769
Scholarships and fellowships	1,592,328	147,455
Auxiliary enterprises	1,081,404	-
Fundraising	-	23,976
<b>Total operating expenses</b>	<b>18,445,949</b>	<b>862,927</b>
<b>Operating loss</b>	<b>(9,409,497)</b>	<b>(617,091)</b>
Nonoperating revenues:		
State appropriations	8,499,694	-
Local appropriations	17,896	-
Grants and gifts	51,546	-
Investment income	40,180	170,075
Other nonoperating revenue	991,939	-
<b>Net nonoperating revenue</b>	<b>9,601,255</b>	<b>170,075</b>
<b>Income (loss) before other revenues, expenses gains or losses</b>	<b>191,758</b>	<b>(447,016)</b>
Capital appropriations-state	702,569	-
Capital gifts, grants and contracts	362,491	-
Additions to permanent and term endowments	-	190,120
<b>Increase (decrease) in net assets</b>	<b>1,256,818</b>	<b>(256,896)</b>
<b>Net assets - beginning of year as restated</b>	<b>12,838,219</b>	<b>3,289,966</b>
<b>Net assets - end of year</b>	<b>\$ 14,095,037</b>	<b>\$ 3,033,070</b>

See Auditor of Public Accounts' Review Report