

J. SARGEANT REYNOLDS COMMUNITY COLLEGE

**REPORT ON REVIEW
FOR THE YEAR ENDED
JUNE 30, 2008**

APA

**Auditor of
Public Accounts**

COMMONWEALTH OF VIRGINIA



Commonwealth of Virginia

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

Walter J. Kucharski, Auditor

February 3, 2009

Gary L. Rhodes, Ed.D, President
J. Sargeant Reynolds Community College
PO BOX 85622
Richmond, VA, USA 23285-5622

Dear Mr. Gary L. Rhodes:

We have reviewed the accompanying Statement of Net Assets of **J. Sargeant Reynolds Community College** as of June 30, 2008, 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.

J. Sargeant Reynolds Community College is one of 23 community colleges that comprise the Virginia Community College System, which is a component unit of the Commonwealth of Virginia. Federal funds received by the Commonwealth of Virginia are audited at a statewide level by the Auditor of Public Accounts under the Statewide Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133. As a major program, the Auditor of Public Accounts audits Federal Student Financial Aid at Virginia's state-supported colleges and universities generally on a triennial cyclic basis. The Auditor of Public Accounts audited J. Sargeant Reynolds Community College's Federal Student Aid programs in fiscal years 2005 and 2008 and did not report any material compliance issues. Copies of our audits of the system wide financial statements of the Virginia Community College System along with copies of our Statewide Single Audits may be found on our website at www.apa.virginia.gov.

This letter is intended solely for the information and use of the accreditation review board and is not intended to be and should not be used by anyone other than this specified party. However, this letter is a matter of public record and its distribution is not limited.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

Enclosure
DBC/clj

J. SARGEANT REYNOLDS COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
As of June 30, 2008

	Component Units		
	Community College	J. Sargeant Reynolds Community College Educational Foundation	J. Sargeant Reynolds Community College Real Estate Foundation
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,871,050	\$ 3,730,118	\$ -
Appropriation available	211	-	-
Short term investments	4,697,613	-	-
Accounts receivable	3,177,683	6,453	-
Pledges receivable	-	708,082	-
Due from Commonwealth	209,982	-	-
Due from system office	269,835	-	-
Interest receivable	-	5,248	-
Prepaid expenses	110,838	7,757	-
Inventories	<u>117,806</u>	<u>-</u>	<u>-</u>
Total current assets	<u>12,455,018</u>	<u>4,457,658</u>	<u>-</u>
Noncurrent assets:			
Restricted cash and cash equivalents	(245,743)	-	-
Appropriation available	2,750,846	-	-
Endowment investments	-	2,794,318	-
Other long-term investments	-	1,166,795	-
Accounts receivable, net	73,711	-	-
Pledges receivable	-	1,711,271	-
Due from Commonwealth	319,038	-	-
Non-depreciable capital assets, net	23,989,154	-	105,999
Depreciable capital assets, net	<u>27,914,397</u>	<u>37,743</u>	<u>-</u>
Total noncurrent assets	<u>54,801,403</u>	<u>5,710,127</u>	<u>105,999</u>
Total assets	<u>67,256,421</u>	<u>10,167,785</u>	<u>105,999</u>
LIABILITIES			
Current liabilities:			
Accounts and retainage payable	3,333,957	2,799,502	-
Accrued payroll expense	1,961,552	-	-
Deferred revenue	1,863,115	-	-
Long-term liabilities-current portion	479,000	825	-
Due to Commonwealth	20,000	-	-
Deposits	<u>844,954</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>8,502,578</u>	<u>2,800,327</u>	<u>-</u>
Noncurrent liabilities:			
Long-term liabilities	<u>5,037,182</u>	<u>75,949</u>	<u>-</u>
Total liabilities	<u>13,539,760</u>	<u>2,876,276</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	48,356,688	37,743	105,999
Restricted for:			
Nonexpendable	-	4,813,164	-
Expendable	1,092,962	2,211,062	-
Unrestricted	<u>4,267,011</u>	<u>229,540</u>	<u>-</u>
Total net assets	<u>\$ 53,716,661</u>	<u>\$ 7,291,509</u>	<u>\$ 105,999</u>

See Auditor of Public Accounts' Review Report

J. SARGEANT REYNOLDS COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2008

	Community College	Component Units	
		J. Sargeant Reynolds Community College Educational Foundation	J. Sargeant Reynolds Community College Real Estate Foundation
Operating revenue:			
Tuition and fees (net of scholarship allowance of \$3,224,311)	\$ 18,093,585	\$ -	\$ -
Federal grants and contracts	951,312	-	-
State and local grants	192,748	-	-
Nongovernmental grants	180,113	-	-
Sales/services of education department	124,817	-	-
Auxiliary enterprises (net of scholarship allowance of \$18,541)	1,171,284	-	-
Gifts and contributions	-	834,969	-
Endowment income	-	(16,203)	-
Other operating revenues	702,564	16,601	-
Total operating revenue	21,416,423	835,367	-
Operating expenses:			
Instruction	29,425,004	-	-
Public service	341,233	-	-
Academic support	4,410,188	477,534	-
Student services	3,430,409	-	-
Institutional support	7,239,901	167,466	-
Operation and maintenance	5,641,135	-	-
Scholarships and fellowships	4,514,787	307,134	-
Auxiliary enterprises	613,785	-	-
Fundraising	-	74,135	-
Total operating expenses	55,616,442	1,026,269	-
Operating loss	(34,200,019)	(190,902)	-
Nonoperating revenues (expenses):			
State appropriations	25,712,883	-	-
Local appropriations	220,297	-	-
Grants and gifts	6,485,887	-	-
Investment income	348,425	6,418	-
Interest on capital asset related debt	(186,328)	-	-
Other nonoperating revenue (expense)	(12,425)	-	-
Net nonoperating revenue	32,568,739	6,418	-
Loss before other revenues, expenses, gains, and losses	(1,631,280)	(184,484)	-
Capital appropriations-state	3,646,785	-	-
Capital appropriations-local	438,060	-	-
Capital gifts, grants and contracts	96,331	-	4,999
Additions to permanent and term endowments	-	1,115,757	-
Increase in net assets	2,549,896	931,273	4,999
Net assets - beginning of year	51,166,765	6,360,236	101,000
Net assets - end of year	\$ 53,716,661	\$ 7,291,509	\$ 105,999

See Auditor of Public Accounts' Review Report