



PAUL D. CAMP COMMUNITY COLLEGE

REVIEW REPORT FOR THE YEAR ENDED JUNE 30, 2017

Auditor of Public Accounts
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February 27, 2018

Dr. Daniel W. Lufkin
President, Paul D. Camp Community College

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of **Paul D. Camp Community College**, which comprise the Statement of Net Position as of June 30, 2017, and the related Statements of Revenues, Expenses, and Changes in Net Position, and Cash Flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of College management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We have not reviewed the financial statements of Paul D. Camp Community College Foundation (Foundation), a discretely presented component unit of Paul D. Camp Community College, which is presented in a separate column in the accompanying financial statements. These statements were audited by other auditors whose report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for the Foundation is based solely on the report of other auditors.

SSARs require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, and the reports of other auditors, except for the issue noted in the Known Departures from Accounting Principles Generally Accepted in the United States of America paragraph, 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 accounting principles generally accepted in the United States of America.

Known Departures From Accounting Principles Generally Accepted in the United States of America

Accounting principles generally accepted in the United States of America require that the financial statements for business-type entities include notes to the financial statements, which are considered part of the basic financial statements. The Virginia Community College System (System) consolidates information from its 23 community colleges into the basic financial statements for the System; however, the System does not prepare note disclosures for each individual college. In addition, the System does not prepare for each college certain required supplementary information, such as management's discussion and analysis and pension-related schedules, which is required to be presented to supplement the basic financial statements. Required supplementary information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The effect of these departures from accounting principles generally accepted in the United States of America has not been determined.

Other Matters

Paul D. Camp 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 in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of the statewide Single Audit of federal funds, the Auditor of Public Accounts audits Federal Student Financial Aid at Virginia's state-supported colleges and universities. The Auditor of Public Accounts audited Paul D. Camp Community College Community College's Federal Student Aid programs in fiscal year 2015 and performed follow-up procedures in fiscal years 2016 and 2017 and did not report any material compliance issues. Copies of our audits of the financial statements of the 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.

AUDITOR OF PUBLIC ACCOUNTS

EMS/clj

**Virginia Community College System
Paul D. Camp Community College
Statement of Net Position
As of June 30, 2017**

	Community College	Component Unit Paul D. Camp Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,913,060	\$ 246,435
Short term investments	254,341	-
Accounts receivable, net	152,229	-
Pledges receivable	-	15,539
Due from Commonwealth	34,591	-
Prepaid expenses	7,080	-
Inventories	<u>17,000</u>	<u>-</u>
Total Current Assets	<u>2,378,301</u>	<u>261,974</u>
Noncurrent Assets		
Endowment cash and cash equivalents	17,606	-
Endowment investments	-	507,114
Other long-term investments	-	619,260
Pledges receivable	-	4,825
Non-depreciable capital assets, net	517,353	48,750
Depreciable capital assets, net	<u>10,111,191</u>	<u>-</u>
Total Noncurrent Assets	<u>10,646,150</u>	<u>1,179,949</u>
Total Assets	<u>13,024,451</u>	<u>1,441,923</u>
Deferred Outflows of Resources	<u>700,439</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>13,724,890</u>	<u>1,441,923</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable	102,854	1,045
Accrued payroll expense	485,056	-
Unearned revenue	335,165	-
Long-term liabilities-current portion	186,090	-
Deposits	<u>531,198</u>	<u>-</u>
Total Current Liabilities	<u>1,640,363</u>	<u>1,045</u>
Noncurrent Liabilities		
Long-term liabilities	270,705	-
Pension obligations	<u>4,761,000</u>	<u>-</u>
Total Noncurrent Liabilities	<u>5,031,705</u>	<u>-</u>
Total Liabilities	<u>6,672,068</u>	<u>1,045</u>
Deferred Inflows of Resources	<u>1,052,000</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,724,068</u>	<u>1,045</u>
Net Position		
Net investment in capital assets	10,393,279	48,750
Restricted for:		
Nonexpendable	-	300,565
Expendable	-	636,947
Unrestricted	<u>(4,392,457)</u>	<u>454,616</u>
Total Net Position	<u>\$ 6,000,822</u>	<u>\$ 1,440,878</u>

See Independent Accountant's Review Report

Virginia Community College System
Paul D. Camp Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2017

	Community College	Component Unit
	Community College	Paul D. Camp Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$1,098,175)	\$ 3,023,591	\$ -
Federal grants and contracts	428,755	-
State and local grants	3,750	-
Nongovernmental grants	221,519	249,175
Auxiliary enterprises (net of scholarship allowance of \$3,522)	69,464	-
Gifts and contributions	-	152,863
Endowment income	-	44,499
Other operating revenues	<u>153,960</u>	<u>49,971</u>
Total Operating Revenue	<u>3,901,039</u>	<u>496,508</u>
Expenses		
Operating Expenses		
Instruction	4,484,053	-
Public service	54,899	-
Academic support	508,431	313,468
Student services	1,543,579	-
Institutional support	2,624,596	128,451
Operation and maintenance	1,100,789	-
Scholarships and fellowships	968,137	48,333
Auxiliary enterprises	11,521	-
Fundraising	<u>-</u>	<u>48,668</u>
Total Operating Expenses	<u>11,296,005</u>	<u>538,920</u>
Operating Income (Loss)	<u>(7,394,966)</u>	<u>(42,412)</u>
Nonoperating Revenues(Expenses)		
State appropriations	5,239,153	-
Local appropriations	4,400	-
Grants and gifts	1,616,393	-
Investment income	1,829	59,951
Interest on capital asset related debt	(4,043)	-
Other nonoperating revenue (expense)	<u>139,067</u>	<u>-</u>
Net Nonoperating Revenue	<u>6,996,799</u>	<u>59,951</u>
Income before other revenues, expenses gains (losses)	(398,167)	17,539
Capital appropriations-state	13,966	-
Capital gifts, grants and contracts	2,160	-
Additions to permanent and term endowments	<u>-</u>	<u>152,090</u>
Increase (Decrease) in Net Position	<u>(382,041)</u>	<u>169,629</u>
Net Position		
Net Position beginning of year	<u>6,382,863</u>	<u>1,271,249</u>
Net Position end of year	<u>\$ 6,000,822</u>	<u>\$ 1,440,878</u>

See Independent Accountant's Review Report

**Virginia Community College System
Paul D. Camp Community College
Statement of Cash Flows
For the Year Ended June 30, 2017**

	Community College
Cash flows from operating activities:	
Tuition and fees	\$ 3,387,514
Grants and contracts	632,934
Payments to suppliers and others	(2,663,600)
Payments for employee wages	(5,388,707)
Payments for employee fringes and pension benefits	(1,964,089)
Payment for scholarships	(969,032)
Payments for utilities	(263,413)
Auxiliary	67,943
Other	<u>151,049</u>
Net cash used by operating activities	<u>(7,009,401)</u>
Cash flows from non-capital financing activities:	
State appropriations	5,239,153
Local appropriations	4,400
Grants and gifts	1,581,802
Agency receipts	5,183
Agency disbursements	(8,323)
PLUS, Stafford and Direct Lending loan receipts	850,701
PLUS, Stafford and Direct Lending loan disbursements	(855,529)
Other non-operating revenue(expense)	<u>141,296</u>
Net cash provided (used) by non-capital financing activities	<u>6,958,683</u>
Cash flows from capital and related financing activities:	
Capital appropriations-state	113,966
Purchase capital assets	(70,722)
Proceeds from sale of capital assets	3,493
Debt interest payments	(4,043)
Debt principal payments	<u>(31,264)</u>
Net cash provided (used) by capital financing activities	<u>11,430</u>
Cash flows from investing activities:	
Investment income	<u>1,428</u>
Net cash provided (used) by investing activities	<u>1,428</u>
Net increase (decrease) in cash and cash equivalents	(37,860)
Cash and cash equivalents, beginning of year	<u>1,968,526</u>
Cash and cash equivalents, End of Year	<u><u>1,930,666</u></u>