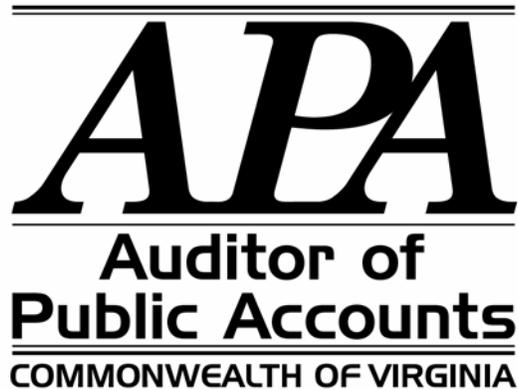


SOUTHWEST VIRGINIA COMMUNITY COLLEGE

**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

Dr. Charles R. King, President
Southwest Virginia Community College
P.O. Box SVCC
Route 19
Richlands, VA 24641

Dear Dr. King:

We have reviewed the accompanying Statement of Net Assets of Southwest Virginia 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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SOUTHWEST VIRGINIA COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
As of June 30, 2004

	Component Unit	
	Community College	Southwest Virginia Community College Educational Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,904,884	\$ 377,527
Accounts receivable	179,852	1,250,000
Due from Commonwealth	227,775	-
Due from system office	318,804	-
Prepaid expenses	53,124	1,940
Inventories	20,357	-
Notes receivable	36,936	-
Total current assets	3,741,732	1,629,467
Noncurrent assets:		
Restricted cash and cash equivalents	391,982	-
Other long-term investments	-	5,797,962
Notes receivable	6,359	-
Non-depreciable capital assets	511,216	338,425
Depreciable capital assets, net	13,031,140	264,405
Total noncurrent assets	13,940,697	6,400,792
Total assets	17,682,429	8,030,259
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	356,055	1,358
Accrued payroll expense	841,875	-
Deferred revenue	339,885	-
Long-term liabilities-current portion	608,847	-
Due to Commonwealth	3,500	-
Deposits	39,050	-
Total current liabilities	2,189,212	1,358
Noncurrent liabilities:		
Long-term liabilities	568,334	-
Total liabilities	2,757,546	1,358
NET ASSETS		
Invested in capital assets, net of related debt	13,542,356	602,830
Restricted for:		
Expendable	179,585	3,851,829
Unrestricted	1,202,942	3,574,242
Total net assets	\$ 14,924,883	\$ 8,028,901

See Auditor of Public Accounts' Review Report

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

	Component Unit	
	Community College	Southwest Virginia Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowances of \$3,259,505)	\$ 1,793,598	\$ -
Federal grants and contracts	8,262,155	-
State and local grants	145,874	-
Nongovernmental grants	702,538	-
Auxiliary enterprises (net of scholarship allowances of \$24,207)	215,179	-
Gifts and contributions	-	1,065,544
Other operating revenues	130,374	84,125
Total operating revenue	<u>11,249,718</u>	<u>1,149,669</u>
Operating expenses:		
Instruction	10,362,042	-
Public service	72,379	-
Academic support	2,087,222	-
Student services	1,142,523	-
Institutional support	1,970,694	723,819
Operation and maintenance	3,052,473	36,595
Scholarships and fellowships	3,985,936	303,539
Auxiliary enterprises	172,929	-
Fundraising	-	103,223
Other expenses	15,537	-
Total operating expenses	<u>22,861,735</u>	<u>1,167,176</u>
Operating loss	<u>(11,612,017)</u>	<u>(17,507)</u>
Nonoperating revenues/(expenses):		
State appropriations	9,651,756	-
Local appropriations	75,793	-
Grants and gifts	161,019	-
Investment income	7,516	752,118
Other nonoperating revenue (expense)	1,718,538	1,099,283
Net nonoperating revenue	<u>11,614,622</u>	<u>1,851,401</u>
Income (loss) before other revenues, expenses, gains, or losses	<u>2,605</u>	<u>1,833,894</u>
Capital appropriations-state	465,165	-
Capital appropriations-local	192,237	-
Capital gifts, grants and contracts	61,011	-
Increase in net assets	721,018	1,833,894
Net assets - beginning of year as restated	<u>14,203,865</u>	<u>6,195,007</u>
Net assets - end of year	<u>\$ 14,924,883</u>	<u>\$ 8,028,901</u>

See Auditor of Public Accounts' Review Report