



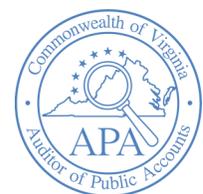
SOUTHSIDE VIRGINIA COMMUNITY COLLEGE

REVIEW REPORT FOR THE YEAR ENDED JUNE 30, 2016

Auditor of Public Accounts
Martha S. Mavredes, CPA

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Auditor of Public Accounts

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Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 1, 2017

Alfred A. Roberts
President, Southside Virginia Community College

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying Statement of Net Position of **Southside Virginia Community College** as of June 30, 2016, and the related Statement of Revenues, Expenses, and Changes in Net Position (financial statements) 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 Southside Virginia Community College Foundation (the Foundation), a discretely presented component unit of Southside Virginia 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 report of other auditors, except for the issues 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 a statement of cash flows and notes to the financial statements, which are considered part of the basic financial statements. The Virginia Community College 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. Although the statement of cash flows is considered part of the basic financial statements, it was not included in the scope of this review.

Other Matters

Southside Virginia Community College is one of 23 community colleges that comprise the Virginia Community College System (VCCS), 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 Southside Virginia Community College's Federal Student Aid programs in fiscal year 2014 and performed follow up procedures on prior year findings in 2015 and did not report any

material compliance issues. An additional audit of financial aid is ongoing as part of the fiscal year 2016 VCCS financial statement audit. Copies of our audits of the 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.

AUDITOR OF PUBLIC ACCOUNTS

EMS/alh

Virginia Community College System
Southside Virginia Community College
Statement of Net Position
As of June 30, 2016

	Community College	Component Unit Southside Virginia Community College Foundation
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,268,662	\$ 418,664
Accounts receivable, net	318,950	98,019
Due from system office	2,805	-
Prepaid expenses	12,111	-
Total Current Assets	<u>5,602,528</u>	<u>516,683</u>
Noncurrent Assets		
Endowment cash and cash equivalents	-	317,410
Endowment investments	-	2,314,345
Other long-term investments	-	315,179
Non-depreciable capital assets, net	502,058	67,250
Depreciable capital assets, net	19,116,363	1,377,749
Total Noncurrent Assets	<u>19,618,421</u>	<u>4,391,933</u>
Total Assets	<u>25,220,949</u>	<u>4,908,616</u>
Deferred Outflows of Resources	1,466,829	-
Total Assets and Deferred Outflows of Resources	<u>26,687,778</u>	<u>4,908,616</u>
Liabilities		
Current Liabilities		
Accounts and retainage payable	142,999	148,517
Accrued payroll expense	1,446,092	-
Unearned revenue	562,897	-
Long-term liabilities-current portion	523,574	-
Securities lending obligation	1	-
Deposits	565,571	-
Total Current Liabilities	<u>3,241,134</u>	<u>148,517</u>
Noncurrent Liabilities		
Unearned revenue	1,379	-
Long-term liabilities	393,020	-
Pension obligations	15,711,000	-
Total Noncurrent Liabilities	<u>16,105,399</u>	<u>-</u>
Total Liabilities	<u>19,346,533</u>	<u>148,517</u>
Deferred Inflows of Resources	1,954,000	-
Total Liabilities and Deferred Inflows of Resources	<u>21,300,533</u>	<u>148,517</u>
Net Position		
Net investment in capital assets	19,618,421	1,444,999
Restricted for:		
Nonexpendable	-	1,071,352
Expendable	-	775,755
Unrestricted	(14,231,176)	1,467,993
Total Net Position	<u>\$ 5,387,245</u>	<u>\$ 4,760,099</u>

See Independent Accountant's Review Report

Virginia Community College System
Southside Virginia Community College
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

	Community College	Component Unit Southside Virginia Community College Foundation
Revenues		
Operating Revenue		
Tuition and fees (net of scholarship allowance of \$4,938,141)	\$ 7,434,184	\$ -
Federal grants and contracts	1,555,461	-
State and local grants	96,062	-
Nongovernmental grants	62,793	544,150
Sales/services of education department	-	-
Auxiliary enterprises (net of scholarship allowance of \$16,439)	84,466	-
Gifts and contributions	-	355,391
Endowment income	-	(28,469)
Other operating revenues	580,292	118,040
Total Operating Revenue	9,813,258	989,112
Expenses		
Operating Expenses		
Instruction	15,851,529	-
Public service	192,491	-
Academic support	3,691,541	50,652
Student services	2,487,086	-
Institutional support	2,948,224	359,703
Operation and maintenance	1,819,522	-
Scholarships and fellowships	2,550,881	488,395
Auxiliary enterprises	(34,765)	-
Fundraising	-	18,745
Other expenses	49,850	-
Total Operating Expenses	29,556,359	917,495
Operating Income (Loss)	(19,743,101)	71,617
Nonoperating Revenues(Expenses)		
State appropriations	12,983,256	-
Local appropriations	58,497	-
Grants and gifts	6,554,697	-
Investment income	19,306	6,615
Other nonoperating revenue (expense)	41,863	-
Net Nonoperating Revenue	19,657,619	6,615
Income before other revenues, expenses gains (losses)	(85,482)	78,232
Capital appropriations-state	103,380	-
Capital gifts, grants and contracts	327,768	-
Additions to permanent and term endowments	-	23,670
Increase (Decrease) in Net Position	345,666	101,902
Net Position		
Net Position beginning of year	5,041,579	4,658,197
Net Position end of year	\$ 5,387,245	\$ 4,760,099

See Independent Accountant's Review Report