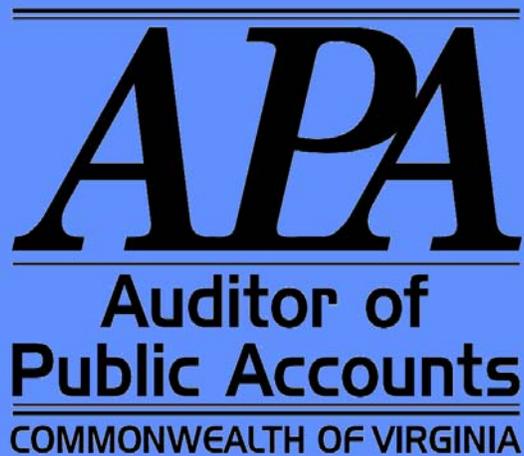


VIRGINIA WESTERN COMMUNITY COLLEGE

**REPORT ON AUDIT
FOR THE YEAR ENDED
JUNE 30, 2012**





Commonwealth of Virginia

Auditor of Public Accounts

Martha S. Mavredes, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

February 8, 2013

Dr. Robert H. Sandel, President
Virginia Western Community College
P.O. Box 14007
Roanoke, VA 24038

Dear President Sandel:

We have reviewed the accompanying Statement of Net Assets of Virginia Western Community College as of June 30, 2012, and the related Statement of Revenues, Expenses, and Changes in Net Assets for the year then ended. 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 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

Virginia Western 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 Virginia Western Community College's Federal Student Aid programs in fiscal years 2008 and 2011 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,

Martha S. Mavredes
Auditor of Public Accounts

Enclosure

Virginia Western Community College
Statement of Net Assets
As of June 30, 2012

	<u>Community College</u>	<u>Component Unit Virginia Western Community College Educational Foundation</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,657,214	\$ 48,742
Appropriation available	8,662	-
Short term investments	12,928	-
Accounts receivable	432,768	13,529
Pledges receivable	-	153,978
Due from Commonwealth	59,169	-
Due from system office	7,782	-
Interest receivable	-	16,965
Prepaid expenses	56,334	5,633
Notes receivable, net	-	67,684
Total current assets	<u>6,234,857</u>	<u>306,531</u>
Noncurrent assets:		
Restricted cash and cash equivalents	(2,372,793)	-
Cash with trustees	6,468,190	-
Endowment cash and cash equivalents	-	166,179
Endowment investments	-	2,998,730
Other long-term investments	-	1,196,461
Pledges receivable	-	169,755
Due from Commonwealth	2,975,205	-
Notes receivable	-	578,637
Non-depreciable capital assets, net	22,153,300	-
Depreciable capital assets, net	21,263,576	5,356
Total noncurrent assets	<u>50,487,478</u>	<u>5,115,118</u>
Total assets	<u>56,722,335</u>	<u>5,421,649</u>
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	2,101,240	23,054
Accrued payroll expense	1,654,700	-
Deferred revenue	1,287,753	-
Long-term liabilities-current portion	1,126,809	-
Securities lending obligation	431,055	-
Due to Commonwealth	5,000	-
Deposits	109,613	-
Total current liabilities	<u>6,716,170</u>	<u>23,054</u>
Noncurrent liabilities:		
Long-term liabilities	7,451,169	-
Total noncurrent liabilities	<u>7,451,169</u>	<u>-</u>
Total liabilities	<u>14,167,339</u>	<u>23,054</u>
NET ASSETS		
Invested in capital assets, net of related debt	42,405,519	5,356
Restricted for:		
Nonexpendable	-	-
Expendable	(970,776)	4,400,520
Unrestricted	1,120,253	992,719
Total Net Assets	<u>\$ 42,554,996</u>	<u>\$ 5,398,595</u>

See Auditor of Public Accounts' Review Report

Virginia Western Community College
Statement of Revenues, Expenses and Change in Net Assets
For Year Ending June 30, 2012

	<u>Community College</u>	<u>Component Unit Virginia Western Community College Educational Foundation</u>
Operating Revenues:		
Tuition and fees (net of scholarship allowance of \$7,099,442)	\$ 12,201,403	\$ -
Federal grants and contracts	1,595,462	-
State and local grants	41,182	-
Nongovernmental grants	7,500	-
Auxiliary enterprises (net of scholarship allowance of \$31,412)	400,252	-
Gifts and contributions	-	746,707
Endowment income	-	(70,111)
Other operating revenues	692,445	322,839
Total operating revenue	<u>14,938,244</u>	<u>999,435</u>
Operating Expenses:		
Instruction	18,772,438	-
Public service	625,744	-
Academic support	3,720,937	-
Student services	2,921,913	-
Institutional support	4,602,333	-
Operation and maintenance	3,823,542	423,486
Scholarships and fellowships	5,692,175	372,835
Auxiliary enterprises	452,634	-
Fundraising	-	114,237
Other	-	190,405
Total operating expenses	<u>40,611,716</u>	<u>1,100,963</u>
Operating income (loss)	<u>(25,673,472)</u>	<u>(101,528)</u>
Nonoperating revenues and expenses:		
State appropriations	14,823,051	-
Local appropriations	34,000	-
Grants and gifts	10,845,695	-
Investment income	68,649	47,439
Interest on capital asset related debt	(28,588)	-
Other	23,262	-
Net nonoperating revenue	<u>25,766,069</u>	<u>47,439</u>
Income before other revenues, expenses gains (losses)	<u>92,597</u>	<u>(54,089)</u>
Capital appropriations-state	9,479,198	-
Capital appropriations-local	99,396	-
Capital gifts, grants and contracts	324,606	-
Additions to permanent and term endowments	-	92,250
Increase (decrease) in net assets	<u>9,995,797</u>	<u>38,161</u>
Net Assets beginning of year	<u>32,559,199</u>	<u>5,360,434</u>
Net Assets end of year	<u>\$ 42,554,996</u>	<u>\$ 5,398,595</u>

See Auditor of Public Accounts' Review Report