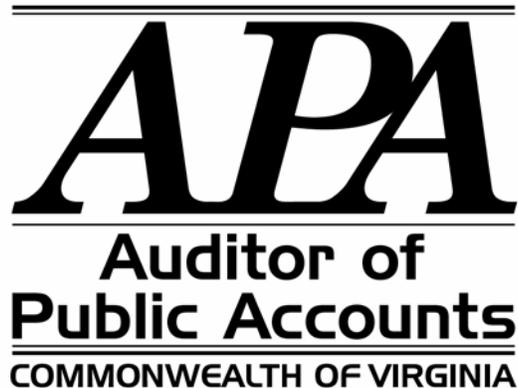


**LORD FAIRFAX
COMMUNITY COLLEGE**

**REPORT ON REVIEW
FOR THE YEAR ENDED
JUNE 30, 2006**





Commonwealth of Virginia

Walter J. Kucharski, Auditor

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

February 12, 2007

Dr. John J. Sygielski, President
Lord Fairfax Community College
173 Skirmisher Lane
Middletown, VA 22645

Dear Dr. Sygielski:

We have reviewed the accompanying Statement of Net Assets of **Lord Fairfax Community College** as of June 30, 2006, 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 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 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

WJK/sks

Enclosure

LORD FAIRFAX COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
As of June 30, 2006

	Component Unit	
	Community College	Lord Fairfax Community College Educational Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,167,517	\$ 1,523,376
Accounts receivable	182,736	-
Pledges receivable	-	79,045
Prepaid expenses	26,701	-
Inventories	6,200	-
Total current assets	2,383,154	1,602,421
Non-current assets:		
Restricted cash and cash equivalents	9,451,457	-
Endowment cash and cash equivalents	-	156,016
Endowment investments	-	2,236,513
Other long-term investments	-	3,742,463
Pledges receivable	-	352,133
Non-depreciable capital assets, net	4,033,969	179,650
Depreciable capital assets, net	12,104,003	-
Total non-current assets	25,589,429	6,666,775
Total assets	27,972,583	8,269,196
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	963,136	19,637
Accrued payroll expense	618,875	-
Deferred revenue	341,708	-
Long-term liabilities-current portion	351,023	-
Due to Commonwealth	2,000	-
Deposits	259,704	-
Total current liabilities	2,536,446	19,637
Non-current liabilities:		
Long-term liabilities	246,472	-
Total liabilities	2,782,918	19,637
NET ASSETS		
Invested in capital assets, net of related debt	16,137,972	179,650
Restricted for:		
Non-expendable	-	2,490,265
Expendable	9,007,470	5,127,388
Unrestricted	44,223	452,256
Total net assets	\$ 25,189,665	\$ 8,249,559

See Auditor of Public Accounts' Review Report

LORD FAIRFAX COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2006

	Component Unit	
	Community College	Lord Fairfax Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$1,023,584)	\$ 6,535,652	\$ -
Federal grants and contracts	2,700,011	-
State and local grants	122,327	-
Non-governmental grants	312,454	-
Auxiliary enterprises (net of scholarship allowance of \$6,619)	172,527	-
Gifts and contributions	-	115,860
Endowment income	-	107,224
Other operating revenues	240,132	-
Total operating revenue	10,083,103	223,084
Operating expenses:		
Instruction	9,624,288	2,159
Public service	91,346	-
Academic support	2,891,446	54,154
Student services	1,431,360	-
Institutional support	3,385,770	13,503
Operation and maintenance	1,665,199	51,440
Scholarships and fellowships	1,258,576	44,828
Auxiliary enterprises	48,783	-
Fundraising	-	15,180
Other expenses	651	-
Total operating expenses	20,397,419	181,264
Operating income/ (loss)	(10,314,316)	41,820
Non-operating revenues/(expenses)		
State appropriations	9,743,759	-
Local appropriations	197,875	-
Grants and gifts	324,240	-
Investment income	36,016	53,550
Other non-operating revenue/(expense)	(44,920)	-
Net non-operating revenue	10,256,970	53,550
Income/(loss) before other revenues, expenses, gains, or losses	(57,346)	95,370
Capital appropriations-state	8,000,000	-
Capital appropriations-local	419,542	-
Capital gifts, grants and contracts	58,175	39,418
Additions to permanent and term endowments	-	148,037
Increase in net assets	8,420,371	282,825
Net assets - beginning of year	16,769,294	7,966,734
Net assets - end of year	\$ 25,189,665	\$ 8,249,559

See Auditor of Public Accounts' Review Report