

**RAPPAHANNOCK COMMUNITY COLLEGE**

**REPORT ON REVIEW  
FOR THE YEAR ENDED  
JUNE 30, 2007**

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**Auditor of  
Public Accounts**

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**COMMONWEALTH OF VIRGINIA**



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

January 29, 2008

Dr. Elizabeth Hinton Crowther, President  
Rappahannock Community College  
12745 College Drive  
Glenns, VA 23149

Dear Dr. Crowther:

We have reviewed the accompanying Statement of Net Assets of **Rappahannock Community College** as of June 30, 2007, 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.

Rappahannock 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 Rappahannock Community College's Federal Student Aid programs in fiscal years 2004 and 2007 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](http://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,

Walter J. Kucharski  
Auditor of Public Accounts

Enclosure  
DBC/wdh

RAPPAHANNOCK COMMUNITY COLLEGE  
STATEMENT OF NET ASSETS  
As of June 30, 2007

ASSETS	Community College	Component Unit Rappahannock Community College Educational Foundation
Current assets:		
Cash and cash equivalents	\$ 1,591,262	\$ 114,793
Short term investments	101	-
Accounts receivable	33,573	871
Pledges receivable		2,594
Due from Commonwealth	37,386	-
Due from system office	73,563	-
Interest receivable	26,101	2,947
Prepaid expenses	46,829	-
Inventories	46,166	-
Notes receivable	1,885	-
Total current assets	1,856,866	121,205
Noncurrent assets:		
Restricted cash and cash equivalents	(810)	-
Endowment investments	-	2,825,336
Due from Commonwealth	810	-
Non-depreciable capital assets, net	1,569,770	6,857
Depreciable capital assets, net	5,728,310	1,145
Total noncurrent assets	7,298,080	2,833,338
Total assets	9,154,946	2,954,543

	Community College	Component Unit Rappahannock Community College Educational Foundation
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and retainage payable	130,294	295
Accrued payroll expense	651,825	-
Deferred revenue	307,553	-
Long-term liabilities-current portion	240,635	5,181
Due to Commonwealth	5,000	-
Deposits	379,521	-
	<u>1,714,828</u>	<u>5,476</u>
Noncurrent liabilities:		
Long-term liabilities	261,116	35,655
	<u>1,975,944</u>	<u>41,131</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	7,298,080	8,002
Restricted for:		-
Nonexpendable	-	1,178,452
Expendable	85,944	1,254,866
Unrestricted	(205,022)	472,092
	<u>\$ 7,179,002</u>	<u>\$ 2,913,412</u>

See Auditor of Public Accounts' Review Report

RAPPAHANNOCK COMMUNITY COLLEGE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
For the Year Ended June 30, 2007

	Component Unit	
	Community College	Rappahannock Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$641,049)	\$ 3,106,013	\$ -
Federal grants and contracts	1,709,814	-
State and local grants	75,925	-
Nongovernmental grants	6,929	-
Auxiliary enterprises (net of scholarship allowance of \$3,899)	37,678	-
Gifts and contributions	-	33,803
Endowment income	-	293,731
Other operating revenues	219,324	136,115
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Total operating revenue	5,155,683	463,649
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Operating expenses:		
Instruction	5,621,284	-
Public service	250,381	-
Academic support	1,599,116	-
Student services	850,824	-
Institutional support	2,529,260	196,479
Operation and maintenance	1,378,099	-
Scholarships and fellowships	771,679	176,920
Auxiliary enterprises	29,056	-
Fundraising	-	86,928
Other expenses	49	-
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Total operating expenses	13,029,748	460,327
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	Component Unit	
	Community College	Rappahannock Community College Educational Foundation
Operating income/(loss)	(7,874,065)	3,322
Nonoperating revenues/(expenses):		
State appropriations	8,064,082	-
Local appropriations	76,979	-
Grants and gifts	217,000	-
Investment income	74,579	75,611
Interest on capital asset related debt	-	-
Other nonoperating revenue (expense)	(197,553)	-
Local appropriation transfer	-	-
Net nonoperating revenue	8,235,087	75,611
Income before other revenues, expenses, gains, and losses	361,022	78,933
Capital appropriations-state	68,337	-
Capital appropriations-local	27,857	-
Capital gifts, grants and contracts	108,956	-
Additions to permanent and term endowments	-	342,468
Increase in net assets	566,172	421,401
Net assets - beginning of year	6,612,830	2,492,011
Net assets - end of year	<u>\$ 7,179,002</u>	<u>\$ 2,913,412</u>

See Auditor of Public Accounts' Review Report