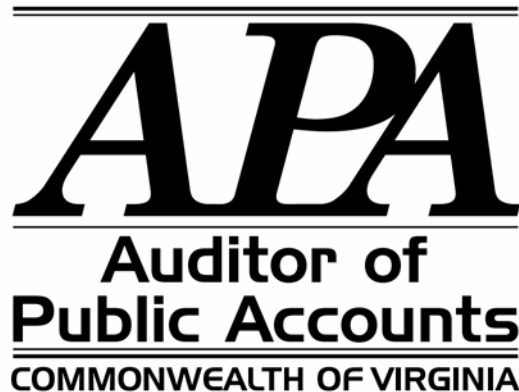


SOUTHSIDE VIRGINIA COMMUNITY COLLEGE

**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. Cavan, President
Southside Virginia Community College
109 Campus Drive
Alberta, Virginia 23821

Dear Dr. Cavan:

We have reviewed the accompanying Statement of Net Assets of Southside Virginia 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

Enclosure

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SOUTHSIDE VIRGINIA COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
As of June 30, 2006

	Component Unit	
	Community College	Southside Virginia Community College Educational Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,482,674	\$ 343,426
Accounts receivable	517,957	141,697
Due from system office	390,166	-
Prepaid expenses	209,621	-
Inventories	292,204	-
Notes receivable	1,154	-
Total current assets	3,893,776	485,123
Noncurrent assets:		
Restricted cash and cash equivalents	808,330	-
Endowment investments	-	671,325
Non-depreciable capital assets, net	1,578,407	347,890
Depreciable capital assets, net	10,180,896	973,391
Total noncurrent assets	12,567,633	1,992,606
Total assets	16,461,409	2,477,729
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	697,872	278,330
Accrued payroll expense	612,415	-
Deferred revenue	284,974	-
Long-term liabilities - current portion	564,076	-
Due to Commonwealth	3,000	-
Deposits	168,541	-
Total current liabilities	2,330,878	278,330
Noncurrent liabilities:		
Long-term liabilities	1,755,077	-
Total liabilities	4,085,955	278,330
NET ASSETS		
Invested in capital assets, net of related debt	10,446,461	1,321,281
Restricted for:		
Nonexpendable	-	592,310
Expendable	559,972	213,142
Unrestricted	1,369,021	72,666
Total net assets	\$ 12,375,454	\$ 2,199,399

*See Auditor of Public Accounts' Review Report

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

	Component Unit	
	Community College	Southside Virginia Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$2,547,541)	\$ 4,028,679	\$ -
Federal grants and contracts	5,460,155	-
State and local grants	368,384	-
Nongovernmental grants	91,685	674,051
Auxiliary enterprises (net of scholarship allowance of \$655,974)	798,861	-
Gifts and contributions	-	240,106
Endowment income	-	14,703
Other operating revenue	624,592	5,106
Total operating revenue	11,372,356	933,966
Operating expenses:		
Instruction	12,738,711	508,309
Public service	85,846	-
Academic support	1,621,698	166,876
Student services	1,630,010	-
Institutional support	2,711,541	124,222
Operation and maintenance	1,745,296	40,600
Scholarships and fellowships	1,980,230	177,910
Auxiliary enterprises	1,147,697	-
Fundraising	-	590
Other expenses	472	-
Total operating expenses	23,661,501	1,018,507
Operating income/(loss)	(12,289,145)	(84,541)
Nonoperating revenue/(expenses)		
State appropriations	12,722,106	-
Local appropriations	44,845	-
Grants and gifts	270,208	-
Investment income	51,062	31,066
Interest on capital asset related debt	(21,072)	-
Other nonoperating revenue/(expenses)	(120,347)	-
Net nonoperating revenue	12,946,802	31,066
Income/(loss) before other revenue, expenses, gains, or losses	657,657	(53,475)
Capital appropriations - state	1,882,033	-
Capital gifts, grants and contracts	194,150	-
Additions to permanent and term endowments	-	25,623
Increase/(decrease) in net assets	2,733,840	(27,852)
Net assets - beginning of year	9,641,614	2,227,251
Net assets - end of year	\$ 12,375,454	\$ 2,199,399

*See Auditor of Public Accounts' Review Report

