

May 21, 1999

Dr. Richard R. Teaff
President
Dabney S. Lancaster Community College
Post Office Box 1000,
Clifton Forge, Virginia 24422

Dear Dr. Teaff:

We have reviewed the accompanying balance sheet of **Dabney S. Lancaster Community College** as of June 30, 1998, and the related statement of changes in fund balances and current fund revenues, expenditures and other changes 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 Dabney S. Lancaster 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.

This letter is for the express use of the Accreditation Review Board and is not intended to be used for any other purpose.

Sincerely,

Walter J. Kucharski
Auditor of Public Accounts

Enclosure

VIRGINIA COMMUNITY COLLEGE SYSTEM
DABNEY S. LANCASTER COMMUNITY COLLEGE
BALANCE SHEET
June 30, 1998, with Comparative Figures at June 30, 1997

	CURRENT YEAR			PRIOR YEAR		CURRENT YEAR			PRIOR YEAR
	State Funds	Local Funds	Total	Total		State Funds	Local Funds	Total	Total
ASSETS					LIABILITIES AND FUND BALANCES				
Current Funds Unrestricted:					Current Funds Unrestricted:				
Cash and cash equivalents	\$ 67,482	\$ 358,947	\$ 426,429	\$ 362,423	Accounts payable	\$ 66,832	\$ 13,013	\$ 79,845	\$ 45,911
Accounts receivable	7,604	54,005	61,609	56,494	Accrued expenses	140,830	-	140,830	24,880
Inventories	5,500	100,981	106,481	114,134	Accrued leave	386,949	-	386,949	359,991
					Due to the commonwealth	4,000	-	4,000	4,000
					Deferred revenue	54,927	-	54,927	33,232
					Fund Balances	(572,952)	500,920	(72,032)	65,037
Total Unrestricted	80,586	513,933	594,519	533,051	Total Unrestricted	80,586	513,933	594,519	533,051
Current Funds Restricted:					Current Funds Restricted:				
Cash and cash equivalents	17,862	5,283	23,145	28,525	Accounts payable	5,325	-	5,325	14,994
Accounts receivable	239	-	239	-	Accrued expenses	25,739	-	25,739	11,295
					Accrued leave	32,916	-	32,916	49,488
					Fund balances - restricted	(45,879)	5,283	(40,596)	(47,252)
Total Restricted	18,101	5,283	23,384	28,525	Total Restricted	18,101	5,283	23,384	28,525
Total Current Funds	\$ 98,687	\$ 519,216	\$ 617,903	\$ 561,576	Total Current Funds	\$ 98,687	\$ 519,216	\$ 617,903	\$ 561,576
Loan Funds:					Loan Funds:				
Cash and cash equivalents	\$ -	\$ 4,053	\$ 4,053	\$ 3,958	Fund balances - college funds	\$ -	\$ 5,048	\$ 5,048	\$ 5,011
Notes receivable	-	995	995	1,053					
Total Loan Funds	\$ -	\$ 5,048	\$ 5,048	\$ 5,011	Total Loan Funds	\$ -	\$ 5,048	\$ 5,048	\$ 5,011
Plant Funds Unexpended:					Plant Funds Unexpended:				
Cash and cash equivalents	\$ -	\$ 34,301	\$ 34,301	\$ 66,509	Accounts payable	\$ -	\$ -	\$ -	\$ 14,003
Appropriations available	19,239	-	19,239	-	Fund balances-unrestricted	-	34,301	34,301	72,849
					Fund balances-restricted	19,239	-	19,239	(20,343)
Total Unexpended	19,239	34,301	53,540	66,509	Total Unexpended	19,239	34,301	53,540	66,509
Plant Funds Renewals, Replacements, and Debt Retirement:					Plant Funds Renewals, Replacements, and Debt Retirement:				
Due from system office	-	-	-	11,625	Retainage payable	-	-	-	11,625
Plant Funds Investment in Plant:					Plant Funds Investment in Plant:				
Land	93,440	-	93,440	93,440	Capital leases payable	309,631	-	309,631	274,928
Site improvements	574,940	59,980	634,920	599,453	Net investment in plant	6,560,259	59,980	6,620,239	6,414,488
Buildings	3,501,451	-	3,501,451	3,501,451					
Equipment and library books	2,599,084	-	2,599,084	2,439,069					
Construction in progress	87,861	-	87,861	56,003					
Equity in equipment trust	13,114	-	13,114	-					
Total Investment in Plant	6,869,890	59,980	6,929,870	6,689,416	Total Investment in Plant	6,869,890	59,980	6,929,870	6,689,416
Total Plant Funds	\$ 6,889,129	\$ 94,281	\$ 6,983,410	\$ 6,767,550	Total Plant Funds	\$ 6,889,129	\$ 94,281	\$ 6,983,410	\$ 6,767,550
Agency Funds:					Agency Funds:				
Cash and cash equivalents	\$ -	\$ 4,476	\$ 4,476	\$ 1,994	Deposits held in custody for others	\$ -	\$ 4,476	\$ 4,476	\$ 1,994

VIRGINIA COMMUNITY COLLEGE SYSTEM
DABNEY S. LANCASTER COMMUNITY COLLEGE
STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended June 30, 1998

	CURRENT FUNDS				LOAN FUNDS
	Unrestricted		Restricted		Local Funds
	State Funds	Local Funds	State Funds	Local Funds	
Revenue and other additions:					
Unrestricted current fund revenue	\$ 4,934,043	\$ 411,835	\$ -	\$ -	\$ -
State appropriations - restricted	-	-	219,759	-	-
Local appropriations - restricted	-	-	-	-	-
Federal grants and contracts - restricted	-	-	666,287	695,457	-
State grants and contracts - restricted	-	-	-	30,000	-
Local grants and contracts - restricted	-	-	-	15,000	-
Private gifts and grants - restricted	-	-	51,921	1,500	-
Investment income - restricted	-	-	-	-	-
Expended for plant facilities (including \$108,007 charged to current funds)	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Recovery of writeoffs	-	-	-	-	184
Maintenance reserve allocation	-	-	-	-	-
Total revenues and other additions	4,934,043	411,835	937,967	741,957	184
Expenditures and other deductions:					
Educational and general expenditures	5,053,331	43,481	901,919	735,666	-
Auxiliary enterprises expenditures	65,150	320,985	-	-	-
Indirect costs recovered	-	-	29,292	6,391	-
Administrative and collection costs	-	-	-	-	147
Loan cancellations and writeoffs	-	-	-	-	-
Expended for plant facilities (includes noncapitalized expenditures of \$12,388)	-	-	-	-	-
Disposal of plant facilities	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Total expenditures and other deductions	5,118,481	364,466	931,211	742,057	147
Net increase/(decrease) in fund balances	(184,438)	47,369	6,756	(100)	37
Fund balance (deficits) July 1, 1997 as adjusted	(388,514)	453,551	(52,635)	5,383	5,011
Fund balance (deficits) June 30, 1998	\$ (572,952)	\$ 500,920	\$ (45,879)	\$ 5,283	\$ 5,048
PLANT FUNDS					
	Unexpended		Renewals, Replacements and Debt Retirement	Investment in Plant	
			State Funds	State Funds	Local Funds
	State Funds	Local Funds			
Revenue and other additions:					
Unrestricted current fund revenue	\$ -	\$ -	\$ -	\$ -	\$ -
State appropriations - restricted	65,100	-	69,743	-	-
Local appropriations - restricted	-	5,000	-	-	-
Federal grants and contracts - restricted	-	-	-	-	-
State grants and contracts - restricted	-	-	-	-	-
Local grants and contracts - restricted	-	-	-	-	-
Private gifts and grants - restricted	-	-	-	-	-
Investment income - restricted	-	1,591	-	-	-
Expended for plant facilities (including \$108,007 charged to current funds)	-	-	-	139,865	35,467
Retirement of indebtedness	-	-	-	60,108	-
Recovery of writeoffs	-	-	-	-	-
Maintenance reserve allocation	-	-	9,056	-	-
Total revenues and other additions	65,100	6,591	78,799	199,973	35,467
Expenditures and other deductions:					
Educational and general expenditures	-	-	-	-	-
Auxiliary enterprises expenditures	-	-	-	-	-
Indirect costs recovered	-	-	-	-	-
Administrative and collection costs	-	-	-	-	-
Loan cancellations and writeoffs	-	-	-	-	-
Expended for plant facilities (includes noncapitalized expenditures of \$12,388)	31,858	38,799	9,056	-	-
Disposal of plant facilities	-	-	-	29,689	-
Retirement of indebtedness	-	-	60,108	-	-
Interest on indebtedness	-	-	9,635	-	-
Total expenditures and other deductions	31,858	38,799	78,799	29,689	-
Net increase/(decrease) in fund balances	33,242	(32,208)	-	170,284	35,467
Fund balances (deficits) July 1, 1997 as adjusted	(14,003)	66,509	-	6,389,975	24,513
Fund balances (deficits) June 30, 1998	\$ 19,239	\$ 34,301	\$ -	\$ 6,560,259	\$ 59,980

VIRGINIA COMMUNITY COLLEGE SYSTEM
DABNEY S. LANCASTER COMMUNITY COLLEGE
STATEMENT OF CURRENT FUNDS, REVENUES, EXPENDITURES AND OTHER CHANGES
For the Year Ended June 30, 1998

	C U R R E N T Y E A R					P R I O R Y E A R
	Unrestricted		Restricted			
	State Funds	Local Funds	State Funds	Local Funds	Total	Total
Revenues:						
Tuition and fees	\$ 1,372,222	\$ 14,350	\$ -	\$ -	\$ 1,386,572	\$ 1,291,069
State appropriations	3,447,714	-	219,517	-	3,667,231	3,517,283
Local appropriations	-	15,120	-	15,681	30,801	25,485
Federal grants and contracts	35,683	-	641,321	689,514	1,366,518	1,265,239
State grants and contracts	-	-	(686)	28,694	28,008	30,417
Private gifts, grants, and contracts	-	-	41,767	1,777	43,544	86,836
Sales and services of educational departments	4,280	105	-	-	4,385	1,814
Sales and services of auxiliary enterprises	62,422	373,817	-	-	436,239	384,901
Other sources:						
Commissions on auxiliary operations	3,335	2,915	-	-	6,250	6,426
Investment income	-	4,965	-	-	4,965	6,239
Rents and leases	1,435	-	-	-	1,435	2,436
Surplus property sales	5,512	-	-	-	5,512	-
Miscellaneous	1,440	563	-	-	2,003	13,870
Total revenues	4,934,043	411,835	901,919	735,666	6,983,463	6,632,015
Expenditures:						
Educational and general expenditures:						
Instruction	2,304,231	88	681,691	-	2,986,010	3,044,319
Public service	49,089	1,148	-	-	50,237	31,347
Academic support	502,988	-	-	-	502,988	400,398
Student services	424,756	15,863	56,755	-	497,374	365,182
Institutional support	1,175,076	26,382	-	-	1,201,458	1,080,838
Operation and maintenance of plant	585,190	-	-	-	585,190	501,426
Scholarships and fellowships	12,001	-	163,473	735,666	911,140	785,667
Total educational and general	5,053,331	43,481	901,919	735,666	6,734,397	6,209,177
Auxiliary enterprises expenditures	65,150	320,985	-	-	386,135	355,383
Total expenditures	5,118,481	364,466	901,919	735,666	7,120,532	6,564,560
Other transfers and additions/(deductions):						
Excess of restricted receipts over transfers to revenue	-	-	6,756	(100)	6,656	8,521
Net increase (decrease) in fund balances	\$ (184,438)	\$ 47,369	\$ 6,756	\$ (100)	\$ (130,413)	\$ 75,976