

**DABNEY S. LANCASTER
COMMUNITY COLLEGE**

**REPORT ON REVIEW
AS OF 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

January 9, 2013

Richard R. Teaff, President
Dabney S. Lancaster Community College
1000 Dabney Drive
Clifton Forge, VA 24422

Dear President Teaff:

We have reviewed the accompanying Statement of Net Assets of Dabney S. Lancaster 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.

Dabney S. Lancaster 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 Dabney S. Lancaster Community College's Federal Student Aid programs for 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.

Richard R. Teaff
President
January 9, 2013
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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

Dabney S. Lancaster Community College
Statement of Net Assets
As of June 30, 2012

	Community College	Component Unit Dabney S. Lancaster Community College Education Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 758,195	\$ 74,724
Short term investments	1,681	-
Accounts receivable	42,992	-
Pledges receivable	-	10,585
Due from Commonwealth	18,983	-
Due from system office	38,217	-
Interest receivable	-	11,062
Prepaid expenses	19,810	-
Inventories	216,621	-
Total current assets	1,096,499	96,371
Noncurrent assets:		
Restricted cash and cash equivalents	(1,703,816)	-
Endowment cash and cash equivalents	-	207,698
Endowment investments	-	4,327,448
Other long-term investments	-	258,812
Pledges receivable	-	11,388
Due from Commonwealth	1,721,185	-
Non-depreciable capital assets, net	362,435	-
Depreciable capital assets, net	12,791,356	606
Total noncurrent assets	13,171,160	4,805,952
Total assets	14,267,659	4,902,323
LIABILITIES		
Current liabilities:		
Accounts and retainage payable	187,869	302
Accrued payroll expense	444,071	-
Deferred revenue	176,685	-
Long-term liabilities-current portion	250,553	-
Securities lending obligation	56,068	-
Due to Commonwealth	2,000	-
Deposits	23,689	-
Total current liabilities	1,140,935	302
Noncurrent liabilities:		
Long-term liabilities	159,076	-
Total noncurrent liabilities	159,076	-
Total liabilities	1,300,011	302
NET ASSETS		
Invested in capital assets, net of related debt	13,153,791	606
Restricted for:		
Nonexpendable	-	3,267,534
Expendable	(161,985)	1,412,544
Unrestricted	(24,158)	221,337
Total net assets	\$ 12,967,648	\$ 4,902,021

See Auditor of Public Accounts' Review Report

Dabney S. Lancaster Community College
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2012

		Component Unit
	Community College	Dabney S. Lancaster Community College Education Foundation
Operating Revenues:		
Tuition and fees (net of scholarship allowance of \$1,407,993)	\$ 1,896,885	\$ -
Federal grants and contracts	1,467,729	-
State and local grants	111,639	-
Nongovernmental grants	88,960	-
Sales/services of education department	5,398	-
Auxiliary enterprises (net of scholarship allowance of \$295,581)	296,866	-
Gifts and contributions	-	31,828
Endowment income	-	187,049
Other	169,352	61,231
Total operating revenue	4,036,829	280,108
Operating Expenses:		
Instruction	5,276,464	-
Public service	134,918	-
Academic support	1,184,618	112,826
Student services	591,146	-
Institutional support	2,005,385	34,665
Operation and maintenance	1,032,266	-
Scholarships and fellowships	994,020	72,716
Auxiliary enterprises	544,878	-
Fundraising	-	21,188
Total operating expenses	11,763,695	241,395
Operating income (loss)	(7,726,866)	38,713
Nonoperating revenues and expenses:		
State appropriations	4,301,455	-
Local appropriations	121,996	-
Grants and gifts	2,358,081	-
Investment income	5,114	9,416
Other	46,145	-
Net nonoperating revenue	6,832,791	9,416
Income before other revenues, expenses gains and losses	(894,075)	48,129
Capital appropriations-state	4,190,960	-
Capital appropriations-local	15,887	-
Capital gifts, grants and contracts	34,986	-
Additions to permanent and term endowments	-	84,105
Increase (decrease) in net assets	3,347,758	132,234
Net assets beginning of year	9,619,890	4,769,787
Net assets end of year	\$ 12,967,648	\$ 4,902,021

See Auditor of Public Accounts' Review Report