



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

January 18, 2005

Ernest H. Ern, Chancellor  
University of Virginia's College at Wise  
One College Avenue  
Wise, Virginia 24293

Dear Chancellor Ern:

We have reviewed the accompanying statement of net assets of the University of Virginia's College at Wise as of June 30, 2004, 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 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

Cc: Leonard W. Sandridge, Executive Vice President and Chief Operating Officer  
Sim E. Ewing, Vice Chancellor for Finance and Governmental Relations

## UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

## STATEMENT OF NET ASSETS (in thousands)

As of June 30, 2004

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ASSETS:

## Current assets:

Cash and cash equivalents	\$ 4,975
Short-term investments	192
Accounts receivable (Net of allowance for uncollectible pledges of \$16)	2,601
Prepaid expenses	43
Inventories	164
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Total current assets	7,975

## Non-current assets:

Endowment investments	19,621
Notes receivable (Net of allowance for uncollectible student loans of \$17)	23
Pledges receivable (Net of allowance for uncollectible pledges of \$108)	798
Capital assets (Net of allowance for accumulated depreciation of \$30,196)	51,793
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Total non-current assets	72,235
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Total assets	80,210

## LIABILITIES:

## Current liabilities:

Accounts payable and accrued liabilities	1,451
Deferred revenue	318
Obligations under securities lending	192
Deposits held in custody for others	225
Loans payable to the University of Virginia	516
Long-term liabilities-current portion	836
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Total current liabilities	3,538

## Non-current liabilities:

Long-term debt	11,522
Loans payable to the University of Virginia	2,678
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Total non-current liabilities	14,200
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Total liabilities	17,738

## NET ASSETS:

Invested in capital assets, net of related debt	40,271
Restricted:	
Nonexpendable	8,184
Expendable	13,934
Unrestricted	83
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Total net assets	\$ 62,472

See Auditor of Public Accounts' Review Report

UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (in thousands)  
For the Year Ended June 30, 2004

Operating revenues:	
Student tuition and fees (net of scholarship allowances of \$753)	\$ 5,802
Federal grants and contracts	3,022
State and local grants and contracts	375
Nongovernmental grants and contracts	8
Sales and services of educational departments	29
Auxiliary enterprises revenue (net of scholarship allowances of \$99)	<u>4,391</u>
Total operating revenues	13,627
Operating expenses:	
Compensation and benefits	13,919
Supplies and other services	5,794
Student aid	2,916
Utilities	1,230
Depreciation	2,092
Other operating expenses	<u>132</u>
Total operating expenses	<u>26,083</u>
Operating loss	<u>(12,456)</u>
Nonoperating revenues (expenses):	
State appropriations	10,220
Gifts	2,985
Investment income	2,285
Interest on capital asset-related debt	(612)
Other nonoperating revenues	<u>93</u>
Net nonoperating revenues (expenses)	<u>14,971</u>
Income before other revenues, expenses, gains, or losses	<u>2,515</u>
Capital appropriations	229
Capital grants and gifts	497
Additions to permanent endowments	352
Writedown of equipment	<u>(295)</u>
Total other	<u>783</u>
Increase in net assets	3,298
Net assets—beginning of year	<u>59,174</u>
Net assets—end of year	<u><u>\$ 62,472</u></u>

See Auditor of Public Accounts' Review Report