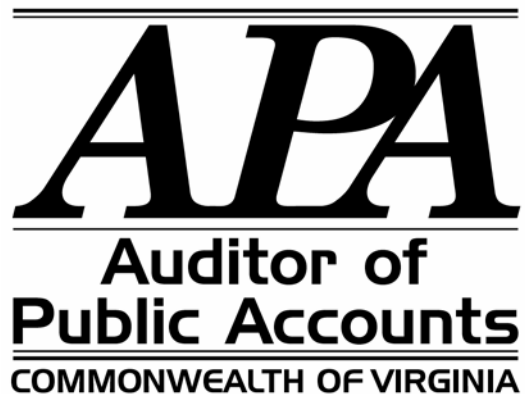


**GERMANNA COMMUNITY COLLEGE**

**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. Frank S. Turnage, President  
Germanna Community College  
2130 Germanna Highway  
Locust Grove, Virginia 22508

Dear Dr. Turnage:

We have reviewed the accompanying Statement of Net Assets of Germanna 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

Enclosures(2)

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

	Component Unit	
	Community College	Germanna Community College Educational Foundation
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,600,881	\$ 248,384
Accounts receivable	52,432	-
Pledges receivable	-	65,000
Due from system office	21,130	-
Prepaid expenses	20,664	3,750
Inventories	22,300	-
Notes receivable	-	1,560
Total current assets	2,717,407	318,694
Noncurrent assets:		
Restricted cash and cash equivalents	1,057,213	-
Endowment cash and cash equivalents	66,173	-
Endowment investments	-	1,399,414
Other long-term investments	-	830,828
Accounts receivable, net	-	-
Investments in real estate	-	1,085,228
Pledges receivable	-	61,413
Notes receivable	-	32,167
Non-depreciable capital assets, net	2,753,543	-
Depreciable capital assets, net	22,453,549	-
Total noncurrent assets	26,330,478	3,409,050
Total assets	29,047,885	3,727,744
<b>LIABILITIES</b>		
Current liabilities:		
Accounts and retainage payable	298,477	6,006
Accrued payroll expense	443,315	-
Deferred revenue	1,329,409	-
Long-term liabilities - current portion	184,435	-
Due to Commonwealth	3,000	-
Deposits	52,353	-
Total current liabilities	2,310,989	6,006
Noncurrent liabilities:		
Long-term liabilities	272,325	-
Total liabilities	2,583,314	6,006
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	25,207,092	-
Restricted for:		
Nonexpendable	14,000	1,399,414
Expendable	839,531	1,961,685
Unrestricted	403,948	360,639
Total net assets	\$ 26,464,571	\$ 3,721,738

\*See Auditor of Public Accounts' Review Report

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

	Component Unit	
	Community College	Germanna Community College Educational Foundation
Operating revenue:		
Tuition and fees (net of scholarship allowance of \$713,785)	\$ 5,853,955	\$ -
Federal grants and contracts	1,506,591	-
State and local grants	73,133	-
Nongovernmental grants	87,133	-
Auxiliary enterprises (net of scholarship allowance of \$4,582)	142,239	-
Gifts and contributions	-	269,948
Endowment income	-	89,110
Other operating revenues	230,699	-
Total operating revenue	7,893,750	359,058
Operating expenses:		
Instruction	9,327,005	500
Public service	-	-
Academic support	2,927,148	-
Student services	1,434,460	-
Institutional support	2,758,448	48,870
Operation and maintenance	1,863,032	16,304
Scholarships and fellowships	966,774	86,163
Auxiliary enterprises	43,661	-
Fundraising	-	21,856
Other expenses	7,850	-
Total operating expenses	19,328,378	173,693
Operating income/(loss)	(11,434,628)	185,365
Nonoperating revenues/(expenses)		
State appropriations	9,827,036	-
Local appropriations	64,018	-
Grants and gifts	284,657	-
Investment income	56,967	(1,826)
Other nonoperating revenues/(expenses)	(51,771)	-
Net nonoperating revenue	10,180,907	(1,826)
Income/(loss) before other revenues, expenses, gains, or losses	(1,253,721)	183,539
Capital appropriations - state	1,179,942	-
Capital appropriations - local	523,777	-
Capital gifts, grants and contracts	41,677	-
Additions to permanent and term endowments	-	21,247
Increase in net assets	491,675	204,786
Net assets - beginning of year	25,972,896	3,516,952
Net assets - end of year	\$ 26,464,571	\$ 3,721,738

\*See Auditor of Public Accounts' Review Report

