

TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Oregon

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS
and
SINGLE AUDIT**

For the Year Ended June 30, 2005

TREASURE VALLEY COMMUNITY COLLEGE

June 30, 2005

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Administrative Organization Chart.....	i
List of Elected and Appointed Officials	ii

FINANCIAL SECTION

Independent Auditors' Report.....	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements	
Statement of Net Assets.....	10
Statement of Revenues, Expenses, and Changes in Net Assets	11
Statement of Cash Flows	12
Notes to Basic Financial Statements.....	13-23
Required Supplementary Information	
Budgetary Comparison Schedules	
General fund	24
Special Revenue Funds	
Special Projects Fund.....	25
Student Financial Aid Fund	26
Perkins Loan Fund	27
Capital Projects Funds	
Capital Projects Fund	28
Reserve Fund	29
Proprietary Funds	
Bookstore Fund	30
Food Service Fund	31
Housing Fund.....	32
Printing Fund	33
Caldwell Center.....	34
Note to Required Supplementary Information	35
Other Supplemental Financial Information	
Combining Statement	
Combining Balance Sheet	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance.....	37
Combining Balance Sheet – All Proprietary Fund Types	38
Combining Statement of Revenues, Expenses, and changes in Retained Earnings- All Proprietary Fund Types	39
Combining Statement of Cash Flows – All Proprietary Fund Types	40

Other Financial Schedules

Summary Statement – All Agency Funds	41
Summary Statements of Cash, Cash Items and Investments – All Funds	42
Statement of Property Tax Transactions.....	43

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

Comments and Disclosures Required by the State of Oregon	44-45
Summary of Revenues and Expenditures required by Oregon Secretary of State	46

SINGLE AUDIT SECTION

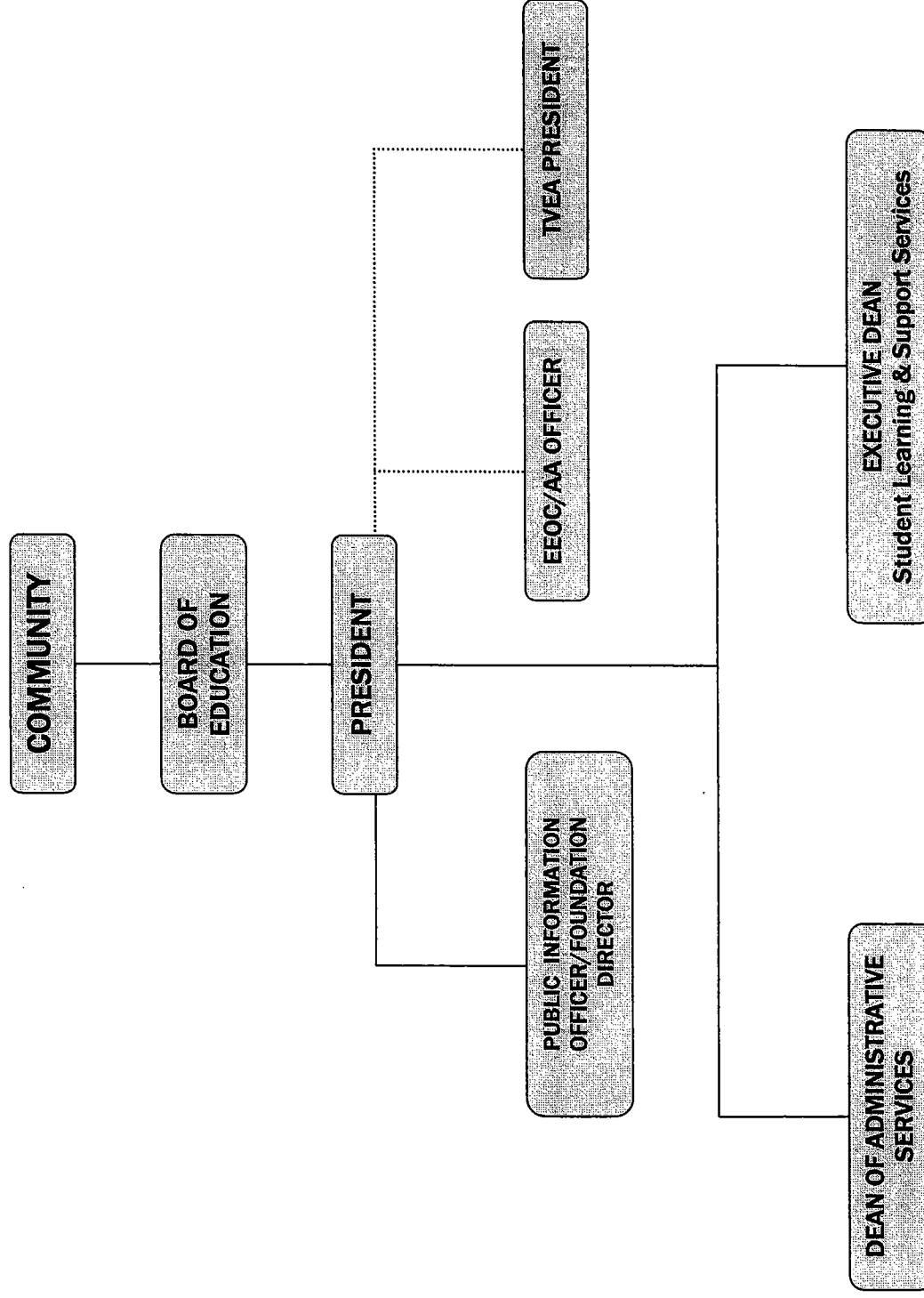
Report on Compliance and Internal Control over Financial Reporting based on Audit of Financial Statements performed in accordance with Government Auditing Standards	47
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	48-49
Schedule of Expenditures of Federal Awards.....	50-51
Schedule of Finding and Questioned Costs	52-53

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

TREASURE VALLEY COMMUNITY COLLEGE

2004 – 2005 Organizational Chart



TREASURE VALLEY COMMUNITY COLLEGE
June 30, 2005

<u>Board of Education</u>	<u>Address</u>	<u>Position</u>
Peter Lawson	Ontario	Director
David Carlson	Vale	Director
John Forsyth	Ontario	Vice-Chairperson
Scott Wilson	Ontario	Director
David Sullivan	Ontario	Chairperson
Ron Pressley	Vale	Director
Patricia Morinaka	Nyssa	Director
 <u>Administrators</u>		
Dr. James E. Sorensen		President
Randy R. Griffin		Dean of Administrative Services/Clerk

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



George W. Wilber, MS, CPA
Robert M. Armstrong, CPA

Arlie W. Oster, CPA (1931-1998)
Daniel J. Hobson, CPA

Certified Public Accountants, PC

To the Board of Education
Treasure Valley Community College
Ontario, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Treasure Valley Community College, Ontario, Oregon and its discretely presented component units as of and for the year ended June 30, 2005, which collectively comprise the district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Treasure Valley Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Treasure Valley Community College, and its discretely presented component unit as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 14, 2005, on our consideration of Treasure Valley Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Treasure Valley Community College's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information included in the combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 14, 2005

TREASURE VALLEY COMMUNITY COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Treasure Valley Community College's (the College) Financial Statements presents an analysis of the financial activities of the College and the Treasure Valley Community College Foundation (the Foundation) for the fiscal year ended June 30, 2005. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

Overview of Financial Statements

The College prepared the financial statements in accordance with Government Accounting Standards Board (GASB) principles. The College adopted GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38 for the fiscal year ended June 30, 2003. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the College as a whole.

This discussion and analysis is intended to serve as an introduction to the College's basic financial statements, which are comprised of entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. The entity-wide statements are comprised of the following:

- The *Statement of Net Assets* presents information on all of the College's assets and liabilities, with the difference between the two reported as net assets. Over time an increase or decrease in net assets are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.

Assets and liabilities are categorized between current and noncurrent with current items maturing or becoming payable within the normal twelve month accounting / operating cycle.

- The *Statement of Revenues, Expenses and Changes in Net Assets* presents the College's financial results for the fiscal year. The statement includes the College's revenues and expenses, both operating and nonoperating, with operating revenues coming primarily from tuition and fees, grants, and contracts. State appropriations and property taxes are classified as non-operating revenues.
- The *Statement of Cash Flows* presents information on the receipt and uses of cash from operating activities, noncapital financing activities, capital financial activities, and investing activities. It provides the net increase or decrease in cash between the

beginning and end of the fiscal year. This statement is intended to help the reader assess the College's ability to generate future cash flows and its ability to meet its obligations as they come due.

Financial Highlights

- State of Oregon FTE reimbursement rates stabilized in 04-05 resulting in a slight increase in reimbursement amounts from prior years. This stabilization is due in part to the improved fiscal climate for state government as well as the College's ability to maintain consistent FTE levels in past years.
- The College received proceeds of over \$5.3 million from the issuance of full faith and credit bonds to finance the construction of housing units on campus and to improve parking.
- Federal financial aid continued to increase from prior years due to an increase in the funds available to students through improved utilization of existing aid programs.
- Gross revenue from the new Caldwell Center exceeded \$1 million in its second full year of operations and returned \$200,000 to the General Fund in 04-05.

Assets

Total assets for the College at the end of the fiscal year were approximately \$21.2 million, comprised of both current assets (\$8.2 million) and noncurrent assets (\$13.0 million).

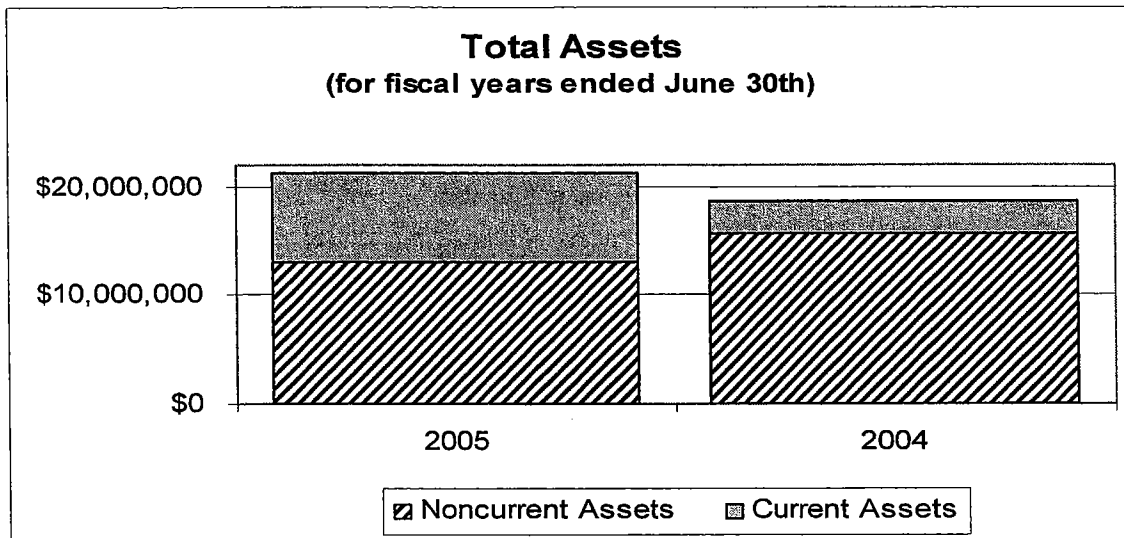
Cash and cash equivalents for the College were \$5.0 million at year end which is an increase of \$3.3 million from last year. This increase is primarily due to the proceeds from the issuance of bonds to finance the construction of new housing units on campus and improve parking. Accounts receivable increased \$1.2 million from the prior year with a year-end balance of \$2.5 million. This increase is due to the timing of the 04-05 fourth quarter FTE reimbursement from the State of Oregon. The 04-05 fourth quarter reimbursement payment of \$1.1 million was deferred and paid early in the 05-06 fiscal year.

Noncurrent assets of the College are comprised of capital assets and the value of the College's prepaid pension contributions.

At year-end capital assets totaled \$9.9 million with associated accumulated depreciation of \$6.3 million, for a net capital asset value of \$3.6 million. This is a \$1.7 million decrease in the net value of capital assets from prior year. This decrease is due primarily to the elimination of all recorded assets under a value of \$5,000 which were capitalized in prior years, which was inconsistent with the College's capitalization policy. Net assets for the prior year were restated to reflect this change.

The College's prepaid pension contribution reflects those bonds issued by the College in 2003 to finance the unfunded pension liability due to the Oregon Public Employees Retirement System. The value of the prepaid pension contribution is amortized using the straight-line method over the life of the issued bonds. Prior year net assets were restated to reflect this change.

Overall total assets of the College increased \$2.5 million as compared to prior year.



Assets of the Foundation are comprised primarily of investments (\$1.8 million of the \$2.0 million asset balance). Total assets for the Foundation increased \$0.2 million from prior year due to receipt of additional endowed funds as well as the increase in the fair market value of previously held investments.

Liabilities

Liabilities are classified as current and noncurrent. The current liabilities balance at year end was approximately \$1.8 million and the noncurrent liability balance was \$18.5 million. Current liabilities are comprised of accounts payable, accrued payroll liabilities, deferred revenue, and the current portion of long-term debt. Noncurrent liabilities are comprised of two primary amounts, PERS bonds payable (\$10.6 million) and notes payable (\$8.3 million), less the current portion of that debt of \$0.4 million. The notes payable balance increased from prior year by \$5.1 million due to the issuance of bonds to finance the construction of new housing units on campus and improve parking.

Net Assets

The net asset balance for the college is comprised of three balances:

Investment in capital assets (net of related debt)	\$.5 million
Restricted assets for student financial aid and loans	.2 million
Unrestricted	<u>.2 million</u>
Total net assets at year end	\$ 0.9 million

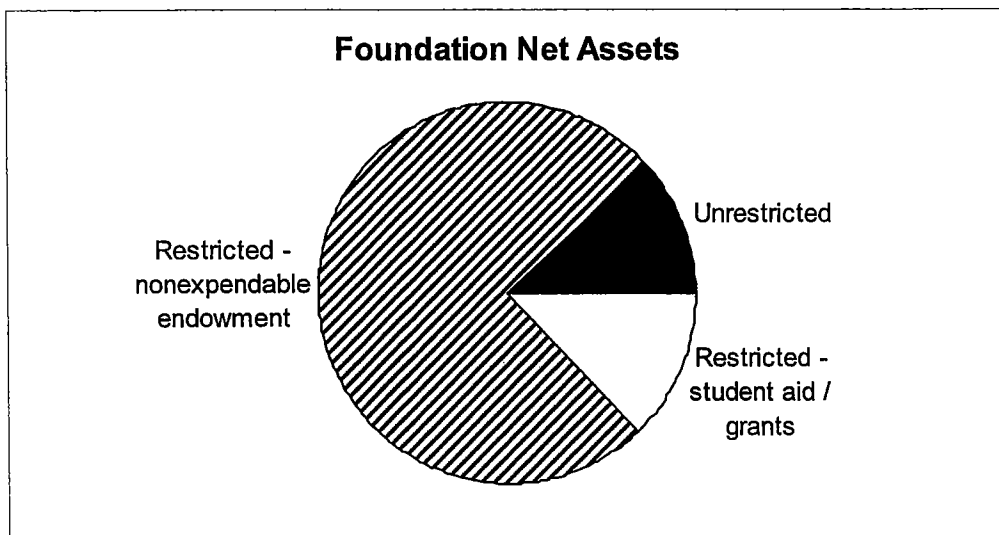
Total net assets at year end are \$0.9 million or \$2.6 million less than the prior year. The decrease from prior year is due to the following:

- Restatement of previously capitalized assets under the value of \$5,000 (noted above)
- Net operating loss of \$0.9 million for 04-05 which includes depreciation expense of \$0.4 million

The net assets of the Foundation are divided as follows:

Restricted – expendable for student aid and grants	\$.3 million
Restricted – nonexpendable endowment principal	1.5 million
Unrestricted	<u>.2 million</u>
Total net assets at year end	\$ 2.0 million

The endowed principal balance can not be expended, with only the earnings of those funds being made available for funding of student scholarships and grants.



Revenues (Operating and Nonoperating)

Operating revenue for the fiscal year was \$14.7 million (an increase of \$0.5 million over prior year). The College had changes in the following revenue categories from prior year (amounts in millions):

	Total 04-05	Change From 03-04
Tuition and fees	\$ 4.2	\$(0.3)
Federal sources	\$ 6.1	\$ 0.4
State sources	\$ 1.6	\$ 0.3
Caldwell Center	\$ 1.0	\$.5

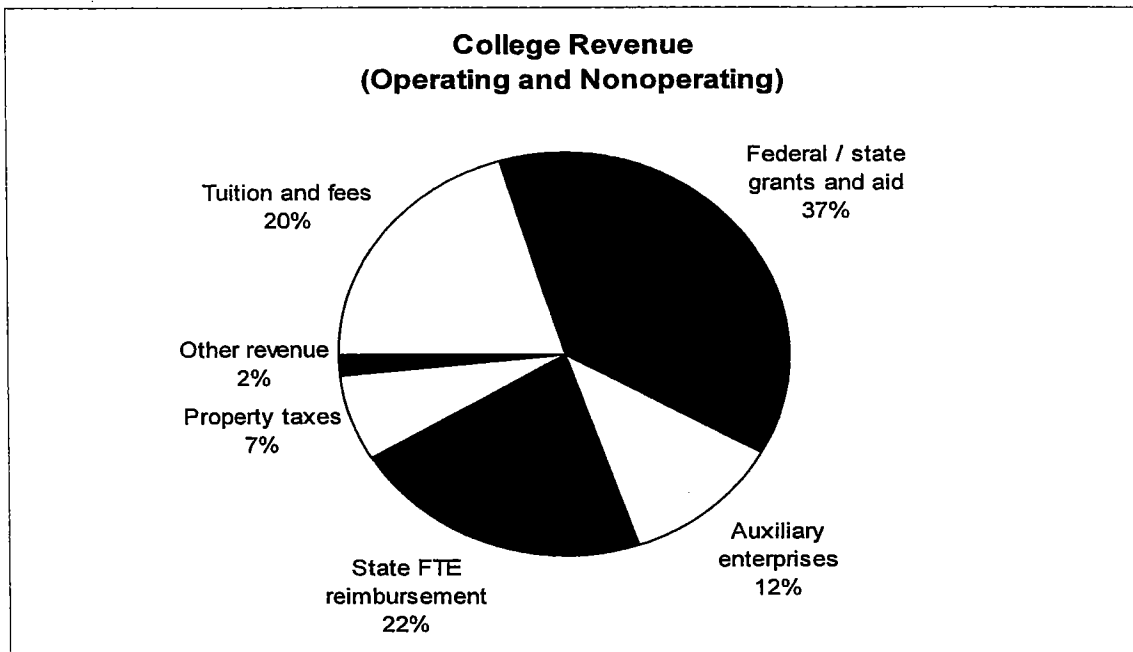
Tuition and fees decreased from prior year due to a decline in enrollment of 47 FTE.

Federal sources revenue increased by \$0.4 million from prior year due to additional federal student aid funds being made available to students through enhanced utilization of existing financial aid programs and federal grants for College programs.

State source revenue increased due to an increase in level of state funded grants which benefit the College such as Department of Corrections funds to support education at the Snake River Correctional Institute.

Revenue from the Caldwell Center increased from prior year due continued increase in enrollment at that location.

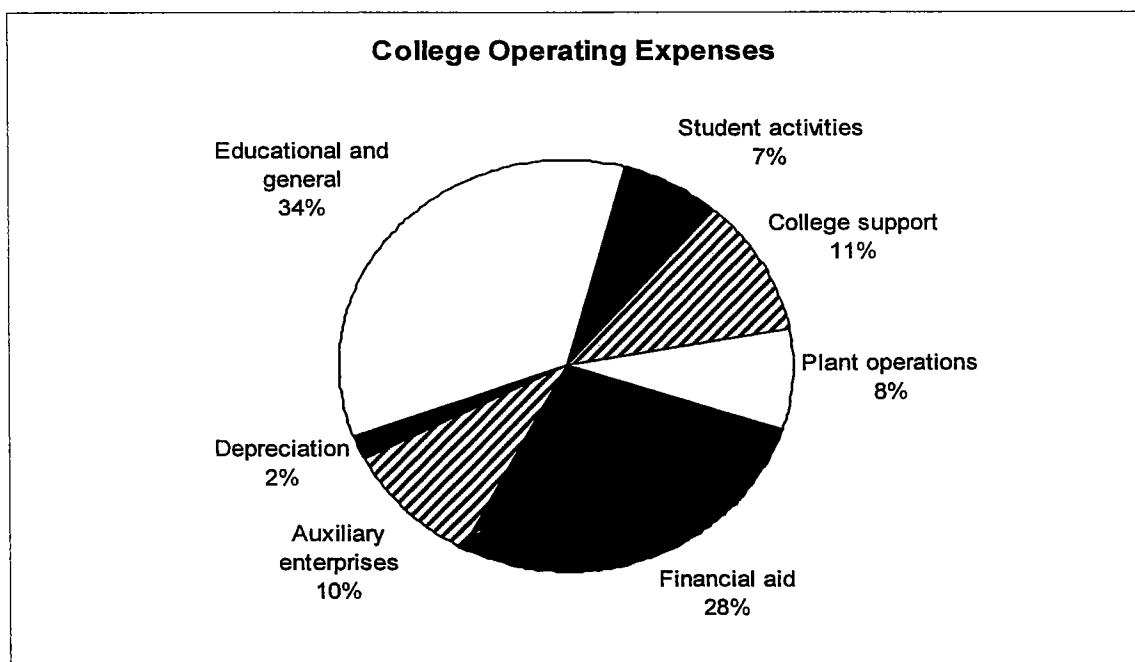
Nonoperating revenues increased from prior year to \$6.1 million due to an increase in the reimbursement rate per FTE from the State of Oregon as well as an increase in the number of FTE used in the funding calculation for the College as compared to prior years.



Revenue for the Foundation of \$316,235 came primarily from contributions and special events proceeds.

Expenses

Total operating expenses for the College were \$21.3 million for the fiscal year, an increase of \$0.7 million from prior year. Expenses by category are as follows:



“Educational and general” expenses and “College support” expenses each increased by \$0.2 million due to increases in employee salary and benefit costs from prior year as well as an increase in the size of the Snake River Correctional Institute grant. Financial aid expenses increased due to the growth in student financial aid being issued in 04-05 as compared to prior years. The operating costs for the Caldwell Center were also higher than prior year (\$0.8 million, up from \$0.6 million in fiscal year 03-04) due to the continued increase in enrollment at that campus.

Change in Net Assets

The change in net assets for the 04-05 fiscal year was a decrease of \$341,340. The decrease is due primarily to depreciation expense of \$0.4 million, the ongoing amortization of the prepaid pension contribution of \$0.4 million annually, and the decrease in tuition and fees revenue.

Statement of Cash Flows

The College’s major operating sources of cash include \$3.9 million in tuition and fees, \$5.4 million in federal student financial aid grants, and \$1.6 million in state and local government grants and contracts. Major operating uses of cash are payments to suppliers of \$6.0 million, payments to employees of \$8.0 million and payments for student financial aid and scholarships of \$5.9 million.

Cash flows from noncapital financing activities included \$1.4 million in property taxes and \$3.4 million in state FTE reimbursement payments. Cash flow from state FTE reimbursements is lower than 03-04 due to deferral of the fourth quarter 04-05 payment to early in the 05-06 fiscal year.

The College had a cash inflow of \$5.3 million in the capital financing activities category from the proceeds of the bonds issued to build new residential housing units and improve campus parking. Cash used in capital financing activities included \$0.7 million for principal and interest paid on long-term debt.

The overall cash balance for the College increased by \$3.3 million for the year with a year-end balance of \$5.0 million.

Economic Factors and Next Year’s Budget

The funding certainties for the College are continuing to improve. The statewide Community College President’s Council in conjunction with the Department of Community Colleges and Workforce Development (CCWD) has now adopted a new allocation method within the State reimbursement formula for all Oregon community colleges. Since the formula was frozen three years ago at one of the College’s lowest FTE production levels – the College has since been consistently producing above that frozen FTE amount resulting in an increase in FTE reimbursement. This fact coupled with some reallocation of property tax revenues for faster growing districts in the state will benefit the College in the short term. Because of these changes the College is projected to benefit in the next two years from the new formula allocation.

For the 05-06 fiscal year the College Board of Education also authorized a \$3.00 increase in tuition per credit which is expected to generate over \$250,000 in additional revenue. The College also increased the Universal Fee per credit from \$5.00 to \$6.00 in fiscal year 05-06. Income is also projected to increase from the growing Caldwell campus which is providing unrestricted funds to the College general fund.

Finally, the College is in the middle of its campus parking improvement project as well as putting the finishing touches on the design and contract specifics for its new residence housing units which are scheduled to be open in September 2006. These capital improvement projects are expected to have a positive impact in both the image of the College as well as provide future fiscal benefits. Management will continue to pursue these strategies and explore others as they arise to help strengthen the fiscal performance of the College.

Requests for Information

This financial report is designed to provide a general overview of Treasure Valley Community College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Business Office
Treasure Valley Community College
650 College Blvd.
Ontario, OR 97914

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF NET ASSETS
June 30, 2005

	TVCC College	TVCC Foundation
ASSETS		
Current assets		
Cash and cash equivalents	\$ 4,986,807	\$ 130,611
Investments	218,899	1,840,761
Receivables		
Taxes	123,586	
Accounts, net of allowance for doubtful accounts of \$66,534	2,540,352	
Prepaid assets	134,424	
Unamortized bond issuance costs-net	43,831	
Other assets		9,283
Inventory	197,726	
Total current assets	<u>8,245,625</u>	<u>1,980,655</u>
Noncurrent assets		
Capital assets	9,870,383	
Less accumulated depreciation	(6,281,931)	
Prepaid pension contribution	<u>9,470,515</u>	
Total noncurrent assets	<u>13,058,967</u>	<u>-</u>
TOTAL ASSETS	<u>21,304,592</u>	<u>1,980,655</u>
LIABILITIES		
Current liabilities		
Accounts payable	501,494	3,730
Payroll liabilities	160,044	
Compensated absences	97,963	
Due to student and agency groups	105,246	
Deferred revenue	505,238	
Current portion of long-term debt	438,424	
Total current liabilities	<u>1,808,409</u>	<u>3,730</u>
Noncurrent liabilities		
PERS bonds payable	10,653,651	
Capital leases payable	32,666	
Notes payable	8,302,642	
Less current portion of long-term debt	<u>(438,424)</u>	
Total noncurrent liabilities	<u>18,550,535</u>	<u>-</u>
TOTAL LIABILITIES	<u>20,358,944</u>	<u>3,730</u>
NET ASSETS		
Net assets invested in capital assets	3,588,452	-
Less: related debt	<u>(3,104,327)</u>	<u>-</u>
Investment in capital assets, net	484,125	-
Restricted - expendable:		
Student financial aid grants and loans	232,276	258,824
Restricted - non expendable:		
Endowment principal		1,486,290
Unrestricted	<u>229,247</u>	<u>231,811</u>
TOTAL NET ASSETS	<u>\$ 945,648</u>	<u>\$ 1,976,925</u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended
June 30, 2005

	TVCC College	TVCC Foundation
OPERATING REVENUES		
Tuition and fees	\$ 4,250,515	\$ -
Federal sources	6,174,528	
State sources	1,654,845	
Auxiliary enterprises		
Bookstore	815,483	
Food services	281,445	
Housing	184,684	
Printing	124,974	
Caldwell Center	1,011,811	
Contributions and special events proceeds		247,609
Other operating revenues	280,691	68,625
Total operating revenues	<u>14,778,976</u>	<u>316,235</u>
OPERATING EXPENSES		
Educational and general	7,384,725	
Other support services		
Student activities	1,577,924	
College support	2,303,532	
Plant operations	1,641,658	
Financial aid	5,934,851	198,732
Auxiliary enterprises		
Bookstore	713,050	
Food services	326,163	
Housing	145,869	
Printing	97,253	
Caldwell Center	801,239	
Fund raising expenses		3,394
Management and general expenses		13,764
Depreciation expense	400,017	
Total operating expenses	<u>21,326,281</u>	<u>215,891</u>
Operating income (loss)	<u>(6,547,305)</u>	<u>100,344</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	1,444,845	
Federal sources	60,000	
State FTE reimbursement	4,534,383	
Investment income	52,121	121,425
Interest expense	(485,384)	(18,324)
Net nonoperating revenues (expenses)	<u>5,605,965</u>	<u>103,101</u>
Increase (decrease) in net assets	(941,340)	203,444
NET ASSETS		
Net assets - beginning before restatements	3,505,382	1,773,481
Restatement of capital assets and prepaid pension	(1,618,394)	
Net assets - beginning after restatement	1,886,988	
Net assets - end of the year	<u>\$ 945,648</u>	<u>\$ 1,976,925</u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 3,897,455
Federal student financial aid grants	5,398,617
Federal grants and contracts	775,910
State and local government grants and contracts	1,654,845
Local sources	53,749
Payments to suppliers for goods and services	(6,054,838)
Payments to employees	(8,057,682)
Payments for student financial aid and other scholarships	(5,901,554)
Auxiliary enterprises	
Operating cash received from customers	
Bookstore	802,275
Food services	281,445
Housing	187,602
Printing	127,986
Caldwell center	1,042,878
Paid to suppliers for items for resale (Bookstore)	(621,272)
Other cash receipts	<u>476,713</u>
Net cash used in operating activities	<u>(5,935,871)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	1,445,667
Cash received from state full time equivalent reimbursement	3,423,191
Other	<u>122,717</u>
Net cash provided by noncapital financing activities	<u>4,991,575</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Net capital financing activities auxiliary funds	(19,329)
Proceeds from bonds issued	5,336,934
Purchase of investment for capitalized bond interest	(218,899)
Purchases of capital assets all funds	(151,684)
Purchase of capital assets auxiliary funds	(25,108)
Principal paid on long-term debt	(244,695)
Interest paid on long-term debt	<u>(485,384)</u>
Net cash provided by capital financing activities	<u>4,191,835</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>52,121</u>
Net cash provided by investing activities	<u>52,121</u>
NET INCREASE IN CASH	3,299,660
Cash and cash equivalents - beginning of the year	<u>1,687,147</u>
Cash and cash equivalents - end of year	<u><u>\$ 4,986,807</u></u>
 Operating loss	 \$ (6,547,305)
 Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	444,748
Amortization expense	447,274
Increase in accounts receivable, net	(310,760)
Increase in inventory	(5,477)
Increase in prepaid assets	(125,525)
Decrease in salaries payable	(63,486)
Increase in accounts payable and payroll tax liabilities	326,314
Decrease in deferred revenue	(42,300)
Decrease in due to student groups	(59,354)
Net cash used in operating activities	<u><u>\$ (5,935,871)</u></u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 1. Summary of Significant Accounting Policies

Treasure Valley Community College (the college) is organized under the general laws of the State of Oregon and, as such, is a public institution under the general supervision of the State Board of Education through the Department of Community College and Workforce Development. The college qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. There are various governmental agencies, cities, school districts, and special service districts, which provide services within the college's boundaries. Treasure Valley Community College maintains a main campus in Ontario, Oregon, and outreach sites in Burns, Oregon, Lakeview, Oregon and Caldwell, Idaho.

A. Reporting Entity

For financial reporting purposes, Treasure Valley Community College has included all funds, organizations, agencies, boards, commissions and authorities. The college has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the college are such that exclusion would cause the college's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the college to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the college.

These financial statements present Treasure Valley Community College (the primary government) and its component units. The component units discussed below are included in the college's reporting entity because of the significance of their operational or financial relationships with the college. Certain component units have been audited separately and a report has been issued under separate cover. The audited financial statements are available at the college.

Discrete Component Units

Treasure Valley Community College Foundation is a legally separate not-for-profit foundation. The foundation was established for the purpose of maintaining, developing and extending scholarships and facilities for the benefit of the college. The foundation is governed by a board of directors. Although the college does not control the timing or amount of receipts from the foundation, the majority of the resources that are held are used for the benefit of Treasure Valley Community College.

B. Basis of Presentation

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires resources to be classified for accounting and reporting purposes into the following four net asset categories:

Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and outstanding debt obligations attributable to the acquisition, construction or improvement of those assets.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Restricted net assets

Nonexpendable -- Net assets subject to externally imposed stipulations that they be maintained permanently by the college, including the foundation's permanent endowment funds.

Expendable- Net assets whose use by the foundation or college is subject to externally imposed stipulations that can be fulfilled by actions of the college, pursuant to those stipulations or that expire by the passage of time.

Unrestricted net assets

Net assets that are not subject to externally imposed situations. Resources may be designated for specific purposes by action of management or by the board of directors or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net assets are designated for academic and general programs of the college.

GASB Statement No. 35 also requires the Statements of Net Assets, Revenues, Expenses and changes in Net Assets and Cash Flows be reported on a consolidated basis. These basic financial statements report information on all of the activities of the college. For the most part, the effect of interfund activity has been removed from these statements. The college follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the college's financial activities.

C. Measurement Focus and Basis of Accounting

For financial reporting purposes, Treasure Valley Community College is considered a special-purpose government engaged only in business type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the college have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met.

D. Use of Estimates

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

maturities of three months or less from the date of acquisition. The LGIP is stated at cost, which approximates fair value.

F. Receivables

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Malheur and Baker Counties levy taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15 and become delinquent May 15. Foreclosure is started three years after taxes become delinquent. Malheur and Baker Counties collect and allocate all property taxes to the college. Property tax revenues are recognized when they become available. Available means when due, or past due and receivable within the current period, and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Taxes relating to the current budget and collected within 60 days after the fiscal year end are recognized as revenue currently.

Student loans receivable are recorded as tuition and are charged as amounts are advanced to students under various federal student financial assistance programs.

Unreimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

General fund and proprietary funds student accounts receivable consists of tuition, fees, housing, and food service revenues for the period ended June 30, 2005. The special revenue funds reflect amounts receivable from grants and state fees due to the college at June 30, 2005.

Perkins loans receivable are for loans to eligible students that are administered through the college. The allowance for doubtful accounts represents Perkins loan accounts that are over four months past due.

G. Capital Assets

Capital assets include land and land improvements, buildings and building improvements, equipment and machinery, works of art and historical treasures, infrastructure, which includes utility systems, leasehold improvements, and construction in progress. The college's capitalization threshold is \$5,000 for equipment. Longer lived assets have higher thresholds. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred. Buildings, equipment and machinery, infrastructure, library collections, leasehold improvements, and land improvements of the college are depreciated using the straight-line method over the following useful lives:

Buildings and building improvements	20-40 years
Equipment and machinery	5-10 years
Infrastructure	10-40 years

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Leasehold improvements	10-40 years
Land improvements	20-40 years

H. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the college and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the college and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them.

I. Long-term Debt

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

J. Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition, federal and state grants, charges for services and sale of educational materials. Operating expenses include the cost of faculty, administration, sales and services for food services, printing, housing, bookstore and the Caldwell Center operations and depreciation. All other revenues, including state educational support, and expenses not meeting this definition are reported as nonoperating revenues and expenses.

K. Federal Financial Assistance Programs

The college participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

L. Budgetary Information

Budgetary information is reported in the required supplementary information.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

M. Inventories

Proprietary fund inventories are carried at the lower of first-in, first-out (FIFO) cost or market, and are charged to cost of sales as used.

Note 2. Negative Retained Earnings

Negative retained earnings of proprietary funds at June 30, 2005, were as follows:

	Amount
Caldwell Center	\$ 84,293

Note 3. Due From and Due to Other Funds

The college pools all operational cash into one account and establishes interfund receivables and payables to reflect the balances of each funds portion of cash. The detail of interfund receivables and payables at June 30, 2005 is as follows:

	General Fund	Special Revenue Fund	Capital Project Fund	Proprietary Funds	Agency Funds	(memo only) Total
Due From:	<u>\$ 586,080</u>	<u>\$ 455,665</u>	<u>\$ 56,019</u>	<u>\$ 171,962</u>	<u>\$ -</u>	<u>\$ 1,269,726</u>
Due to:						
General			1,122,935			1,122,935
Special Revenue		31,535				31,535
Capital Project						-
Proprietary				-		-
Agency					115,255	115,255
	<u>\$ -</u>	<u>\$ 31,535</u>	<u>\$ 1,122,935</u>	<u>\$ -</u>	<u>\$ 115,255</u>	<u>\$ 1,269,725</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 4. Changes in Fixed Assets

The following tables present the changes in various capital asset categories:

	Balance July 1, 2004	Increases	Restatements and Decreases	Balance June 30, 2005
Capital assets not being depreciated				
Land	\$ 399,782	\$ -	\$ -	\$ 399,782
Total capital assets not being depreciated	<u>399,782</u>	<u>-</u>	<u>-</u>	<u>399,782</u>
Capital assets being depreciated				
Buildings	5,232,954		20,879	5,212,075
Improvements	411,050		40,559	370,491
Vehicles and equipment	5,762,471	173,920	2,048,356	3,888,035
Total capital assets being depreciated	<u>11,406,475</u>	<u>173,920</u>	<u>2,109,794</u>	<u>9,470,601</u>
Less accumulated depreciation for				
Buildings	3,343,346	129,338	(81,141)	3,553,826
Improvements	134,879	296,948	758,671	(326,844)
Vehicles and equipment	3,065,232	18,312	28,595	3,054,949
Total accumulated depreciation	<u>6,543,457</u>	<u>444,599</u>	<u>706,125</u>	<u>6,281,931</u>
Total capital assets being depreciated, net	4,863,018	(270,679)	1,403,670	3,188,670
Total capital assets, net	<u>\$ 5,262,800</u>	<u>\$ (270,679)</u>	<u>\$ 1,403,670</u>	<u>\$ 3,588,452</u>

Included in the vehicle and equipment category is the capitalized library collection, which is being depreciated.

Note 5. Leases

Treasure Valley Community College has entered into long term agreements for the acquisition of various items of equipment. In accordance with Statement on Financial Accounting Standards No. 13, *Accounting for Leases*, these agreements are being treated as capital leases since the benefits and risks of ownership are assumed by the lessee.

The following is a schedule of the future minimum lease payments under the leases and the present value of the net minimum lease payments as of June 30, 2005:

Year ending June 30	
2006	\$ 17,406
2007	11,534
2008	<u>5,767</u>
Total minimum lease payments	34,708
Less amount representing interest	<u>(2,042)</u>
Present value of minimum lease payments	<u>\$ 32,666</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Changes in long-term leases are as follows:

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Proprietary Fund	\$ 17,926	\$ -	\$ 17,926	\$ -
General Fund	53,493	-	20,827	32,666
Total long-term leases	\$ 71,419	\$ -	\$ 38,753	\$ 32,666

Note 6. Pension Plan

Public Employees Retirement System (PERS)

Plan Description - The college contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the college's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program and defined benefit portion of the plan, applies to qualifying college employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which established the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Funding Policy - Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The college is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2005 were .64% and 8.04% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Annual Pension Cost – The college's contribution to PERS for the years ending June 30, 2003, 2004, and 2005 were \$591,905, \$184,293, and \$160,760 respectively, which equaled the required contribution for the year. During the 2002-03, the college issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability. PERS UAL Bond debt service was \$715,532. The prepaid retirement obligation is being amortized over the life of the bond, at a rate of \$430,476 per year for 24 years.

Note 7. Cash and Investments

Cash includes bank balances that at June 30, 2005 were entirely insured or collateralized with the Federal Deposit Insurance Corporation and certificates of participation with Washington Mutual Bank.

As of June 30, 2005, the college had the following cash and investments:

Cash or investment	Maturities	Fair Value
Cash		\$ 593,719
Local Government Investment Pool	50% less than 90-day, no more than 25% over one year, and no investment over three years	4,393,088
Secured Market Deposit Account	Daily	2,382
Federal Home Loan Bank Note	November 2005	117,298
Federal Home Loan Bank Note	May 2006	<u>99,219</u>
Total Cash and Investments		<u><u>\$ 5,205,706</u></u>

The college invests the majority of its funds in the Local Government Investment Pool (LGIP), which has regulatory oversight from Oregon Short Term Fund Board and is approved by the Oregon Investment Council. The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations.

Interest Rate Risk

The college has an investment policy that requires 20% of the investment portfolio to be invested in highly liquid investments which can be exchanged for cash within one day's notice. The investment policy also states that the LGIP, through its investment mechanisms, is considered appropriate diversification. The investments held at June 30, 2005 meet the college's investment policy restrictions.

Concentration Credit Risk

The college has an investment policy that limits total investments to no more than 40% with any one issuer. The investment policy also states that the LGIP, though its investment mechanisms, is considered

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

appropriate diversification. The investments held at June 30, 2005 meet the college's investment policy restrictions.

Note 8. Commitments and Contingencies

The college receives significant financial assistance from various federal, state and local governmental agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the college at June 30, 2005.

Note 9. Risk Management

The college is exposed to various risks of loss related to torts, theft, damage, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The college is insured for the physical damage to vehicles and carries commercial insurance for all risks of loss, including workers' compensation, and employee health and accident insurance.

Note 10. Long Term Debt

In April 2005, the college issued \$5,250,000 in full faith and credit certificate obligations, to provide financing for construction of student housing on campus and parking improvements. Terms call for the bonds to be repaid in annual payments of approximately \$345,000 for thirty years including interest ranging from 3.856 to 5.0 percent per annum.

In April 2003, the college issued \$10,701,480 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System (PERS). These bonds have interest rates that range from 2.06 to 6.10 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs.

In March of 2003, the college entered into a long term financing arrangement through Johnson Control, to finance the heating and cooling system, and electrical upgrades throughout the college. This contract has interest included at 5.86 percent per annum. Payments are made quarterly.

In August 2001, the college issued \$1,760,000 full faith and credit certificates of obligation to provide facilities for the conduct of educational operations including the acquisition and installation of new software for the college's computer network, together with necessary wiring in all campus buildings, various improvements for safety and security of the campus and to purchase, modify or construct a facility for educational purposes. Terms call for the bonds to be repaid in annual payments of approximately \$170,000 for fifteen years including interest at 4.5 and 5.15 percent per annum.

The college is obligated to the City of Ontario for special assessment debt in connection with Local Improvement Districts 44 and 45 on tax lots 100 and 500. Monthly payments are \$1,501 and \$685 respectively, including interest at the rate of 5.25 percent per annum.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

The annual debt requirements are as follows:

Fiscal year	2000 Series A Bonds		Johnson Control Capital Project		PERS UAL Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2005-06	\$ 105,000	\$ 66,432	\$ 79,807	\$ 70,093	\$ 215,549	\$ 340,595
2006-07	105,000	61,708	99,550	65,530	230,783	355,361
2007-08	110,000	56,870	108,680	60,140	247,926	373,219
2008-09	115,000	51,750	118,502	54,258	255,951	395,193
2009-10	120,000	46,345	129,052	47,848	265,844	420,300
2011-15	710,000	135,196	832,539	121,701	1,425,379	2,595,343
2016-20	165,000	4,249			1,462,183	3,703,539
2021-25					3,085,035	3,476,258
2026-30					3,465,000	354,132
2031-35						
	<u>\$ 1,430,000</u>	<u>\$ 422,550</u>	<u>\$ 1,368,130</u>	<u>\$ 419,570</u>	<u>\$ 10,653,651</u>	<u>\$ 12,013,940</u>

Fiscal year	City of Ontario				Housing Series 2005 Bonds		Total	
	LID Lot 500 Principal	LID Lot 500 Interest	LID Lot 100 Principal	LID Lot 100 Interest	Principal	Interest	Principal	Interest
2005-06	\$ 4,332	\$ 4,237	\$ 8,736	\$ 8,538	\$ 25,000	\$ 252,262	\$ 438,424	\$ 742,156
2006-07	4,333	3,892	9,491	8,525	110,000	233,308	559,156	728,323
2007-08	4,560	3,665	9,988	8,027	110,000	230,008	591,154	731,928
2008-09	4,817	3,408	10,551	7,465	120,000	226,158	624,821	738,231
2009-10	5,070	3,155	11,106	6,910	120,000	221,958	651,072	746,515
2011-15	29,753	11,371	65,155	24,921	675,000	1,034,688	3,737,827	3,923,220
2016-20	26,909	2,816	59,712	6,182	835,000	877,113	2,548,804	4,593,898
2021-25	-	-	-	-	1,035,000	671,463	4,120,035	4,147,720
2026-30	-	-	-	-	985,000	444,030	4,450,000	798,162
2031-35					1,235,000	191,000	1,235,000	191,000
	<u>\$ 79,775</u>	<u>\$ 32,542</u>	<u>\$ 174,737</u>	<u>\$ 70,567</u>	<u>\$ 5,250,000</u>	<u>\$ 4,381,984</u>	<u>\$ 18,956,293</u>	<u>\$ 17,341,154</u>

Note 11. Accounts Receivable

Receivables at the government-wide level at June 30, 2005, were as follows:

	General	Special Revenue	Proprietary	Financial Aid	Total
Property tax	\$ 123,586	\$ -	\$ -	\$ -	\$ 123,586
Tuition and fee related	555,758			213,797	769,555
Oregon State Board of Education	1,109,080				1,109,080
Due from other governmental units	69,696				69,696
Other receivables	27,717	441,440	25,997	163,401	658,555
Sub total	<u>1,885,836</u>	<u>441,440</u>	<u>25,997</u>	<u>377,198</u>	<u>2,730,472</u>
Allowance for uncollectible	(20,000)			(46,534)	(66,534)
Total	<u>\$ 1,865,836</u>	<u>\$ 441,440</u>	<u>\$ 25,997</u>	<u>\$ 330,664</u>	<u>\$ 2,663,938</u>

General fund tuition and fees receivable aging

	0-90	91-180	181-360	Greater than 1 year	Total
Amount	\$ 116,393	\$ 103,141	\$ 94,696	\$ 241,528	\$ 555,758
Percentage of total	21%	19%	17%	43%	100%

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2005

Note 12. Restatements

Net assets at June 30, 2004 were restated to reflect the adoption of a \$5,000 capitalization policy, and to reflect the corrected straight line amortization of the prepaid pension contribution.

Net assets at June 30, 2004 before restatement	\$ 3,505,382
Net impact of removing capital assets valued at less than \$5,000	(1,392,698)
Impact of recognizing amortization of prepaid pension contribution on a straight-line basis	<u>(225,697)</u>
Net assets at June 30, 2005 after restatement	<u><u>\$ 1,886,987</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)

GENERAL FUND

For the Year Ended

June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 1,876,200	\$ 1,876,200	\$ 1,888,501	\$ 12,301
State sources	4,471,508	4,471,508	4,500,493	28,985
Federal sources	60,000	60,000	60,000	-
Tuition and fees	5,078,500	5,078,500	4,203,545	(874,955)
Total revenues	11,486,208	11,486,208	10,652,539	(833,669)
EXPENDITURES				
Instruction	4,779,227	4,779,227	4,640,695	138,532
Instruction support	232,984	232,984	227,024	5,960
Student services	1,520,983	1,520,983	1,474,928	46,055
College support services	2,203,764	2,203,764	1,994,618	209,146
Plant operation and maintenance	1,223,989	1,223,989	1,173,518	50,471
Plant additions	135,500	266,264	262,707	3,557
Debt service	729,500	729,500	725,967	3,533
Financial aid	615,261	615,261	355,022	260,239
Operating contingency	650,000	650,000	-	650,000
Total expenditures	12,091,208	12,221,972	10,854,479	1,367,493
Excess of revenues over (under) expenditures	(605,000)	(735,764)	(201,940)	533,824
Other financing sources (uses)				
Transfers out	(95,000)	(5,301,170)	(5,301,170)	-
Transfer in	-	-	275,000	275,000
Institutional contribution	-	-	(81,400)	(81,400)
Proceeds from long term debt	-	5,336,934	5,336,934	-
Total other financing sources (uses)	(95,000)	35,764	229,364	193,600
Excess of revenues, other financing sources over (under) expenditures, other financing (uses)	(700,000)	(700,000)	27,424	727,424
Available fund balance, July 1	1,000,000	1,000,000	979,007	(20,993)
Available fund balance, June 30	\$ 300,000	\$ 300,000	\$ 1,006,431	\$ 706,431

See accompanying independent auditor's report.

TREASURE VALLEY COMMUNITY COLLEGE
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 SPECIAL PROJECTS FUND**

For the Year Ended
 June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 145,000	\$ 145,000	\$ 68,975	\$ (76,025)
State sources	4,200,000	4,200,000	1,588,177	(2,611,823)
Federal sources	2,250,000	2,250,000	589,771	(1,660,229)
Tuition and fees	55,000	55,000	44,182	(10,818)
Total revenues	<u>6,650,000</u>	<u>6,650,000</u>	<u>2,291,105</u>	<u>(4,358,895)</u>
EXPENDITURES				
Instruction	3,800,000	3,800,000	2,026,649	1,773,351
Supporting services	2,900,000	2,900,000	297,998	2,602,002
Community services	-	-	-	-
Total expenditures	<u>6,700,000</u>	<u>6,700,000</u>	<u>2,324,647</u>	<u>4,375,353</u>
Excess of revenues over (under) expenditures	(50,000)	(50,000)	(33,542)	16,458
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(50,000)	(50,000)	(33,542)	16,458
Available fund balance, July 1	<u>300,000</u>	<u>300,000</u>	<u>273,005</u>	<u>(26,995)</u>
Available fund balance, June 30	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 239,463</u>	<u>\$ (10,537)</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STUDENT FINANCIAL AID FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	175,000	175,000	100,560	(74,440)
Federal sources	5,950,000	5,950,000	5,398,616	(551,384)
Total revenues	6,125,000	6,125,000	5,499,176	(625,824)
EXPENDITURES				
Supporting services	6,050,000	6,050,000	5,560,888	489,112
Total expenditures	6,050,000	6,050,000	5,560,888	489,112
Excess of revenues over (under) expenditures	75,000	75,000	(61,712)	(136,712)
Other financing sources (uses)				
Transfer in	3,125,000	3,125,000	2,711,080	(413,920)
Transfer out	(3,200,000)	(3,200,000)	(2,649,368)	550,632
Returned to grantor	-	-	-	-
Total other financing sources (uses)	(75,000)	(75,000)	61,712	136,712
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PERKINS LOAN FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 15,000	\$ 15,000	\$ 239	\$ (14,761)
State sources	-	-	-	-
Federal sources	-	-	-	-
Tuition and fees	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>239</u>	<u>(14,761)</u>
EXPENDITURES				
Supporting services	<u>100,000</u>	<u>100,000</u>	<u>18,942</u>	<u>81,058</u>
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>18,942</u>	<u>81,058</u>
Excess of revenues over (under) expenditures	(85,000)	(85,000)	(18,703)	66,297
Other financing sources (uses)				
Transfer in	85,000	85,000	19,689	(65,311)
Transfer out	-	-	-	-
Federal contribution	-	-	-	-
Institutional contribution	-	-	-	-
Total other financing sources (uses)	<u>85,000</u>	<u>85,000</u>	<u>19,689</u>	<u>65,311</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	986	986
Available fund balance, July 1	<u>160,000</u>	<u>160,000</u>	<u>231,290</u>	<u>71,290</u>
Available fund balance, June 30	<u>\$ 160,000</u>	<u>\$ 160,000</u>	<u>\$ 232,276</u>	<u>\$ 72,276</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL PROJECT FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ 19,512	\$ 19,512
State sources	-	-	-	-
Total revenues	-	-	19,512	19,512
EXPENDITURES				
Supporting services	400,000	400,000	227,409	172,591
Unappropriated ending balance	-	-	-	-
Total capital outlay	400,000	400,000	227,409	172,591
Excess of revenues over (under) expenditures	(400,000)	(400,000)	(207,897)	192,103
Other financing sources (uses)				
Transfer from General Fund	200,000	5,406,170	4,459,455	(946,715)
Transfer to other funds	-	(159,986)	(159,986)	-
Total other financing sources (uses)	200,000	5,246,184	4,299,469	(946,715)
Excess of revenues and other sources over (under) expenditures and other uses	(200,000)	4,846,184	4,091,572	(754,612)
Available fund balance, July 1	200,000	200,000	198,696	(1,304)
Available fund balance, June 30	\$ -	\$ 5,046,184	\$ 4,290,268	\$ (755,916)

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
RESERVE FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 10,000	\$ 10,000	\$ 11,172	\$ 1,172
Total revenues	10,000	10,000	11,172	1,172
EXPENDITURES				
Support services	170,000	170,000	17,330	152,670
Facilities acquisitions and construction	233,500	233,500	97,671	135,829
Other uses- debt service	-	-	11,535	(11,535)
Total expenditures	403,500	403,500	126,536	276,964
Excess of revenues over (under) expenditures	(393,500)	(393,500)	(115,364)	278,136
Other financing sources (uses)				
Transfer from Other Funds	85,000	85,000	1,001,702	916,702
Transfer to General Fund	(105,000)	(105,000)	(25,000)	80,000
Total other financing sources (uses)	(20,000)	(20,000)	976,702	996,702
Excess of revenues and other sources over (under) expenditures and other uses	(413,500)	(413,500)	861,338	1,274,838
Available fund balance, July 1	413,500	413,500	261,597	(151,903)
Available fund balance, June 30	\$ -	\$ -	\$ 1,122,935	\$ 1,122,935

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BOOKSTORE FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 1,243,500	\$ 1,243,500	\$ 762,173	\$ (481,327)
Miscellaneous income	-	-	53,310	53,310
Total operating revenues	<u>1,243,500</u>	<u>1,243,500</u>	<u>815,483</u>	<u>(428,017)</u>
Operating expense				
Salaries	96,500	96,500	71,165	25,335
Employee benefits	-	-	22,374	(22,374)
Contracted services	-	-	-	-
Purchase of textbooks	-	-	556,754	(556,754)
Purchase of miscellaneous	-	-	4,587	(4,587)
Postage	-	-	-	-
Materials and supplies	1,162,000	1,162,000	65,460	1,096,540
Travel	-	-	3,869	(3,869)
Other expenses	5,000	5,000	18,842	(13,842)
Repairs and maintenance	-	-	-	-
Depreciation	-	-	-	-
Bad debts	-	-	-	-
Total operating expenses	<u>1,263,500</u>	<u>1,263,500</u>	<u>743,051</u>	<u>520,449</u>
Operating income	(20,000)	(20,000)	72,432	92,432
Other sources and (uses)				
Transfer to other funds			(200,000)	(200,000)
Net assets, July 1	<u>120,000</u>	<u>120,000</u>	<u>312,302</u>	<u>(107,568)</u>
Net assets, June 30	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 184,734</u>	<u>\$ 84,734</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Food sales	\$ 352,500	\$ 352,500	\$ 280,467	\$ (72,033)
Snack bar and miscellaneous	-	-	979	979
Total operating revenues	352,500	352,500	281,446	(71,054)
Operating expense				
Materials and supplies	-	-	(1,172)	1,172
Outside services	5,000	5,000	2,760	2,240
Other expense	297,500	297,500	318,673	(21,173)
Repairs and maintenance	-	-	280	(280)
Depreciation	-	-	5,622	(5,622)
Total operating expenses	302,500	302,500	326,163	(23,663)
Operating income	50,000	50,000	(44,717)	(94,717)
Other financing sources(uses)				
Transfer from other funds	-	-	160,000	160,000
Total other financing sources (uses)	-	-	160,000	160,000
Excess of operating revenues and other sources over (under) operating expenses and other uses	50,000	50,000	115,283	65,283
Net assets, beginning	(50,000)	(50,000)	(85,006)	(35,006)
Restatement of fixed assets			(5,445)	(5,445)
Net assets - beginning after restatement	-	-	(90,451)	(40,451)
Net assets, June 30	\$ -	\$ -	\$ 24,832	\$ 24,832

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Dormitory receipts	\$ 270,000	\$ 270,000	\$ 181,600	\$ (88,400)
Miscellaneous income	-	-	3,084	3,084
Total operating revenues	<u>270,000</u>	<u>270,000</u>	<u>184,684</u>	<u>(85,316)</u>
Operating expense				
Salaries	135,500	135,500	58,262	77,238
Employee benefits	-	-	24,517	(24,517)
Travel	-	-	-	-
Materials and supplies	80,000	80,000	22,442	57,558
Outside services	-	-	18,868	(18,868)
Other expense	-	-	15,385	(15,385)
Repairs and maintenance	6,000	6,000	5,702	298
Depreciation	-	-	692	(692)
Bad debts	-	-	-	-
Total operating expenses	<u>221,500</u>	<u>221,500</u>	<u>145,868</u>	<u>75,632</u>
Operating income	48,500	48,500	38,816	(9,684)
Other financing sources(uses)				
Transfer from other funds	-	-	20,000	20,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Excess of operating revenues and other sources over (under) operating expenses and other uses	48,500	48,500	58,816	10,316
Net assets, July 1	<u>(48,500)</u>	<u>(48,500)</u>	<u>(51,045)</u>	<u>(2,545)</u>
Net assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,771</u>	<u>\$ 7,771</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PRINTING FUND
For the Year Ended
June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Printing income	\$ 150,000	\$ 150,000	\$ 124,974	\$ (25,026)
Miscellaneous income			-	-
Total operating revenues	150,000	150,000	124,974	(25,026)
Operating expense				
Salaries	35,500	35,500	32,404	3,096
Employee benefits	-	-	6,465	(6,465)
Travel			54	(54)
Materials and supplies	159,000	159,000	36,147	122,853
Outside services	-	-	1,528	(1,528)
Interest expense	-	-	3,012	(3,012)
Postage	-	-	-	-
Capital outlay	3,000	3,000	-	3,000
Other expense	-	-	29,424	(29,424)
Repairs and maintenance	-	-	700	(700)
Depreciation	-	-	22,647	(22,647)
Other debt service	2,500	2,500	-	2,500
Total operating expenses	200,000	200,000	132,381	67,619
Operating income (loss)	(50,000)	(50,000)	(7,407)	42,593
Other financing sources(uses)				
Transfer from other funds	-	-	20,000	(20,000)
Total other financing sources (uses)	-	-	20,000	(20,000)
Excess of operating revenues and other sources over (under) operating expenses and other	(50,000)	(50,000)	12,593	22,593
Net assets, July 1	50,000	50,000	41,709	(8,291)
Net assets, June 30	\$ -	\$ -	\$ 54,302	\$ 54,302

See accompanying independent auditor's report.

TREASURE VALLEY COMMUNITY COLLEGE
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CALDWELL CENTER**

For the Year Ended
 June 30, 2005

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ -	\$ -	\$ 108,221	\$ 108,221
Tuition and fees	1,090,000	1,090,000	891,071	(198,929)
Miscellaneous income	10,000	10,000	12,519	2,519
Total operating revenues	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,011,811</u>	<u>(88,189)</u>
Operating expense				
Salaries and benefits	300,000	300,000	568,675	(268,675)
Travel	-	-	9,418	(9,418)
Textbooks	-	-	82,977	(82,977)
Materials and supplies	650,000	650,000	241,381	408,619
Outside services	-	-	13,110	(13,110)
Other expense	150,000	150,000	69,805	80,195
Repairs and maintenance	-	-	103	(103)
Depreciation	-	-	15,770	(15,770)
Bad debt	-	-	-	-
Total operating expenses	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,001,239</u>	<u>98,761</u>
Operating income (loss)	-	-	10,572	10,572
Net assets, July 1	-	-	(94,865)	(94,865)
Net assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (84,293)</u>	<u>\$ (84,293)</u>

**TREASURE VALLEY COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2005

In accordance with Oregon Revised Statutes, the college adopts annual budgets and makes appropriations on a fund basis, using either the modified accrual or accrual basis of accounting depending on the fund type.

The resolution authorizing appropriations by fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control for appropriations is set at the fund and function level. Transfers of appropriations may be made between legally authorized appropriations when authorized by board resolution. In addition, unexpected resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Annual appropriations lapse on June 30.

Budgets are not required to be adopted for the agency funds.

OTHER SUPPLEMENTAL FINANCIAL INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
COMBINING BALANCE SHEET
June 30, 2005

ASSETS	General	Special Revenue	Capital Project	Proprietary	Agency	Totals June 30, 2005
Cash and cash items	\$ 657,670	\$ 201,205	\$ 4,127,388	\$ 544	\$ -	\$ 4,986,807
Investments	-	-	218,899	-	-	218,899
Receivables						
Property taxes	123,586	-	-	-	-	123,586
Accounts	1,681,808	818,639	-	25,997	-	2,526,444
Allowance for doubtful accounts (deduction)	(20,000)	-	-	-	-	(20,000)
Net amount due from governmental units	69,696	-	-	-	-	69,696
Other receivables	10,746	-	-	-	-	10,746
Allowance for doubtful interest (deduction)	-	(3,887)	-	-	-	(3,887)
Allowance for doubtful loans (deduction)	-	(42,647)	-	-	-	(42,647)
Interfund receivable	-	31,535	1,122,935	-	115,255	1,269,725
Prepaid expenses	134,424	-	-	-	-	134,424
Inventory	-	-	-	197,726	-	197,726
Fixed assets (net of accumulated depreciation)	-	-	-	246,293	-	246,293
Total assets	<u>\$ 2,657,930</u>	<u>\$1,004,845</u>	<u>\$ 5,469,222</u>	<u>\$ 470,560</u>	<u>\$ 115,255</u>	<u>\$ 9,717,812</u>
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$ 487,262	\$ 2,000	\$ -	\$ -	\$ -	\$ 489,262
Salaries payable	6,576	-	-	-	-	6,576
Payroll benefits payable	55,076	-	-	-	-	55,076
Interfund payable	586,080	455,665	56,019	171,962	-	1,269,726
Accrued compensated absences	97,963	-	-	-	-	97,963
Deposits payable	-	-	-	12,230	-	12,230
Due to student groups	-	-	-	-	105,246	105,246
Deferred property tax revenue	97,777	-	-	-	-	97,777
Deferred tuition and other revenue	320,765	75,441	-	99,022	10,009	505,237
Total liabilities	<u>1,651,499</u>	<u>533,106</u>	<u>56,019</u>	<u>283,214</u>	<u>115,255</u>	<u>2,639,093</u>
Fund equity						
Net assets						
Contributed capital	-	-	-	177,638	-	177,638
Unrestricted	-	-	-	9,708	-	9,708
Fund balances						
Reserved for student loans	-	521,724	-	-	-	521,724
Reserved for debt service	-	-	-	-	-	-
Designated for construction	-	-	4,290,268	-	-	4,290,268
Designated for equipment replacement	-	-	988,235	-	-	988,235
Designated for early retirement	-	-	134,700	-	-	134,700
Undesignated	1,006,431	(49,985)	-	-	-	956,446
Total fund equity	<u>1,006,431</u>	<u>471,739</u>	<u>5,413,203</u>	<u>187,346</u>	<u>-</u>	<u>7,078,719</u>
Total liabilities and fund equity	<u>\$ 2,657,930</u>	<u>\$1,004,845</u>	<u>\$ 5,469,222</u>	<u>\$ 470,560</u>	<u>\$ 115,255</u>	<u>\$ 9,717,812</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
IN COMPLIANCE WITH GAAP

For the Year Ended
June 30, 2005

	General	Special Revenue	Capital Project	Totals June 30, 2005
Revenues				
Local sources				
Earnings on investments	\$ 28,673	\$ 4,175	\$ -	\$ 32,848
Taxes	1,453,410	-	-	1,453,410
Other local revenue	170,005	65,039	30,684	265,728
Admin costs and reimbursements	236,413	-	-	236,413
State sources	4,500,493	1,688,737	-	6,189,230
Federal sources	60,000	5,988,387	-	6,048,387
Tuition and fees	4,203,545	44,182	-	4,247,727
Total revenues	10,652,539	7,790,520	30,684	18,473,743
Expenditures				
Instruction	4,640,695	2,026,649	-	6,667,344
Instruction support	227,024	-	-	227,024
Student services	1,474,928	5,877,828	-	7,352,756
College support	1,994,618	-	-	1,994,618
Plant operation and maintenance	1,173,518	-	-	1,173,518
Plant additions	262,707	-	-	262,707
Financial aid	355,022	-	-	355,022
Other expenditures and requirements	-	-	342,410	342,410
Debt service				
Capital lease obligations	245,449	-	-	245,449
Principal	-	-	9,681	9,681
Interest	480,518	-	1,853	482,371
Total expenditures	10,854,479	7,904,477	353,944	19,112,900
Revenues over (under) expenditures	(201,940)	(113,957)	(323,260)	(639,157)
Other financing sources (uses)				
Transfers in	275,000	2,730,769	5,461,157	8,466,926
Transfers (out)	(5,301,170)	(2,649,368)	(184,986)	(8,135,524)
Proceeds from long term debt	5,336,934	-	-	5,336,934
Federal contribution	-	-	-	-
Institutional contribution	(81,400)	-	-	(81,400)
Total other financing sources (uses)	229,364	81,401	5,276,171	5,586,936
Excess of revenues and other sources over (under) expenditures and other uses	27,424	(32,556)	4,952,911	4,947,779
Available fund balance, July 1	979,007	504,295	460,293	1,943,595
Available fund balance, June 30	<u>\$ 1,006,431</u>	<u>\$ 471,739</u>	<u>\$ 5,413,204</u>	<u>\$ 6,891,374</u>

TREASURE VALLEY COMMUNITY COLLEGE
 COMBINING BALANCE SHEET
 PROPRIETARY FUND TYPES- AUXILIARY
 For the Year Ended
 June 30, 2005

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2005
ASSETS						
Cash and cash items	\$ 544	\$ -	\$ -	\$ -	\$ -	\$ 544
Interfund receivable	-	21,719	-	53,747	-	75,466
Receivables						
Accounts	25,997	-	-	-	-	25,997
Inventory	197,726	-	-	-	-	197,726
Prepaid expenses	-	-	-	-	-	-
Fixed assets (net of accumulated depreciation)	5,360	3,113	171,723	555	65,542	246,293
Total assets	\$ 229,627	\$ 24,832	\$ 171,723	\$ 54,302	\$ 65,542	\$ 546,026
LIABILITIES AND FUND EQUITY						
Liabilities						
Deposits payable	\$ -	\$ -	\$ 12,230	\$ -	\$ -	\$ 12,230
Deferred revenue	-	-	-	-	99,022	99,022
Interfund payable	44,893	-	151,722	-	50,813	247,428
Current portion of long term lease payable	-	-	-	-	-	-
Lease payable long term	-	-	-	-	-	-
Total liabilities	44,893	-	163,952	-	149,835	358,680
Net assets						
Invested in capital assets, net of related debt	5,360	-	171,723	555	-	177,638
Unrestricted	179,374	24,832	(163,952)	53,747	(84,293)	9,708
Total fund equity	184,734	24,832	7,771	54,302	(84,293)	187,346
Total liabilities and fund equity	\$ 229,627	\$ 24,832	\$ 171,723	\$ 54,302	\$ 65,542	\$ 546,026

TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - ALL PROPRIETARY FUND TYPES
For the Year Ended
June 30, 2005

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2005
Operating revenues						
Sale of textbooks	\$ 762,173	\$ -	\$ -	\$ -	\$ 108,221	\$ 870,394
Food sales	-	280,467	-	-	-	280,467
Snack bar and miscellaneous	-	979	-	-	-	979
Dormitory receipts	-	-	181,600	-	-	181,600
Printing income	-	-	-	124,974	-	124,974
Miscellaneous income	53,310	-	3,084	-	12,519	68,913
Tuition and fees	-	-	-	-	891,071	891,071
Gross profit	<u>815,483</u>	<u>281,446</u>	<u>184,684</u>	<u>124,974</u>	<u>1,011,811</u>	<u>2,418,398</u>
Operating expenses						
Salaries	71,165	-	58,262	32,404	568,675	730,506
Employee benefits	22,374	-	24,517	6,465	-	53,356
Travel	3,869	-	-	54	9,418	13,341
Purchase of textbooks	556,754	-	-	-	82,977	639,731
Purchase of miscellaneous	4,587	-	-	-	-	4,587
Materials and supplies	-	(1,172)	22,442	36,147	241,381	298,798
Outside services	65,460	2,760	18,868	1,528	13,110	101,726
Interest expense	-	-	-	3,012	-	3,012
Other expense	18,842	318,673	15,385	29,424	69,805	452,129
Repairs and maintenance	-	280	5,702	700	103	6,785
Depreciation	-	5,622	692	22,647	15,770	44,731
Bad debts	-	-	-	-	-	-
Total operating expenses	<u>743,051</u>	<u>326,163</u>	<u>145,868</u>	<u>132,381</u>	<u>1,001,239</u>	<u>2,348,702</u>
Operating income	72,432	(44,717)	38,816	(7,407)	10,572	69,696
Other financing sources (uses)						
Transfer to other funds	(200,000)					(200,000)
Transfer from other funds		160,000	20,000	20,000	-	200,000
Total other financing sources (uses)	<u>(200,000)</u>	<u>160,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>-</u>
Net assets - beginning before restatement	312,302	(85,006)	(51,045)	41,709	(94,865)	123,095
Restatement of fixed assets	-	(5,445)	-	-	-	(5,445)
Net assets - beginning after restatement	<u>312,302</u>	<u>(90,451)</u>	<u>(51,045)</u>	<u>41,709</u>	<u>(94,865)</u>	<u>117,650</u>
Net assets - ending	<u>\$ 184,734</u>	<u>\$ 24,832</u>	<u>\$ 7,771</u>	<u>\$ 54,302</u>	<u>\$ (84,293)</u>	<u>\$ 187,346</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES-AUXILIARY
For the Year Ended
June 30, 2005

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 802,275	\$ 281,445	\$ 184,518	\$ 124,974	\$ 922,138	\$ 2,315,350
Payments to employees	(71,165)	(2,760)	(58,262)	(32,404)	(492,155)	(656,746)
Payments to suppliers	(78,538)	(317,780)	(86,914)	(77,329)	(461,970)	(1,022,531)
Payments to suppliers for items for resale	(589,927)				(31,345)	(621,272)
Other cash receipts		-	3,084		120,740	123,824
Net cash provided by (used by) operating activities	<u>62,645</u>	<u>(39,095)</u>	<u>42,426</u>	<u>15,241</u>	<u>57,408</u>	<u>138,625</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Increase (decrease) in interfund receivable/payable	137,365	(118,184)	(62,426)	(15,912)	(35,021)	(94,178)
Operating transfers in	-	160,000	20,000	20,000	-	200,000
Operating transfers (out)	(200,000)	-	-	-	-	(200,000)
Net cash used in non-capital financing activities	<u>(62,635)</u>	<u>41,816</u>	<u>(42,426)</u>	<u>4,088</u>	<u>(35,021)</u>	<u>(94,178)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
Reclassification of notes payable				(19,329)		(19,329)
Payments on capital lease	-	-	-	-	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,329)</u>	<u>-</u>	<u>(19,329)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital assets purchased	-	(2,721)			(22,387)	(25,108)
Net cash used in investing activities	<u>-</u>	<u>(2,721)</u>	<u>-</u>	<u>-</u>	<u>(22,387)</u>	<u>(25,108)</u>
NET INCREASE (DECREASE) IN CASH	10	-	-	-	(0)	10
CASH BALANCE (DEFICIT) JUNE 30, 2004	<u>534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534</u>
CASH BALANCE (DEFICIT) JUNE 30, 2005	<u>\$ 544</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ 544</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	\$ 72,432	\$ (44,717)	\$ 38,816	\$ (7,407)	\$ 10,571	\$ 69,695
Adjustments to reconcile net income to net cash	-	-	-	-	-	-
Depreciation	-	5,622	692	22,648	15,770	44,732
(Increase) decrease in accounts receivable (net)	(13,210)	-	-	-	-	(13,210)
(Increase) decrease in inventory	(5,476)	-	-	-	-	(5,476)
(Increase) decrease in prepaid assets	8,899	-	-	-	-	8,899
Increase (decrease) in deposits payable	-	-	2,918	-	-	2,918
Increase (decrease) in deferred revenues	-	-	-	-	31,067	31,067
Net cash provided (used) by operating activities	<u>\$ 62,645</u>	<u>\$ (39,095)</u>	<u>\$ 42,426</u>	<u>\$ 15,241</u>	<u>\$ 57,408</u>	<u>\$ 138,625</u>

OTHER FINANCIAL SCHEDULES

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENT OF AGENCY FUND TRANSACTIONS

For the year ended
June 30, 2005

	Beginning Balance 6/30/2004	Increase	Decrease	Ending Balance 6/30/2005
3700 Small business training	\$ 37,359	\$ 29,798	\$ 29,427	\$ 37,729
3717 Student government	17,085	189,431	213,875	(7,360)
3790 Student body special account	1,769	14,291	69	15,991
3790 Welding club	2,785	11,960	13,048	1,697
3810 Women's basketball	2,689	5,394	5,861	2,223
4010 Mentors	1,352	-	-	1,352
4030 Art guild	268	3,140	2,535	873
4050 Athletic programs	28,367	95,198	122,355	1,210
4100 Instrumental club	29	598	500	127
4110 Baseball club	762	36,514	43,365	(6,089)
4111 Baseball Orange sales	7,539	44,230	51,809	(40)
4115 Softball club	1,663	3,603	4,617	649
4116 Outdoor club	-	274	-	274
4120 Baseball marathon	206	34,612	30,275	4,543
4130 Chukar basketball	(16)	5,738	4,331	1,392
4140 Chorale club	832	5,666	4,065	2,433
4142 TVCC chorale	571	-	-	571
4143 Youth orchestra	772	2,312	1,574	1,510
4144 Treasure Valley Symphony	2,366	8,129	9,485	1,011
4145 Children's chorus	-	448	94	354
4146 Musical jubilee	1	-	-	1
4147 Summer MAD camp	2,084	19,357	15,770	5,670
4148 Little stars	2,935	4,750	7,585	100
4150 Vocal jazz ensemble	1,089	4,516	5,386	218
4151 Jazz band	193	1,320	1,415	98
4152 Performing arts retreat	31	3,420	3,025	427
4210 Development education student support	3,135	-	-	3,135
4220 Dorm social/leadership and improvement	910	6,550	7,719	(260)
4221 RA Club Account	-	8,000	4,750	3,250
4230 Drama club	5,986	19,998	19,520	6,464
4240 Cinco de Mayo	1,570	115	509	1,176
4241 BESO Club	159	16	68	107
4250 English department travel	5,936	1,057	2,882	4,110
4253 The Education Club	158	761	717	202
4270 AAWCC	240	275	29	486
4350 Graduation	1,005	6,205	3,849	3,361
4440 Insurance claim account	4,947	-	-	4,947
4460 Malheur County alcohol recovery	80	-	-	80
4485 WINGS club	915	700	424	1,191
4540 Nursing club	595	600	472	722
4542 Nursing background	(40)	555	-	515
4545 Nursing mobility tests	1,336	5,724	6,699	361
4550 Nyssa pop machine	24	-	-	24
4561 Bus Office Student Service	-	1,000	-	1,000
4565 Support staff funds	145	-	-	145
4620 Bill White fund	15	-	-	15
4625 Campus Christian Fellowship	-	2,022	1,933	89
4630 Phi Theta Kappa	1,384	3,500	3,730	1,154
4660 Rodeo club	2,963	29,941	33,232	(328)
4662 AG ambassadors	3,034	3,555	4,647	1,941
4663 Ultrasound club	184	500	-	684
4664 Livestock judging club	2,506	8,846	11,286	66
4670 Volleyball club	1,058	6,540	8,490	(892)
4680 Science field trip	1,555	7,197	5,858	2,893
4691 Campus Security	-	180	-	180
4692 Cross country club	551	2,088	2,295	344
4693 Golf	1,639	2,348	1,011	2,976
4694 Soccer club	8,282	7,569	8,710	7,141
4695 Track and field club	217	-	732	(515)
4696 Tennis	1,099	999	790	1,308
4697 Foundation	281	-	-	281
Total	<u>\$ 164,599</u>	<u>\$ 651,536</u>	<u>\$ 700,817</u>	<u>\$ 115,318</u>

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENTS OF CASH, CASH ITEMS AND INVESTMENTS - ALL FUNDS
June 30, 2005

Washington Mutual Bank	
Cash in checking	\$ 589,203
 Oregon State Treasury Local Government Investment Pool	
Cash invested	4,393,088
 Wells Fargo	218,899
Cash on hand	<u>4,516</u>
Total cash, cash items and investments governmental funds	<u><u>\$ 5,205,706</u></u>

STATEMENT OF COLLATERAL SECURITY
June 30, 2005

Washington Mutual Bank	
Certificate of participation - # 40991	\$ 1,500,000
Federal Deposit Insurance Corporation - demand	<u>100,000</u>
Total Washington Mutual Bank	<u><u>\$ 1,600,000</u></u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF PROPERTY TAX TRANSACTIONS
For the Year Ended
June 30, 2005

Tax Year	Uncollected Taxes	2004-05	(Abatement) and	Rebates		Taxes	Total	Uncollected
Special Levy	June 30, 2004	Assessment	Adjustments	Allowed	Interest	Collected	Amount Collected	Taxes June 30, 2005
<u>All Counties</u>								
2004-05		\$ 1,512,899	\$ (6,159)	\$ 35,859	\$ -	\$ 1,407,469	\$ 1,407,469	\$ 63,412
2003-04	\$ 66,950		(24,482)	644	395	8,038	8,433	34,182
2002-03	32,557		(20,155)	(581)		(4,517)	(4,517)	17,500
2001-02	17,195		(118)			9,667	9,667	7,410
2000-01	7,131		(143)			6,193	6,193	794
1999-00	351		(150)			54	54	147
1998-99	107		(102)			4	4	1
1997-98	172		(1,538)	(45)		(1,460)	(1,460)	140
Interest & county land sales						4,573	4,573	
TOTAL	\$ 124,463	\$ 1,512,899	\$ (52,848)	\$ 35,876	\$ 395	\$ 1,430,021	\$ 1,430,416	\$ 123,586

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2005

Oregon Administration Rules 162-10-200 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the secretary of state in cooperation with the Oregon state board of accountancy require certain comments and disclosures relating to the review of fiscal affairs and compliance with legal requirements. Comments relating to significant accounting policies, organization, fund structure, cash security and investments are included in the notes to financial statements. Other required comments and disclosures relating to this audit are set forth below.

Accounting Systems and Control Structure

The organizational structure of Treasure Valley Community College provides satisfactory accounting policies for maintaining an adequate system of accountability and responsibility of funds. The accounting records are being maintained in a satisfactory manner which offers an adequate system of reporting to interested parties and compliance with legal requirements. A discussion of our assessment of the college's internal control structure is contained in our management letter.

Indebtedness

It is noted that Treasure Valley Community College is within the legal debt limitations as set forth by Oregon statutes.

Budgets

Our audit of the 2004-05 and 2005-06 budgets indicate that local budget law has been substantially complied with during the preparation and adoption of those budgets. Treasure Valley Community College appropriates its budget at the fund and function level for budget law purposes. Treasure Valley Community College has generally complied with Oregon local budget law during the execution of the 2004-05 budgets.

Insurance and Fidelity Bond Coverage

We examined policies relating to insurance and fidelity bond coverages and ascertained that such policies were in force at June 30, 2005 and that they appeared to satisfy bond ordinances and other provisions. We are not competent by training to state whether the insurance policies in force at June 30, 2005 provide adequate coverage. We recommend that coverages be reviewed periodically with the college's agent of record.

Programs Funded From Outside Sources

We have audited the records and grant financial reports, and made such tests, to the extent deemed appropriate for the programs in which Treasure Valley Community College participates. We also audited the reimbursement claims filed during the year. Based on our audit, we found that for the items tested, Treasure Valley Community College complied with the material terms and conditions of the federal and state grant contracts and agreements.

Further, based on our audit, nothing came to our attention to indicate that Treasure Valley Community College had not complied with the material terms and conditions of federal and state grant contracts and agreements which were not specifically tested. Each grant is subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund.

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2005

Public Contracts and Purchasing

Our review of college operations indicates Treasure Valley Community College is in compliance with statutory requirements relating to public contracting.

Investments

We have reviewed the college's compliance with statutory requirements regarding the investments of surplus public funds. Our review disclosed no conditions that we considered to be matters of noncompliance.

Collateral

Treasure Valley Community College bank balances of deposit at June 30, 2005, were entirely insured or collateralized with Federal Deposit Insurance Corporation or certificate of participation with the Federal Home Loan Bank of Seattle.

Financial Reporting Requirements

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

Other

Compliance with the following is not applicable to Treasure Valley Community College-

- Average daily membership
- Highway funds

OREGON AUDITS DIVISION
SUMMARY OF REVENUES AND EXPENDITURES

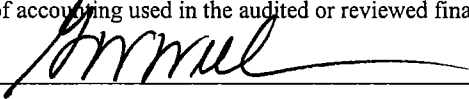
Name of Municipal Corporation Treasure Valley Community College

Address Ontario, Oregon 97914

Period Covered by Audit Report: From June 30, 2004 to June 30, 2005

Total Revenues and/or Receipts - All Funds		<u>\$29,559,067</u>
Less:		
Interfund loans and transfers	<u>\$ 8,466,926</u>	
Receipts from short-term loans		
Taxes, assessments and other collections to be distributed to other governmental units		<u>8,466,926</u>
Net Revenues and/or Receipts		<u><u>\$21,092,141</u></u>
Total Expenditures and/or Disbursements - All Funds		<u>\$29,597,126</u>
Less:		
Interfund loans and transfers	<u>\$ 8,135,524</u>	
Principal Payments - short-term loans		
Principal Payments - bonded or other long-term debt		
Principal Payments - warrants issued during prior years		
Turnovers to other municipal corporations		
Taxes and Assessments		
Other Distributions		
Other Trust Moneys		<u>8,135,524</u>
Net Expenditures and/or Disbursements		<u><u>\$21,461,602</u></u>

The above information is based upon the revenues and expenditures/expenses for all funds of the municipal corporation on the basis of accounting used in the audited or reviewed financial statements.

Auditor/Firm Signature 

PLEASE ENCLOSE PAYMENT WITH SUMMARY

Over	Not Over	Fee	ORS 297.485 (1)
	\$ 50,000	\$ 20	
\$ 50,000	150,000	40	
150,000	500,000	150	...The filing fee shall be determined by the total expenditures made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, <u>except</u> that expenditures for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the total expenditures upon which the amount of the fee is based.
500,000	1,000,000	200	
1,000,000	5,000,000	250	
5,000,000	10,000,000	300	
10,000,000	50,000,000	350	
50,000,000		400	
<i>(Net Expenditures and/or Disbursements)</i>			

Within 30 days after submitting the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Division of Audits, Salem, Oregon 97310, and one copy must be delivered to the municipal corporation.

SINGLE AUDIT SECTION



Certified Public Accountants, PC

George W. Wilber, CPA, MS
Robert M. Armstrong, CPA

Arlie W. Oster, CPA (1931-1998)
Daniel J. Hobson, CPA

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Treasure Valley Community College
Ontario, Oregon

We have audited the basic financial statements of Treasure Valley Community College, as of and for the year ended June 30, 2005, and have issued our report thereon dated October 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance


As part of obtaining reasonable assurance about whether Treasure Valley Community College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Treasure Valley Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses. However we noted other certain immaterial matters that we reported to management of Treasure Valley Community College in a separate letter dated October 14, 2005.

This report is intended solely for the information and use of the board of education, management, others within the organization and federal awarding agencies and pass-through entities and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 14, 2005

77 W Adams Street, Burns, Oregon 97720
Phone (541) 573-6151 FAX (541) 573-5605
Toll Free 1(877)229-8706
www.opgcpa.com

Certified Public Accountants, PC

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education
Treasure Valley Community College
Ontario, Oregon

Compliance

We have audited the compliance of Treasure Valley Community College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2005. Treasure Valley Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Treasure Valley Community College's management. Our responsibility is to express an opinion on Treasure Valley Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Treasure Valley Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Treasure Valley Community College's compliance with those requirements.

In our opinion, Treasure Valley Community College, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.


Internal Control Over Compliance

The management of Treasure Valley Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Treasure Valley Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of education, management, others within the organization, and federal awarding agencies and pass-through entities and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 14, 2005

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended
June 30, 2005

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Education</u>			
Direct program			
Student Financial Assistance Cluster			
PELL Grant Program	84.063	\$ 2,429,315	\$ 2,429,315
SEOG Program	84.007	98,054	98,054
Perkins Loan Program	84.038	27,128	27,128
College Work Study Program	84.033	113,269	113,269
Direct Loan Program	84.268	2,749,249	2,749,249
		<u>5,417,015</u>	<u>5,417,015</u>
High School Equivalency Program	84.141A	219,954	219,954
English Acquisition Program/National Professional Development Program	84.195A	246,759	246,759
Total direct programs		<u>5,883,728</u>	<u>5,883,728</u>
Passed through Oregon State Department of Education			
Adult Education - Basic Grants to State			
ABB - Tuition	84.002	60,000	60,000
ABB - EL Civics Grant	84.002	32,500	32,500
ABB - Set Aside	84.002	10,000	10,000
ABB - Harney County	84.002	6,465	6,465
ABB - Program Improvements	84.002	10,000	10,000
ABB - Accountability	84.002	20,000	20,000
ABB - Tutoring	84.002	12,917	12,917
		<u>151,882</u>	<u>151,882</u>
Vocational Education - Basic Grant			
Perkins - PTE Program Areas	84.048A	182,637	182,637
		<u>182,637</u>	<u>182,637</u>
Total passed through Oregon Department of Education		<u>334,519</u>	<u>334,519</u>
Total Department of Education		<u>6,218,247</u>	<u>6,218,247</u>
<u>U.S. Small Business Administration</u>			
Passed through Oregon State SBA Director			
SBA Federal 2005	59.037	10,891	10,891
SBA Federal 2004	59.037	23,788	23,788
Total Small Business Administration		<u>34,679</u>	<u>34,679</u>
<u>U.S. Department of Labor</u>			
Adult Workforce Investment Act	17.258	36,849	36,849
Total U.S. Department of Labor		<u>36,849</u>	<u>36,849</u>
Total		<u>\$ 6,289,775</u>	<u>\$ 6,289,775</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
June 30, 2005

Note 1. Basis of Presentation

The accompanying schedule of expenditure of federal awards includes the federal grant activity of Treasure Valley Community College and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

Note 2. Sub Recipients

Of the federal expenditures presented in this schedule, Treasure Valley Community College provided no federal awards to sub recipients.

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2005

SUMMARY OF AUDITOR'S RESULTS

Type of Report Issued

In our report for Treasure Valley Community College, our opinion was unqualified.

Reportable Conditions in Internal Control

Our audit of the financial statements of Treasure Valley Community College did not disclose reportable conditions in internal control.

Noncompliance Material to Financial Statements

Our audit of the financial statements of Treasure Valley Community College did not disclose any noncompliance, which is material to the financial statements.

Reportable Conditions in Internal Control Over Major Programs

Our audit of the financial statements of Treasure Valley Community College did not disclose any reportable conditions in internal control over major federal programs.

Type of Report Issued on Compliance for Major Programs

We have issued an unqualified opinion on compliance with requirements applicable to each major federal program.

Audit Findings

Our audit of Treasure Valley Community College did not disclose any audit findings, which we are required to report in accordance with OMB Circular A-133.

Identification of Major Programs

Student Financial Assistance Cluster
CFDA Numbers 84.063, 84.007, 84.038, 84.033, 84.268

Dollar Threshold Used to Distinguish Between Type A and Type B Programs

Type A programs are the programs with total program expended funds of \$300,000 or more.

Risk Classification of Auditee

We have determined that Treasure Valley Community College does qualify as a low risk auditee.

Findings In Accordance With *Government Auditing Standards*

Our audit disclosed no findings of reportable conditions and material weaknesses in the internal controls which are required to be reported in accordance with *Government Auditing Standards*.

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2005

Findings and Questioned Costs For Federal Awards

Current Year Findings

Our audit did not disclose any findings and questioned costs as defined by OMB Circular A-133 for the year ended June 30, 2005, regarding federal awards tested.

Prior Year Findings

The audit for the year ended June 30, 2004 reported no findings and questioned costs regarding the federal awards tested.