



Financial Statements
June 30, 2012

Treasure Valley Community College

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the Treasure Valley Community College (the College) and the discretely presented component unit as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express opinions 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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Treasure Valley Community College and the discretely presented component unit, as of June 30, 2012, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 11 to the financial statements, the College had a change in accounting principle relating to the revenue recognition for their State FTE reimbursement receipts, which resulted in a restatement of the beginning net assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other post-employment benefits – schedule of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Treasure Valley Community College's basic financial statements. The supplementary information and the combining financial statements – auxiliary fund as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The combining financial statements – auxiliary fund as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 26, 2012

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, 2012. 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.

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* present 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 increased substantially over the prior year. This is because the State of Oregon disburses our FTE in unequal payments across the bi-ennium. In the first year of the bi-ennium the College receives a prior year deferred payment plus four additional quarterly payments. In the second year of the bi-ennium, the College will receive three FTE reimbursement payments as the fourth one is deferred until the following year.
- Enrollment for 11-12 decrease by approximately 3%. The reduction was off-set in tuition and fee revenue by an increase in the College's per credit tuition rate and universal fee.
- The College continues to expand its current class selection and increase its overall enrollment at the College's main satellite center in Caldwell, Idaho.
- The College is in the process of completing its first new instructional building on the campus in forty-plus years. The Science Center should be completed by December with a projected move in date of January.

Analysis of the Statement of Net Assets

This statement includes all of the assets and liabilities of the college using the previously described accrual method of accounting, which is similar to the accounting presentation used by business. Net assets are a measure of the College's financial condition.

In summary form, net assets consisted of:

	2012	As Restated 2011	Increase (Decrease) in Millions
Assets			
Current assets	\$ 9,393,023	\$ 7,442,758	1.95
Pension assets	11,439,490	11,976,722	(0.54)
Other noncurrent assets	1,544,030	3,006,634	(1.46)
Capital assets, net	12,804,917	10,497,379	2.31
Total assets	35,181,460	32,923,493	2.26
Liabilities			
Current liabilities	3,498,226	2,382,655	1.12
Noncurrent liabilities	17,690,956	18,579,558	(0.89)
Total liabilities	21,189,182	20,962,213	0.23
Net Assets			
Invested in capital assets, net of related debt	3,515,391	73,248	3.44
Restricted	4,262,871	3,980,917	0.28
Unrestricted	6,214,016	7,907,115	(1.69)
Total net assets	\$ 13,992,278	\$ 11,961,280	2.03

Assets

Total assets for the College at the end of the fiscal year were approximately \$35.2 million, comprised of both current assets (\$9.3 million) and noncurrent assets (\$25.8 million).

Cash and cash equivalents for the College were \$3.8 million at year-end which is a decrease of \$1.1 million over the prior year. The decrease is due to a reduction in cash on hand due to the building of our Science Center which will be discussed further below.

At year-end capital assets totaled \$22.2 million with associated accumulated depreciation of \$9.4 million, for a net capital asset value of \$12.8 million. This is a \$2.3 million increase in the capital assets over the 2010-2011 fiscal year. In the 2011-2012 fiscal year the College began constructing our new Science Center. The large increase in assets is due to the construction in progress that is occurring as part of that project.

The College's prepaid pension contribution reflects bonds issued by the College in 2003 to finance the unfunded pension liability due to the Oregon Public Employees Retirement System. These assets are valued on a bi-ennial basis by the Oregon PERS system. The balance in 2011-12 is \$11.4 million, a decrease of .54 million over the prior year.

Overall total assets of the College increased \$2.3 million as compared to prior year.

Assets of the Foundation are comprised primarily of investments (\$3.1 million of the \$5.1 million asset balance). Total assets for the Foundation decreased by \$.2 million, due in large part to the completion of the Capital Campaign for the Science Center and those funds are being transferred to the College.

Liabilities

Liabilities are classified as current and noncurrent. The current liabilities balance at year-end was approximately \$3.5 million and the noncurrent liability balance was \$17.7 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 three amounts, PERS bonds payable (\$8.6 million), other post-employment benefits at \$.53 million, and notes payable of \$8.6 million. The notes payable balance decreased by \$.7 million over last year as the College continue to pay down its debt obligations.

Net Assets

Total net assets at year-end are \$14.0 million or a \$2.0 million increase over the prior year. The increase from prior year is due to the following:

- The College construction on the Science Center was continuing to go as scheduled leading to an increase in the fixed asset value of the College.

The net assets of the Foundation are divided as follows:

Restricted – expendable for student aid and grants	\$ 1.76 million
Restricted – nonexpendable endowment principal	3.06 million
Unrestricted	<u>.26 million</u>
Total net assets at year-end	\$ 5.08 million

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

Analysis of the Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net assets present the College's operating results, as well as its nonoperating revenues and expenses, and reconciles the changes in net assets. State appropriations and property taxes, while budgeted for operations, must be classified in the statement as non-operating revenues.

In summary form the year's results were:

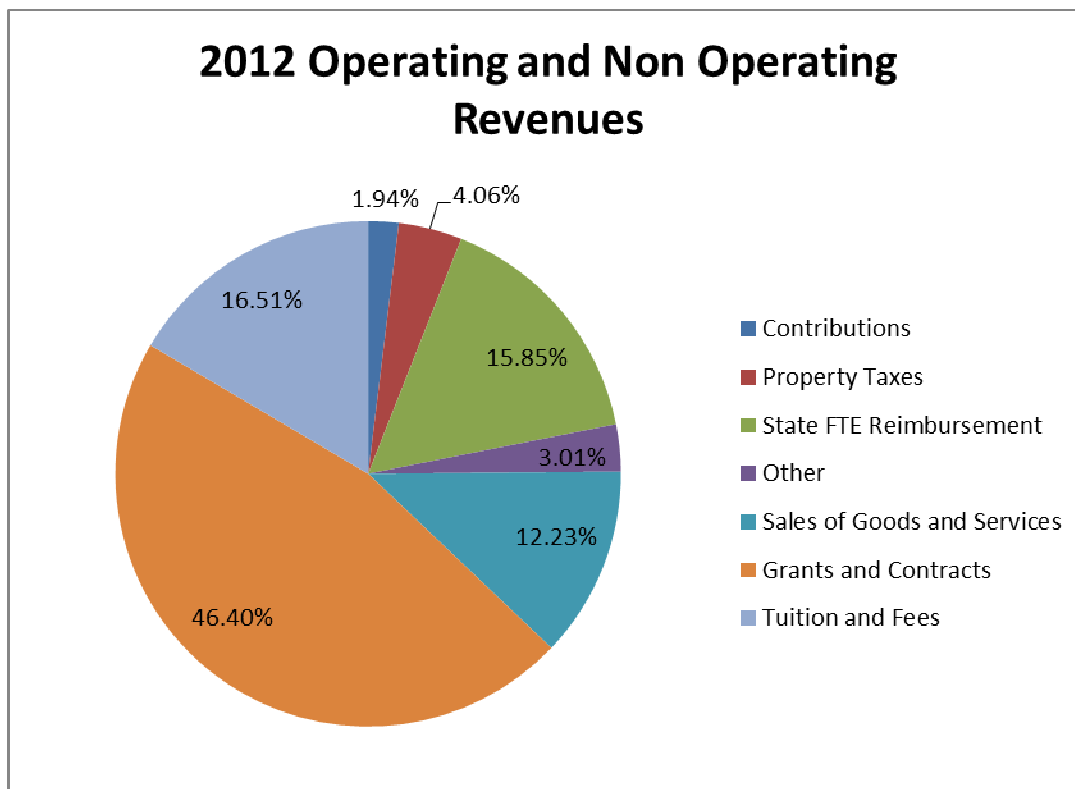
	2012	Restated 2011	Increase (Decrease) in Millions
Operating revenues			
Tuition and fees	\$ 7,540,979	\$ 7,640,896	(0.10)
Grants and contracts	21,194,929	28,656,428	(7.46)
Sales of goods and services	5,588,242	6,664,160	(1.08)
Contributions	888,467	936,172	(0.05)
Other operating revenues	1,341,826	755,029	0.59
Total operating revenues	36,554,443	44,652,685	(8.10)
Non operating revenues			
State community college support	7,241,446	3,599,012	3.64
Property taxes	1,854,252	1,881,429	(0.03)
Investment income (loss)	31,177	270,925	(0.24)
Total non operating revenues	9,126,875	5,751,366	3.37
Total revenues	45,681,318	50,404,051	(4.73)
Operating expenses			
Educational and general	10,212,882	10,171,011	0.04
Other support services	7,910,023	6,765,977	1.14
Scholarships and grants	19,402,985	23,050,723	(3.65)
Auxiliary enterprises	4,509,981	5,256,259	(0.75)
Depreciation	666,158	672,818	(0.01)
Total operating expense	42,702,029	45,916,788	(3.23)
Non operating expenses			
Interest expense	948,291	841,199	0.11
Total expenses	43,650,320	46,757,987	(3.12)
Change in net assets	\$ 2,030,998	\$ 3,646,064	(1.61)

Operating Revenue

Operating revenue for the fiscal year was \$44 million (a decrease of \$7.55 million over the prior year). The major reason for the decrease was a reduction in our grant and contract revenues and more specifically a reduction in the amount of financial aid awards the College disbursed to students. Enrollment saw a decrease of approximately 3% year over year which lead to a reduction in the amount of financial aid revenues and associated scholarship and grant expenses.

Nonoperating Revenue

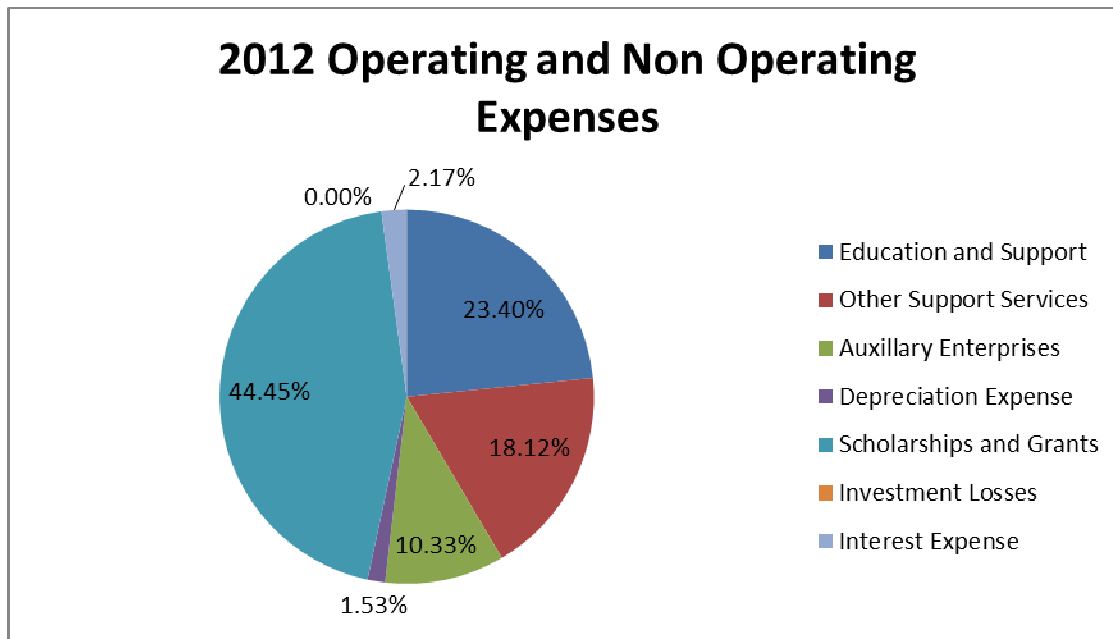
Nonoperating revenues increased by \$3.37 million over last year. The most substantial change was the way in which the college received its state support. In the past fiscal year the College received three FTE payments and in the 2011-2012 fiscal year the College receives 5 which is the cause of the increase.



Revenue for the Foundation of \$1.3 came primarily from contributions and special events proceeds.

Expenses

Total operating expenses for the College were \$50.7 million for the fiscal year, a decrease of \$2.67 million. As explained previously, the major cause of the decrease in expenses is due to reduced enrollment at the College causing a reduction in the amount of financial aid disbursed. Expenses by category are as follows:



Change in Net Assets

The change in net assets for the 11-12 fiscal year was decrease of \$1.6 million. This decrease is due to decreased enrollment at TVCC in the 11-12 fiscal year.

Statement of Cash Flows

The College's major operating sources of cash include \$11.7 million in tuition and fees, \$1.8 million in state and local government grants and contracts, and \$27.4 million in federal grants, contracts, and student financial aid programs. Major operating uses of cash are payments to suppliers of \$14.6 million, payments to employees of \$7.1 million, and payments for student financial aid and scholarships of \$27.4 million.

Cash flows from noncapital financing activities included \$1.9 million in property taxes, and \$7.2 million in state FTE reimbursement payments.

The College had a cash outflow of \$4.9 million in financing activities. During the 11-12 fiscal year, the College continued to pay down its current debt obligations.

The overall cash balance for the College decreased by \$1.1 million for the year.

Variations between Budget and Actual

During the 11-12 fiscal year the College had a decrease in the overall enrollment. Because of this decrease, the College proactively decreased expenditures in other areas of the budget to off-set the decrease in anticipated revenues. Beyond the loss in tuition and fees the College continued to work with a challenging revenue environment at the State and Federal level which led to reduced state and federal grant expenditures.

Capital Assets

The College continued its capital campaign in 2011-2012 and also broke ground on our new Science Center. We have significant construction in progress as of the end of the Fiscal year and we anticipate our \$3.5 million dollar Science Center to be completed and in use by January of 2013. See Note 2 for additional information.

Debt

During the fiscal year the College continued to pay down its debt obligations. No additional debt was issued during the fiscal year. See Note 7 for additional information.

Economic Factors and Next Year's Budget

The College has seen an increase in the overall enrollment for the 12-13 fiscal year. Our enrollment has increased by approximately 2% over the 10-11 fiscal year. Initial projections from the Governor's office in Oregon show the potential for a slight increase in our FTE funding however that increase will be off-set by increase in PERS liabilities due to the loss on our PERS investments at the state level. Treasure Valley Community has weathered the financial problems at the State and Federal level and we feel we are well positioned to capitalize on our success into the future.

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

Treasure Valley Community College
Statement of Net Assets
June 30, 2012

	Primary Government TVCC College	Component Unit TVCC Foundation
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,343,105	\$ 1,544,519
Restricted cash	12,982	-
Investments	-	3,110,925
Accounts receivable, net	6,502,963	3,198
Pledges receivable, net	-	439,786
Prepaid and other assets	223,931	-
Inventory	310,042	-
Total current assets	9,393,023	5,098,428
Noncurrent Assets		
Capital assets not being depreciated	3,227,182	-
Capital assets being depreciated	19,025,736	-
Less accumulated depreciation	(9,448,001)	-
Unamortized bond issuance costs-net	17,996	-
Restricted cash and cash equivalents	1,526,034	-
Prepaid pension contribution	11,439,490	-
Total noncurrent assets	25,788,437	-
	\$ 35,181,460	\$ 5,098,428
Liabilities		
Current Liabilities		
Accounts payable	\$ 1,284,054	\$ 14,072
Payroll liabilities	765,935	-
Compensated absences	115,099	-
Due to other funds student and agency groups	168,369	-
Deferred revenue	149,414	-
Current portion of long-term debt	1,015,355	-
Total current liabilities	3,498,226	14,072
Noncurrent Liabilities		
PERS bond payable	8,594,043	-
Other post employment benefits payable	536,220	-
Notes payable	8,560,693	-
Total noncurrent liabilities	17,690,956	-
Total liabilities	21,189,182	14,072
Net Assets		
Invested in capital assets, net of related debt	3,515,391	-
Restricted - expendable		
Student financial aid grants and loans	177,912	1,764,995
Science Center	1,526,034	-
Pension	2,558,925	-
Restricted - nonexpendable		
Endowment principal	-	3,060,708
Unrestricted	6,214,016	258,653
Total net assets	13,992,278	5,084,356
	\$ 35,181,460	\$ 5,098,428

Treasure Valley Community College
Statement of Activities
Year Ended June 30, 2012

	Primary Government	Component Unit
	TVCC College	TVCC Foundation
Operating Revenues		
Student tuition and fees	\$ 7,540,979	\$ -
Federal student financial aid grants	19,533,494	-
State sources	1,661,435	-
	<u>28,735,908</u>	<u>-</u>
Auxiliary enterprises		
Bookstore	1,596,254	-
Food services	429,005	-
Housing	464,232	-
Printing	208,848	-
Caldwell Center	2,889,903	-
Contributions and special events proceeds	888,467	1,225,520
Other operating revenues	1,341,826	-
Total operating revenues	<u>36,554,443</u>	<u>1,225,520</u>
Operating Expenses		
Educational and general	10,212,882	-
Other support services		
Student activities	2,694,137	341,908
College support	3,480,311	-
Plant operations	1,735,575	-
Scholarships and grants	19,402,985	1,003,438
Auxiliary enterprises		
Bookstore	1,277,237	-
Food services	602,841	-
Housing	152,151	-
Printing	189,128	-
Caldwell Center	2,288,624	-
Fund raising expenses	-	2,857
Management and general expense	-	207,830
Depreciation expense	666,158	-
Total operating expenses	<u>42,702,029</u>	<u>1,556,033</u>
Operating Loss	<u>(6,147,586)</u>	<u>(330,513)</u>
Nonoperating Revenues (Expenses)		
Property taxes	1,854,252	-
State FTE reimbursement	7,241,446	-
Investment income	31,177	83,642
Interest expense	(948,291)	-
Net nonoperating revenues	<u>8,178,584</u>	<u>83,642</u>
Change in Net Assets	2,030,998	(246,871)
Net Assets, Beginning of Year, as Restated	<u>11,961,280</u>	<u>5,331,227</u>
Net Assets, End of Year	<u>\$ 13,992,278</u>	<u>\$ 5,084,356</u>

Treasure Valley Community College
Statement of Cash Flows
Year Ended June 30, 2012

	Primary Government TVCC College
Operating Activities	
Tuition and fees, net	\$ 11,709,629
Federal grants and contracts	19,533,494
State and local government grants and contracts	1,661,435
Payments to suppliers for goods and services	(14,551,566)
Payments to employees	(7,095,425)
Payments for student financial aid and other scholarships	(19,402,985)
Other cash receipts	2,230,293
Net Cash used for Operating Activities	(5,915,125)
Noncapital Financing Activities	
Cash received from property taxes	1,853,012
State full time equivalent reimbursement	7,241,446
Transfer to agency fund	48,002
Net Cash from Noncapital Financing Activities	9,142,460
Financing Activities	
Purchases of capital assets	(2,973,696)
Principal paid on long-term debt	(955,482)
Interest paid on long-term debt	(948,291)
Net Cash used for Financing Activities	(4,877,469)
Investing Activities	
Interest on investments	568,409
Net Cash from Investing Activities	568,409
Net Change in Cash, Restricted Cash, and Cash Equivalents	(1,081,725)
Cash, Restricted Cash, and Cash Equivalents, Beginning of Year	4,963,846
Cash, Restricted Cash, and Cash Equivalents, End of Year	\$ 3,882,121
Reconciliation of Cash and Cash Equivalents to the Balance Sheet	
Cash and cash equivalents	\$ 2,343,105
Restricted cash and cash equivalents	1,539,016
Cash and Cash Equivalents at End of Year	\$ 3,882,121

Treasure Valley Community College
Statement of Cash Flows
Year Ended June 30, 2012

Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating loss	\$ (6,147,586)
Adjustments to reconcile operating revenues net of operating expenses to net cash used for operating activities:	
Depreciation and amortization	666,941
Changes in assets and liabilities	
Accounts receivable	(1,405,704)
Prepaid assets	(140,097)
Accounts payable	664,464
Deferred revenue	(13,888)
Inventory	(23,128)
Accrued payroll and payroll costs	342,025
Compensated absences	13,380
Other	<u>128,468</u>
Net Cash used for Operating Activities	<u><u>\$ (5,915,125)</u></u>
Supplemental Disclosure of Noncash Activity	
Property acquired with accounts payable	<u>\$ 678,496</u>
Change in prepaid pension contribution	<u><u>\$ 537,232</u></u>

Note 1 - Summary of Significant Accounting Policies

Treasure Valley Community College (the College) is a public two-year educational institution. The College is a municipal corporation governed under the laws prescribed by the State of Oregon, charged with educating students. A seven-member Board of Directors is locally elected and is authorized to establish policies governing the operations of the College. The College qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. Treasure Valley Community College maintains a main campus in Ontario, Oregon, and outreach sites in Burns, Oregon, Lakeview, Oregon Caldwell, Idaho and our outreach sites (Snake River Correctional Institute and Warner Creek Correctional Institute).

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. In May 2002, the Governmental Accounting Standards Board (GASB) issued statement No. 39, "Determining Whether Certain Organizations are Component Units". This Statement amends Statement No. 14 "The Financial Reporting Entity", to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. In general, it requires reporting as a component unit, an organization that raises and holds economic resources for the direct benefit of the governmental unit.

As defined by GASB Statements No. 14 and No. 39, the College includes one component unit in its financial statements: the Treasure Valley Community College Foundation (hereinafter referred to as "the Foundation"). The Foundation is a nonprofit, nongovernmental organization, whose purpose is to provide support for scholarships and programs for the College. Copies of the Foundation's audited financial statements may be obtained from the Foundation Treasurer at 650 College Blvd, Ontario, Oregon, 97914.

The College has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Research Bulletins (ARB) issued on or before November 30, 1989 unless those pronouncements conflict or contradict GASB pronouncements. The College has elected to not apply FASB pronouncements issued after the applicable date.

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.

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. 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, funds invested with the Oregon State Treasurer’s Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition. All are carried at cost, which approximates fair market value.

F. Restricted Cash and Cash Equivalents

Restricted cash consists of proceeds from Perkins loans and the Zions Bank loan that was taken out in the current year as well as cash restricted by donors to build the Science Center. Restricted cash related to Perkins loans as of June 30, 2012 was \$12,982. Restricted cash related to the Science Center as of June 30, 2012 was \$1,526,034.

G. Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements, and bankers' acceptances. As of June 30, 2012 the College was in compliance with the aforementioned State of Oregon Statutes. Investments are stated at fair value, which is based on individual investment's quoted market price at year end.

H. 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. 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.

Student loan receivables are recognized in the year in which tuition is recognized. 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.

Student revenues are from tuition, fees, housing, and food services revenues and are included in receivables and revenue for the period ended June 30, 2012.

I. 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.

J. 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. 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
Leasehold improvements	10-40 years

K. Tuition and Fees and Unearned Revenue

Tuition and fees include all assessments to students for educational purposes. The College's fiscal year begins with summer term and ends with spring term. Tuition and fees received prior to July 1, 2012 for the College's 2012-2013 summer term are recorded as unearned revenue.

L. Compensated Absences

It is the College's policy to permit employees to accumulate earned but unused vacation and sick pay. There is no liability for unpaid accumulated sick leave since the College does not have a policy to pay any amounts when employees separate from service. Unused vacation pay is recognized as an expense and accrued when earned.

M. 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. Amortization expense is \$783 as of June 30, 2012 and each year thereafter until they are fully amortized.

N. Operating and Non-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 and expenses, including property taxes, state educational support, investment income, and interest expense not meeting this definition are reported as non-operating revenues and expenses.

O. 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.

P. Budgetary Information

Budgetary information is reported in the supplementary information.

Note 2 - Changes in Fixed Assets

The following table presents the changes in various capital asset categories:

	Balance July 1, 2011	Additions	Retirements	Transfers	Balance June 30, 2012
Capital assets not being depreciated					
Land	\$ 233,381	\$ -	\$ -	\$ -	\$ 233,381
Construction in progress	226,780	2,767,021	-	-	2,993,801
Total capital assets not being depreciated	<u>460,161</u>	<u>2,767,021</u>	<u>-</u>	<u>-</u>	<u>3,227,182</u>
Other capital assets					
Buildings	12,382,210	-	-	-	12,345,734
Improvements	2,875,078	42,614	-	-	2,917,692
Vehicles and equipment	3,561,773	164,061	-	-	3,711,422
Total other capital assets	<u>18,819,061</u>	<u>206,675</u>	<u>-</u>	<u>-</u>	<u>18,974,848</u>
Total capital assets	<u>19,279,222</u>	<u>2,973,696</u>	<u>-</u>	<u>-</u>	<u>22,202,030</u>
Less accumulated depreciation					
Buildings	4,804,905	272,993	-	-	5,041,422
Improvements	935,654	216,900	-	-	1,152,554
Vehicles and equipment	3,041,284	176,265	-	-	3,203,137
Total accumulated depreciation	<u>8,781,843</u>	<u>666,158</u>	<u>-</u>	<u>-</u>	<u>9,397,113</u>
Capital assets, net	<u>\$ 10,497,379</u>	<u>\$ 2,307,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,804,917</u>

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

Note 3 - 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 20, 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 (ORS) 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 July 1, 2011 were 5.77 and 4.11 percent, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost – The College's contribution to PERS for the years ending June 30, 2010, 2011, and 2012 were, \$241,791, \$242,265, and \$250,692, 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. The PERS UAL Bond debt service was \$281,038 for the year ending June 30, 2012. The prepaid retirement obligation is being amortized over the life of the bond, at a rate of \$430,476 per year for 24 years.

Pension Asset – The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is being used to pay a portion of the College's annual required contribution. The financial statement reflects the balance held with PERS in a designated side account and the last available actuarial valuation as of December 31, 2011 of \$11,439,490.

The following reflects the activity during the year reported by the actuarial valuations:

Balance - December 31, 2010	\$ 11,976,722
Investment income (loss)	316,303
Administrative expenses	(1,000)
Contribution to cost sharing plan	<u>(852,535)</u>
 Balance - December 31, 2011	 <u><u>\$ 11,439,490</u></u>

Note 4 - Cash and Investments

The College maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments.

Cash is comprised of the following at June 30, 2012:

Cash and cash equivalents	
Petty cash	\$ 2,803
Deposits with banks	<u>2,340,302</u>
 Total cash and cash equivalents	 <u><u>\$ 2,343,105</u></u>
 Restricted cash and cash equivalents	
Perkin's loan fund	\$ 12,982
State Treasurer's Local Government Pool (LGIP)	<u>1,526,034</u>
 Total restricted cash and cash equivalents	 <u><u>\$ 1,539,016</u></u>

Deposits

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United State of America (GAAP) which include standards to categorize bank deposits to give an indication of the level of custodial risk assumed by the College at June 30, 2012. If bank deposits at year end are not entirely insured or collateralized with securities held by the College or by its agent in the College's name, the College must disclose the custodial credit risk (below) that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statues require depository institutions to be in compliance with ORS 295.

At June 30, 2012 the carrying amount of the College's deposits (cash and certificates of deposit) was \$2,356,087 and the bank balance was \$2,762,308. The deposits were not fully covered by the federal depository insurance. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance (FDIC) of \$250,000 applies to deposits in each depository. When balances continually exceed \$250,000, ORS 295.015 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualify qualified depositories found on the Oregon State Treasurers website. Qualifying depository banks must pledge securities with a particular value based on the banks level of capitalization. At June 30, 2012 and for the year then ended, the College's deposits were in compliance with ORS 295.015.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for custodial credit risk of deposits. The balances in excess of the FDIC insurance are considered exposed to custodial credit risk. As of June 30, 2012, no assets were exposed to custodial credit risk.

Investments

At June 30, 2012 the College held \$1,526,034 in investments, which is all classified as cash equivalents on the Statement of Net Assets. The College has no policy for managing interest rate risk or credit risk.

Custodial Credit Risk – investments. For an investment, this is the risk that, in the event of the failure of counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College does not have a policy for custodial risk for investments. At June 30, 2012, none of the College's investments were exposed to custodial credit risk.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The College minimizes this risk by limiting investments to only those that provide FDIC insurance and certificate of collateralization from the Federal Home Loan Bank. This action limits the College's exposure to an individual security issue or backer, when possible. The Local Government Investment Pool is not currently rated.

The College invests in the Local Government Investment Pool (LGIP) which has regulatory oversight from Oregon Short Term Bond Fund and 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.

The Oregon Local Government Investment Pool is an external investment pool as defined in GASB Statement No. 31. The pool is governed by the Oregon Revised Statutes and the Oregon Investment Council and is not registered as an investment company with the Securities and Exchange Commission. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments. The Local Government Investment Pool holds certain derivatives to enhance return while managing the overall risk of the fund. These derivatives include asset-backed securities and floating rate notes of US government securities. Securities held by the pool are not specifically identified to the district and are not categorized for risk purposes. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Note 5 - 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, 2012.

Note 6 - 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 7 - Long-term Debt

In February 2006, the College issued \$1,600,000 in full faith and credit certificates obligations, to provide additional financing for construction of student housing on campus and parking improvements. Terms call for the bonds to be repaid in annual payments of approximately \$110,000 for thirty years including interest ranging from 4.0 to 5.0 percent per annum. The bond is collateralized as mandated by state statute, which collateralizes the bond with all General Fund revenue and assets of the College.

Beginning July 1, 2011	\$ 1,520,000
Decreases	<u>(35,000)</u>
Ending June 30, 2012	<u>\$ 1,485,000</u>
Portion due within one year	<u>\$ 35,000</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	Housing Series 2006 Bond	
	Principal	Interest
2013	\$ 35,000	\$ 73,100
2014	40,000	71,700
2015	40,000	70,100
2016	40,000	68,500
2017	45,000	66,500
2018 - 2022	255,000	297,000
2023 - 2027	320,000	226,750
2028 - 2032	410,000	138,250
2033 - 2036	<u>300,000</u>	<u>30,500</u>
	<u>\$ 1,485,000</u>	<u>\$ 1,042,400</u>

In April 2005, the College issued \$5,250,000 in full faith and credit certificates 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. The bond is collateralized as mandated by state statute, which collateralizes the bond with all General Fund revenue and assets of the College.

Series 2005 Bonds

Beginning July 1, 2011	\$ 4,635,000
Decreases	<u>(130,000)</u>
Ending June 30, 2012	<u>\$ 4,505,000</u>
Portion due within one year	<u>\$ 135,000</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	Housing Series 2005 Bond	
	Principal	Interest
2013	\$ 135,000	\$ 207,058
2014	135,000	201,658
2015	145,000	196,258
2016	150,000	189,730
2017	160,000	182,983
2018 - 2022	915,000	800,163
2023 - 2027	1,015,000	578,853
2028 - 2032	1,075,000	353,125
2033 - 2037	<u>775,000</u>	<u>78,750</u>
	<u>\$ 4,505,000</u>	<u>\$ 2,788,578</u>

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. The bond is collateralized as mandated by state statute, which collateralizes the bond with all General Fund revenue and assets of the College.

Beginning July 1, 2011	\$ 9,161,603
Decreases	<u>(281,037)</u>
Ending June 30, 2012	<u>\$ 8,880,566</u>
Portion due within one year	<u>\$ 286,522</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	PERS UAL Bond	Principal	Interest
2013		\$ 286,522	\$ 514,623
2014		290,845	555,300
2015		290,980	595,164
2016		294,610	641,535
2017		293,686	687,457
2018 - 2022		1,448,099	4,242,624
2023 - 2027		5,285,824	1,923,673
2028 - 2031		690,000	38,640
		\$ 8,880,566	\$ 9,199,016

In March 2003, the College entered into a long-term financing arrangement through Johnson Controls, to finance the heating and cooling system, and electrical upgrades throughout the College. This contract has interest included at 5.86%. Payments are made quarterly. The financing is collateralized by the equipment associated with the financing.

Beginning July 1, 2011	\$ 681,545
Decreases	(152,538)
Ending June 30, 2012	\$ 529,007
Portion due within one year	\$ 165,559

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	Johnson Control Capital Project	
	Principal	Interest
2013	\$ 165,559	\$ 25,041
2014	179,540	16,100
2015	183,908	6,408
	\$ 529,007	\$ 47,549

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 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 bond is collateralized by the revenue and assets of the General Fund of the College.

Beginning July 1, 2011	\$ 745,000
Decreases	<u>(135,000)</u>
Ending June 30, 2012	<u>\$ 610,000</u>
Portion due within one year	<u>\$ 140,000</u>

Future principal and interest payments as of June 30, 2012 are as follows:

	2000 Series A Bonds	
Fiscal Year	Principal	Interest
2013	\$ 140,000	\$ 27,600
2014	150,000	20,343
2015	155,000	13,240
2016	<u>165,000</u>	<u>4,249</u>
	<u>\$ 610,000</u>	<u>\$ 65,432</u>

The College is obligated to the City of Ontario for special assessment debt in connection with Local Improvement District 44 on tax lot 100. Monthly payments are \$1,501 respectively, including interest at the rate of 5.25% per annum. The debt is uncollateralized.

Beginning July 1, 2011	\$ 111,665
Decreases	<u>(11,371)</u>
Ending June 30, 2012	<u>\$ 100,294</u>
Portion due within one year	<u>\$ 13,004</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	City of Ontario LID Lot 100	
	Principal	Interest
2013	\$ 13,004	\$ 5,012
2014	13,694	4,321
2015	14,431	3,584
2016	15,202	2,813
2017	16,028	1,987
2018 - 2021	27,935	1,265
	\$ 100,294	\$ 18,982

In March 2009, the College entered into a three-year lease agreement with First American Equipment Financing for the purchase of bleachers. The agreement calls for an initial deposit of \$5,572, and annual payments of \$66,874. In July of 2010, the College entered into an additional three year lease agreement with First American Equipment Financing for the purchase of a new phone system. The agreement calls for an initial deposit of \$2,220, and annual payments of \$26,645. The leases are collateralized by the bleachers and the phone system, respectively. The asset value of the assets that were financed with First American Equipment Financing was \$370,744 and the accumulated depreciation associated with these assets was \$128,070 as of June 30, 2012.

Beginning July 1, 2011	\$ 79,935
Decreases	(26,646)
Ending June 30, 2012	\$ 53,289
Portion due within one year	\$ 26,645

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	First American Equipment Financing	
	Principal	Interest
2013	\$ 26,645	\$ -
2014	26,644	-
	\$ 53,289	\$ -

In February 2011, the College issued \$2,000,000 full faith and credit certificates of obligation to provide for the construction of the TVCC Science Center. Terms call for the bonds to be repaid in annual payments of approximately \$170,000 for fifteen years including interest at 2.67% and 5.07% percent per annum. The obligation is collateralized by the Science Center.

Beginning July 1, 2011	\$ 2,000,000
Decreases	<u>(148,000)</u>
Ending June 30, 2012	<u>\$ 1,852,000</u>
Portion due within one year	<u>\$ 178,000</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	Zions Bank	
	Principal	Interest
2013	\$ 178,000	\$ 76,059
2014	183,000	71,111
2015	189,000	65,328
2016	195,000	58,713
2017	203,000	51,332
2018 - 2021	<u>904,000</u>	<u>112,747</u>
	<u>\$ 1,852,000</u>	<u>\$ 435,290</u>

In May of 2011, the College entered into an agreement with MVCI in the amount of \$190,825 for the expansion of the TVCC Agricultural and Livestock Center on campus. The amount will be paid back in monthly installments of \$3,778 over the next five years. Interest across the life of the loan is 7%. The financing was collateralized by the Agriculture and Livestock Center.

Beginning July 1, 2011	\$ 190,825
Decreases	<u>(35,890)</u>
Ending June 30, 2012	<u>\$ 154,935</u>
Portion due within one year	<u>\$ 35,626</u>

Future principal and interest payments as of June 30, 2012 are as follows:

Fiscal Year	Malheur County Title	
	Principal	Interest
2013	\$ 35,626	\$ 9,717
2014	38,201	7,142
2015	40,963	4,380
2016	40,145	1,420
	\$ 154,935	\$ 22,659

Note 8 - Accounts Receivable

Receivables as of June 30, 2012, were as follows:

Property tax	\$ 192,371
Tuition and related fees	1,094,849
Due from other governmental units	5,793,367
Other	84,109
	7,164,696
Allowance for uncollectible	(661,733)
	\$ 6,502,963

Note 9 - Post Employment Healthcare Plan

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pension for the fiscal year ended June 30, 2012. This implementation allows the College to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

The College operates a single-employer retiree benefit plan that provides post employment health, dental, vision and prescription coverage benefits to eligible employees and their eligible dependents. This “plan” is not a stand-alone plan and therefore does not issue financial statements.

The College contributes premiums for eligible faculty and academic professional employees and their eligible dependents up to the employer paid maximum at the time of retirement (College Paid-Cap). The employer cap separates employees into three distinct categories, faculty, staff (which includes classified, professional, and administrative staff) and part-time employees. Faculty receive an employer paid cap of \$1,253, staff receive \$1,135, and part time employees received between 25% and 50% of the individual insurance rate based on their FTE, for the year ended June 30, 2012.

The College is required by Oregon Revised Statutes 243.303 to provide retirees who qualify for retirement under Oregon PERS with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Retired employees who are eligible for the College Paid-Cap whose College paid benefits end prior to age 65 may continue enrollment in the health plans on a self-pay basis until age 65. Retired employees who are not eligible for the College Paid-Cap may continue enrollment in the health plans on a self-pay basis until age 65.

For the fiscal year ended, June 30, 2012, the College contributed \$1.86 million in College Paid-Cap payments. The College has elected not to prefund the actuarially determined future cost amount of \$812,296.

The College's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the College (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following table shows the components of the College's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the College's OPEB obligation to the plan.

	June 30, 2012
Determination of Annual Required Contribution	
(1) Normal cost at year end	\$ 111,287
(2) Amortization of UAAL	85,890
(3) Annual Required Contribution (ARC)	197,177
Determination of Net OPEB Obligation	
(4) Annual Required Contribution (ARC)	197,177
(5) Interest on prior year Net OPEB Obligation	16,310
(6) Adjustment to ARC	(27,710)
(7) Annual OPEB Cost	185,777
Less	
(8) Explicit Benefit Payments	-
(9) Implicit Benefit Payments	57,309
(10) Increase in Net OPEB Obligation	128,468
(11) Net OPEB Obligation - Beginning of Year	407,752
(12) Net OPEB Obligation - End of Year	\$ 536,220

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010, 2011 and 2012 is as follows:

Fiscal Year Ending	Annual Pension Cost	Percentage of Pension Cost Contributed	Net Pension Obligation
June 30, 2010	\$ 194,111	29%	\$ 276,913
June 30, 2011	175,585	25%	407,752
June 30, 2012	185,777	31%	536,220

Actuarial assumptions of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

In the June 30, 2012 actuarial valuation the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.25% in the first year, 7.5% in the second year, 6.75% in the third year, then grading down from 6.0% to 5.5% over the next 28 years, and 5.25 thereafter for Oregon Dental Systems. The UAAL is being amortized as a level percentage of projected payroll on a closed basis over a period of thirty years.

Note 10 - Related Party

The Treasure Valley Community College Foundation (the Foundation) provides scholarships to the College based on the terms of the donations. The Foundation also provides various departmental and program support. For the year ended June 30, 2012, the Foundation provided scholarship support of \$341,908. During the year ended June 30, 2012, the College provided various services and materials to the Foundation which totaled \$154,143. During the year ended June 30, 2012, the Foundation began a capital campaign for the new Science Center for the College. During the year, \$888,467 was transferred from the Foundation to the College relating to the capital campaign and \$114,971 in other general support to the College. Also, the College obtains their worker's compensation insurance through a firm whose partner is also a member of the Board of Education. The amount paid to the insurance company was \$55,513 as of June 30, 2012.

Note 11 - Change in Accounting Principle

The College receives support from the state of Oregon through their state full time equivalent reimbursement that is paid over the course of two years in eight installments. In the first year of the bi-ennium, the College receives the prior year deferred payment plus four installments of the current bi-ennium. In the second year of the bi-ennium, the College receives three installments as the fourth installment is deferred until the following year. The state of Oregon budgets for the biennium payments in accordance with how they are paid to the recipient. According to GASB 33 *Accounting and Financial Reporting for Non-Exchange Transactions*, the revenues related to the state full time equivalent reimbursement should be recorded in accordance with how the state of Oregon budgets for the payments. As a result, the College changed how they were recording the revenue related to the reimbursement in the current year which resulted in a restatement in the beginning net asset balance by \$1,480,537. To correct for this change in accounting principle, the beginning unrestricted net asset balance of \$9,387,652, as originally reported has been decreased to \$7,907,115 and total net assets has been restated from \$13,441,817 to \$11,961,280.

Note 12 - Component Unit

Treasure Valley Community College Foundation

Foundation Operations and Significant Accounting Policies

Treasure Valley Community College Foundation (the Foundation) was organized under the provisions of the Oregon Non-Profit Corporation Act in 1962.

The Foundation encourages, receives and administers gifts and bequests for the support of the College. The Board of Directors recognizes its responsibility to manage all funds entrusted to the organization in a prudent manner, with the understanding that the primary purpose of these funds is to provide support for priority projects at the College. This includes scholarships, grants in aid, tuition waivers, educational facilities and equipment. The Foundation awards scholarships only to qualifying screened college students attending the College who have properly completed both application for admission and financial aid obtained and processed by the College financial aid office. All accepted and funded applicants must meet specific grade point average standards and any other stipulations established by the respective donor. Any other aid given directly to the College students is subject to approval by the college scholarship committee, the organization's executive director and the Foundation's Board of Directors.

The Board also recognizes a responsibility to allocate resources, striking a reasonable balance between the organization's current cash flow requirements and the equally compelling educational needs of future generations. These policies are intended to assure the optimum investment opportunity for all of the money received, whether funds are to be expended within a day or two or endowed in perpetuity.

The Foundation's financial statements are prepared in accordance with standards set by the Financial Accounting Standards Board (FASB). FASB standards require three classes of net assets: unrestricted, temporarily restricted, and permanently restricted instead of reporting by fund as is done under GASB standards. Other differences include criteria for recognizing in-kind donations and the presentation of information.

Endowment

The Foundation's endowment consists of approximately 67 individual funds established for a variety of purposes. The endowment consists of donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily net assets until those amounts are appropriated for expenditures by the Foundation in a manner that is consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund or endowment
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to maintain as a fund of perpetual duration. The corpus balance of the endowment was \$3,060,708 as of June 30, 2012. As of June 30, 2012, the fair market value of the underlying assets was above the combined corpus. Deficiency of endowment market value under corpus includes the difference between the fair market value of the underlying assets and the corpus balance of all endowment including permanently restricted endowments. As of June 30, 2012, the fair market value of the underlying assets below corpus was \$43,687.

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and scholarships supported by its endowment while seeking to maintain the fair value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide both a reasonably predictable income stream and principle appreciation that exceeds inflation. The Foundation expects its endowment funds, over time, to provide an average minimum rate of return equal to or greater than the Foundation's spending rate percentage and management fee.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to achieve its long-term return objectives within the prudent risk constraints.

The Foundation has a policy of appropriating for annual distribution 5% of its endowment fund's average fair value over the individual endowment's average daily principal balance outstanding during the fiscal year. While the Foundation intends to maintain this 5% distribution, the annual distribution is contingent on projected revenues from investments meeting the 5% threshold for disbursement. If anticipated revenues do not meet the 5% distribution limit, the scholarships awarded for the following year are decreased to ensure corpus balances are maintained. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at the rate of inflation. This is consistent with objectives to maintain the principal of the endowment assets in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Investments

Investments at June 30, 2012 consisted of the following:

Investment securities	
Fixed income	\$ 298,649
Mutual funds	283,722
Equities	999,389
Exchange traded funds	<u>1,529,165</u>
	<u><u>\$ 3,110,925</u></u>

The assets that are measured at fair value on a recurring basis as of June 30, 2012 are as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Fixed Income	\$ 298,649	\$ -	\$ -	\$ 298,649
Fixed Income Mutual Funds	283,722	-	-	283,722
Equities				
Large Cap Growth	414,206	-	-	414,206
Large Cap Value	235,101	-	-	235,101
Small/Mid Cap Growth	103,785	-	-	103,785
Small/Mid Cap Value	52,918	-	-	52,918
International Equity	171,702	-	-	171,702
Equities Blend	21,677	-	-	21,677
Exchange Traded Fund				
Long Government	12,395	-	-	12,395
Bonds	499,658	-	-	499,658
Intermediate Government	17,343	-	-	17,343
Foreign Large Blend	111,810	-	-	111,810
Diversified Emerging Markets	74,341	-	-	74,341
Miscellaneous Sector	11,238	-	-	11,238
Large Growth	400,511	-	-	400,511
Small Growth	40,042	-	-	40,042
Small Value	19,642	-	-	19,642
Large Value	342,185	-	-	342,185
Total assets at fair value	<u>\$ 3,110,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,110,925</u>

The valuation of the investment securities is determined by reference to quoted market prices.

Donated Materials and Services

Donated material and services for the year ended June 30, 2012 were:

Salaries and benefits	\$ 102,361
Materials and supplies	42,437
Office space	9,345
	<u>\$ 154,143</u>

All donated materials and services were provided by the College.

Endowment Funds

The endowment funds net asset composition is as follows:

At June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	\$ -	\$ 215,284	\$ 3,060,708	\$ 3,275,992

Changes in endowment net assets are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment assets				
Beginning of year July 1, 2011	\$ -	\$ 168,350	\$ 2,865,672	\$ 3,034,022
Investment return				
Investment income	-	83,642	-	83,642
Net realized and unrealized appreciation (depreciation)	-	(10,060)	-	(10,060)
Contributions	-	-	195,036	195,036
Appropriation of endowment assets for expenditures	-	(26,648)	-	(26,648)
Endowment assets				
End of year June 30, 2012	\$ -	\$ 215,284	\$ 3,060,708	\$ 3,275,992

The components of endowment funds classified as temporarily restricted net assets and permanently restricted net assets as of June 30, 2012 are as follows:

Temporarily restricted net assets		
The portion of perpetual endowment funds subject to a time restriction under SPMIFA		
With purpose restrictions	\$	215,284
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA		
	\$	3,060,708

Pledges Receivable

Pledges receivable represent unconditional promises to give to the Foundation that are legally enforceable. An allowance for doubtful accounts has been estimated for potentially uncollectible pledges.

One year or less	\$	196,528
1 to 5 years		266,944
Total pledges receivable		463,472
Less discounts to net present value		(1,986)
Less allowance		(21,700)
Net pledges receivable	\$	439,786

Promises to give receivables in more than one year are discounted at .41% for the year ended June 30, 2012.



Required Supplementary Information
June 30, 2012

Treasure Valley Community College

Treasure Valley Community College
 Other Postemployment Benefits – Schedule of Funding Progress
 June 30, 2012

The following table shows a schedule of the Funding Progress:

Actuarial Valuation Date	AVA (1)	AAL (2)	UAAL (3)	Percent Funded	Covered Payroll	UAAL as a percentage of covered payroll
10/1/2008	\$ -	\$ 1,108,087	\$ 1,108,087	0%	9,238,781	12%
10/1/2009	-	1,076,138	1,076,138	0%	9,683,004	11%
10/1/2011	-	812,296	812,296	0%	10,895,574	7%

- (1) Actuarial Value of Assets
- (2) Actuarial Accrued Liability
- (3) Unfunded Actuarial Accrued Liability



Supplementary Information
June 30, 2012

Treasure Valley Community College

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
General Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Local sources	\$ 2,179,901	\$ 2,179,901	\$ 2,312,131	\$ 132,230
State sources	5,504,777	5,504,777	5,542,924	38,147
Tuition and fees	7,974,856	7,974,856	7,427,934	(546,922)
Total revenues	15,659,534	15,659,534	15,282,989	(376,545)
Expenditures				
Instruction	6,729,002	6,729,002	6,434,970	294,032
Instruction support	593,554	593,554	543,136	50,418
Student services	2,110,147	2,110,147	1,895,864	214,283
College support services	2,980,988	2,980,988	2,761,736	219,252
Plant operation and maintenance	1,633,622	1,633,622	1,603,031	30,591
Plant additions	63,500	63,500	55,738	7,762
Debt service	1,655,160	1,655,160	1,629,103	26,057
Financial aid	885,561	885,561	826,334	59,227
Operating contingency	710,000	710,000	-	710,000
Total expenditures	17,361,534	17,361,534	15,749,912	1,611,622
Excess of Revenues over (Under) Expenditures	(1,702,000)	(1,702,000)	(466,923)	1,235,077
Other Financing Sources (Uses)				
Transfers in	(381,000)	(381,000)	(381,000)	-
Transfers out	783,000	783,000	783,000	-
Total other financing sources (uses)	402,000	402,000	402,000	-
Excess of Revenues, Other Financing Sources Over (Under) Expenditures, Other Financing (Uses)	(1,300,000)	(1,300,000)	(64,923)	1,235,077
Available Net Assets, July 1	1,600,000	1,600,000	1,881,207	281,207
Available Net Assets, June 30	\$ 300,000	\$ 300,000	\$ 1,816,284	\$ 1,516,284

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Special Projects Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Local sources	\$ 100,000	\$ 100,000	\$ 32,115	\$ (67,885)
Tuition and fees	105,000	105,000	27,550	(77,450)
State sources	2,150,000	2,150,000	1,968,351	(181,649)
Federal sources	2,450,000	2,450,000	920,911	(1,529,089)
Total revenues	<u>4,805,000</u>	<u>4,805,000</u>	<u>2,948,927</u>	<u>(1,856,073)</u>
Expenditures				
Instruction	3,230,000	3,230,000	2,079,520	1,150,480
Supporting services	1,425,000	1,425,000	829,714	595,286
Total expenditures	<u>4,655,000</u>	<u>4,655,000</u>	<u>2,909,234</u>	<u>1,745,766</u>
Excess of Revenues over (Under) Expenditures	150,000	150,000	39,693	(110,307)
Available Net Assets, July 1	<u>-</u>	<u>-</u>	<u>170,193</u>	<u>170,193</u>
Available Net Assets, June 30	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 209,886</u>	<u>\$ 59,886</u>

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Capital Projects Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
State grants	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	14,029	14,029
Total revenues	-	-	14,029	14,029
Expenditures				
Facilities acquisition and construction	5,500,000	5,500,000	2,767,021	2,732,979
Total expenditures	5,500,000	5,500,000	2,767,021	2,732,979
Excess of Revenues over (Under) Expenditures	(5,500,000)	(5,500,000)	(2,752,992)	2,747,008
Other Financing Sources (Uses)				
Transfer from other funds	3,500,000	3,500,000	1,000,000	(2,500,000)
Total other financing sources (uses)	3,500,000	3,500,000	1,000,000	(2,500,000)
Excess of Revenues, Other Financing Sources Over (Under) Expenditures, Other Financing (Uses)	(2,000,000)	(2,000,000)	(1,752,992)	247,008
Available Net Assets, July 1	3,000,000	3,000,000	4,787,008	1,787,008
Available Net Assets, June 30	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 3,034,016</u>	<u>\$ 2,034,016</u>

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Reserve Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Local sources	\$ 175,000	\$ 175,000	\$ 292,605	\$ 117,605
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>292,605</u>	<u>117,605</u>
Expenditures				
Support services	975,000	975,000	533,462	441,538
Facilities acquisition and construction	<u>1,800,000</u>	<u>1,800,000</u>	<u>438,565</u>	<u>1,361,435</u>
Total expenditures	<u>2,775,000</u>	<u>2,775,000</u>	<u>972,027</u>	<u>1,802,973</u>
Excess of Revenues over (Under) Expenditures	<u>(2,600,000)</u>	<u>(2,600,000)</u>	<u>(679,422)</u>	<u>1,920,578</u>
Other Financing Sources (Uses)				
Transfers from other funds	(2,000,000)	(2,000,000)	(1,000,000)	1,000,000
Transfers to general fund	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,269,467</u>	<u>269,467</u>
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>269,467</u>	<u>1,269,467</u>
Excess of Revenues, Other Financing Sources Over (Under) Expenditures, Other Financing (Uses)	(3,600,000)	(3,600,000)	(409,955)	3,190,045
Available Net Assets, July 1	<u>3,600,000</u>	<u>3,600,000</u>	<u>2,677,018</u>	<u>(922,982)</u>
Available Net Assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,267,063</u>	<u>\$ 2,267,063</u>

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Student Financial Aid Fund
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues				
Local sources	\$ 20,000	\$ 20,000	\$ 11,287	\$ (8,713)
State sources	350,000	350,000	125,100	(224,900)
Federal sources	22,500,000	22,500,000	19,530,393	(2,969,607)
Total revenues	<u>22,870,000</u>	<u>22,870,000</u>	<u>19,666,780</u>	<u>(3,203,220)</u>
Expenditures				
Supporting services	<u>22,800,000</u>	<u>22,800,000</u>	<u>19,666,423</u>	<u>3,133,577</u>
Total expenditures	<u>22,800,000</u>	<u>22,800,000</u>	<u>19,666,423</u>	<u>3,133,577</u>
Excess of Revenues over (Under) Expenditures	<u>70,000</u>	<u>70,000</u>	<u>357</u>	<u>(69,643)</u>
Other Financing Sources (Uses)				
Transfers from other funds	8,250,000	8,250,000	6,929,549	(1,320,451)
Transfers to other funds	<u>(8,290,000)</u>	<u>(8,290,000)</u>	<u>(6,929,549)</u>	<u>1,360,451</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
Excess of Revenues, Other Financing Sources Over (Under) Expenditures, Other Financing (Uses)	30,000	30,000	357	(29,643)
Available Net Assets, July 1	<u>-</u>	<u>-</u>	<u>177,908</u>	<u>177,908</u>
Available Net Assets, June 30	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 178,265</u>	<u>\$ 148,265</u>

Treasure Valley Community College
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis)
Auxiliary Enterprises
Year Ended June 30, 2012

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating Revenues				
Sale of textbooks	\$ 3,250,000	\$ 3,250,000	\$ 2,009,229	\$ (1,240,771)
Food and catering sales	-	-	429,005	429,005
Housing income	-	-	454,038	454,038
Printing income	-	-	208,848	208,848
Tuition and fees	3,150,000	3,150,000	2,447,172	(702,828)
Miscellaneous income	-	-	52,480	52,480
Total operating revenues	<u>6,400,000</u>	<u>6,400,000</u>	<u>5,600,772</u>	<u>(799,228)</u>
Operating Expenses				
Salaries and benefits	6,000,000	6,000,000	1,660,848	4,339,152
Cost of goods sold	-	-	1,589,705	(1,589,705)
Travel and mileage	-	-	5,819	(5,819)
Materials and supplies	-	-	55,526	(55,526)
Rent	-	-	216,056	(216,056)
Outside services	-	-	728,713	(728,713)
Repairs and maintenance	-	-	9,206	(9,206)
Equipment	-	-	28,326	(28,326)
Other expense	-	-	94,785	(94,785)
Shipping	-	-	35,339	(35,339)
Printing	-	-	40,946	(40,946)
Depreciation	-	-	166,553	(166,553)
Bad debts	-	-	37,663	(37,663)
Total operating expenses	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,669,485</u>	<u>1,330,515</u>
Operating Income	<u>400,000</u>	<u>400,000</u>	<u>931,287</u>	<u>531,287</u>
Other Financing Sources (Uses)				
Transfer to other funds	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(944,407)</u>	<u>105,593</u>
Total other financing sources (uses)	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(944,407)</u>	<u>105,593</u>
Excess of Revenues, Other Financing Sources Over (Under) Expenditures, Other Financing (Uses)	(650,000)	(650,000)	(13,120)	636,880
Available Net Asses, July 1	<u>5,650,000</u>	<u>5,650,000</u>	<u>6,131,504</u>	<u>481,504</u>
Available Assets, June 30	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 6,118,384</u>	<u>\$ 1,118,384</u>



Other Information
June 30, 2012

Treasure Valley Community College

Treasure Valley Community College
Combining Balance Sheet – Proprietary Fund Types – Auxiliary
June 30, 2012

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>	<u>Printing</u>	<u>Caldwell Center</u>	<u>Totals, June 30, 2012</u>
Assets						
Cash and cash items	\$ 512	\$ -	\$ -	\$ -	\$ 735	\$ 1,247
Interfund receivable	854,268	-	70,265	83,873	165,796	1,174,202
Prepaid assets	-	-	-	7,000	599	7,599
Receivables	72,753	-	-	-	-	72,753
Inventory	255,841	-	-	-	54,201	310,042
Fixed assets (net of accumulated depreciation)	-	7,281	5,112,589	9,873	46,718	5,176,461
	<u>\$ 1,183,374</u>	<u>\$ 7,281</u>	<u>\$ 5,182,854</u>	<u>\$ 100,746</u>	<u>\$ 268,049</u>	<u>\$ 6,742,304</u>
Liabilities and Net Assets						
Liabilities						
Accrued payroll	\$ 2,269	\$ -	\$ 792	\$ 1,093	\$ 13,699	\$ 17,853
Deposits payable	-	-	82,833	-	502	83,335
Interfund payable	-	522,732	-	-	-	522,732
Total liabilities	<u>2,269</u>	<u>522,732</u>	<u>83,625</u>	<u>1,093</u>	<u>14,201</u>	<u>623,920</u>
Net Assets						
Unrestricted	<u>1,181,105</u>	<u>(515,451)</u>	<u>5,099,229</u>	<u>99,653</u>	<u>253,848</u>	<u>6,118,384</u>
Total net assets	<u>1,181,105</u>	<u>(515,451)</u>	<u>5,099,229</u>	<u>99,653</u>	<u>253,848</u>	<u>6,118,384</u>
	<u>\$ 1,183,374</u>	<u>\$ 7,281</u>	<u>\$ 5,182,854</u>	<u>\$ 100,746</u>	<u>\$ 268,049</u>	<u>\$ 6,742,304</u>

Treasure Valley Community College
 Combined Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Fund Types – Auxiliary
 Year Ended June 30, 2012

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals, June 30, 2012
Operating Revenues						
Sale of textbooks and school supplies	\$ 1,559,090	\$ -	\$ -	\$ -	\$ 450,139	\$ 2,009,229
Food and catering sales	-	429,005	-	-	-	429,005
Housing income	-	-	454,038	-	-	454,038
Printing income	-	-	-	208,848	-	208,848
Miscellaneous income	40,809	-	10,194	-	1,477	52,480
Tuition and fees	-	-	-	-	2,447,172	2,447,172
Total operating revenues	1,599,899	429,005	464,232	208,848	2,898,788	5,600,772
Operating Expenses						
Salaries and benefits	133,705	-	76,473	84,323	1,366,347	1,660,848
Cost of goods sold	1,098,941	-	-	83,512	407,252	1,589,705
Travel and mileage	1,822	-	-	37	3,960	5,819
Materials and supplies	-	5,181	7,995	1,394	40,956	55,526
Rent	-	4,856	-	10,108	201,092	216,056
Outside services	50	574,029	51,848	1,244	101,542	728,713
Repairs and maintenance	-	6,723	1,862	186	435	9,206
Printing	8,753	1,092	1,181	-	29,920	40,946
Other expense	1,033	1,518	1,815	210	90,209	94,785
Shipping	35,132	200	-	7	-	35,339
Depreciation	-	3,763	151,231	1,394	10,165	166,553
Equipment	-	9,242	10,977	8,107	-	28,326
Bad debts	-	-	-	-	37,663	37,663
Total operating expenses	1,279,436	606,604	303,382	190,522	2,289,541	4,669,485
Operating Income (Loss)	320,463	(177,599)	160,850	18,326	609,247	931,287
Other Financing Sources (Uses)						
Transfer to other funds	(98,000)	-	(330,000)	(20,000)	(496,407)	(944,407)
Total other financing sources (uses)	(98,000)	-	(330,000)	(20,000)	(496,407)	(944,407)
Net Assets, Beginning of Year	958,642	(337,852)	5,268,379	101,327	141,008	6,131,504
Net Assets, End of Year	\$ 1,181,105	\$ (515,451)	\$ 5,099,229	\$ 99,653	\$ 253,848	\$ 6,118,384

Treasure Valley Community College
 Combined Statement of Cash Flows – Proprietary Fund Types – Auxiliary
 Year Ended June 30, 2012

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>	<u>Printing</u>	<u>Caldwell Center</u>	<u>Totals, June 30, 2012</u>
Operating Activities						
Cash received from customers	\$ 1,408,027	\$ 429,005	\$ 479,045	\$ 208,848	\$ 2,899,436	\$ 5,424,361
Payments to employees	(1,176,727)	-	(73,278)	(104,306)	(1,256,904)	(2,611,215)
Payments to suppliers	(133,300)	(602,841)	(75,767)	(85,168)	(1,352,648)	(2,249,724)
Payments to suppliers for items for resale	-	-	-	-	-	-
Net Cash from (used for) Operating Activities	<u>98,000</u>	<u>(173,836)</u>	<u>330,000</u>	<u>19,374</u>	<u>289,884</u>	<u>563,422</u>
Noncapital Financing Activities						
Increase (decrease) in interfund receivable/payable	-	173,836	-	626	206,494	380,956
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(98,000)	-	(330,000)	(20,000)	(496,407)	(944,407)
Net Cash from (used for) Noncapital Financing Activities	<u>(98,000)</u>	<u>173,836</u>	<u>(330,000)</u>	<u>(19,374)</u>	<u>(289,913)</u>	<u>(563,451)</u>
Net Change in Cash	-	-	-	-	(29)	(29)
Net Assets, Beginning of Year	<u>512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764</u>	<u>1,276</u>
Net Assets, End of Year	<u>\$ 512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 735</u>	<u>\$ 1,247</u>

Treasure Valley Community College
 Combined Statement of Cash Flows – All Proprietary Fund Types – Auxiliary
 Year Ended June 30, 2012

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>	<u>Printing</u>	<u>Caldwell Center</u>	<u>Totals, June 30, 2012</u>
Reconciliation of Operating Income to Net Cash from Operating Activities						
Operating Income (Loss)	\$ 320,463	\$ (177,599)	\$ 160,850	\$ 18,326	\$ 609,247	\$ 931,287
Depreciation	-	3,763	151,231	1,394	10,165	166,553
Interest	-	-	-	-	-	-
Other income or loss	-	-	-	-	-	-
(Increase) decrease in accounts receivable (net)	(26,224)	-	-	-	648	(25,576)
(Increase) decrease in inventory	(30,996)	-	-	-	7,871	(23,125)
(Increase) decrease in prepaid assets	-	-	-	(594)	4,401	3,807
Increase (decrease) in accounts payable	-	-	2,400	1,093	(8,279)	(4,786)
Increase (decrease) in payroll payable	405	-	707	(845)	13,699	13,966
Increase (decrease) in interfund receivable/payable	(165,648)	-	14,812	-	-	(150,836)
Increase (decrease) in deferred revenues	-	-	-	-	(347,868)	(347,868)
Net Cash from (used for) Operating Activities	<u>\$ 98,000</u>	<u>\$ (173,836)</u>	<u>\$ 330,000</u>	<u>\$ 19,374</u>	<u>\$ 289,884</u>	<u>\$ 563,422</u>

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, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.

Independent Auditor's Comments Required by Oregon State Regulations

We have audited the basic financial statements of Treasure Valley Community College (the College) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the College was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education and management of Treasure Valley Community College and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.


Boise, Idaho
December 26, 2012



Single Audit Information
June 30, 2012

Treasure Valley Community College

Treasure Valley Community College
Schedule of Expenditures of Federal Awards
June 30, 2012

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
<u>U.S. Department of Education</u>			
Direct Programs			
Student Financial Assistance Cluster			
Pell Grant Program	84.063*		\$ 7,996,182
SEOG Program	84.007*		134,118
Perkins Loan Program - Note 3	84.038*		177,912
College Work Study Program	84.033*		118,685
Direct Loan Program	84.268*		11,291,454
Academic Competitiveness Grant	84.375*		<u>750</u>
Total SFA Cluster			19,719,101
High School Equivalency Program - ARRA	84.141A		348,297
The English Acquisition Program: National Professional Development Para Educator	84.195N		<u>243,871</u>
Total Direct Programs			<u>20,311,269</u>
Passed through Oregon State Dept of Education			
Adult Education - Basic Grants to State			
Adult Basic Education (ABE)	84.002		
Comprehensive		EE11221BG	64,577
Accountability		EE11221AG	14,127
Program Improvement		EE11221PG	2,529
El Civics		EE11221EG	<u>30,814</u>
Total Adult Basic Education			112,047
Vocational Education - Basic Grant			
Perkins	84.048A	19175	<u>196,409</u>
Total Passed through Oregon State Dept of Education			<u>308,456</u>
Total Department of Education			<u>20,619,725</u>
<u>U.S. Small Business Administration</u>			
Passed through Oregon State SBA Director			
Small Business Administration	59.037	SBHQ-12-B-0069	<u>37,753</u>
<u>US Department of Agriculture</u>			
Renewable Energy	10.314	GRANT10851360	<u>68,708</u>
<u>US Department of Labor</u>			
CASE Grant (TACCCT)	17.282		115,103
Passed through Community Colleges and Workforce Development			
WIA Youth Activities (Learning Standards)	17.259	IRGRA0490	<u>8,678</u>
Total US Department of Labor			<u>123,781</u>
Total Federal Financial Assistance			<u>\$ 20,849,967</u>

*Denotes a major program cluster

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal grant activity of the College under programs of the federal government for the year ended June 30, 2012. 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*. Because the Schedule presents only a selected portion of the operation of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

Note 2 - Basis of Presentation

- a) Expenditures reported on the Schedule are reported on an accrual basis of accounting.

Note 3 - Federal Perkins Loan Program

Expenditures of the Federal Perkins Loan Program (84.038) are comprised of the following:

	Amount
Loan balance outstanding at June 30, 2011	\$ 177,942
Loans issued during the current year	-
	177,942
Loan receipts, allowance adjustments, and cancellation	(31)
Loan balance outstanding at June 30, 2012	\$ 177,912

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements and the discretely presented component unit of the Treasure Valley Community College (the College), as of and for the year ended June 30, 2012, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 26, 2012. An explanatory paragraph was included in the auditor's report due to change in accounting principle, which resulted in the restatement of beginning net assets. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

This report is intended solely for the information and use of the Board of Education, management, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 26, 2012



Independent Auditor’s Report on Compliance with Requirements That Could Have A Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

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

Compliance

We have audited Treasure Valley Community College’s (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College’s major federal programs for the year ended June 30, 2012. The 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 the College’s management. Our responsibility is to express an opinion on the 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 the 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 of the College’s compliance with those requirements.

As described in finding 2012-01 in the accompanying schedule of findings and questioned costs, the College did not comply with requirements relating to reporting disbursements for the Pell and Direct Loan Program to the Common Origination and Disbursement (COD) System within the 30 day requirement.

In our opinion, except for the noncompliance described in the preceding paragraph, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of the College, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-01 to be a material weakness.

Treasure Valley Community College's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Education, management, others within the entity, federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



Boise, Idaho
December 26, 2012

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weaknesses identified?	Yes
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
U.S. Department of Education Direct Programs	
Pell Grant	84.063
Supplemental Education Opportunity Grant	84.007
Work-Study Program	84.033
Federal Perkins Loan Program	84.038
Direct Loan Program	84.268
Academic Competitiveness Grant Program	84.375
High School Equivalency Program	84.141A

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

SECTION II - Financial Statement Findings None

SECTION III - Federal Award Findings and Questioned Costs

2012-01 – Student Financial Aid Cluster

CFDA – 84.268 – Direct Loan Program

CFDA – 84.063 – Pell Grant

Criteria:

Institutions must report all loan disbursements and submit records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) within 30 days of disbursement. Controls should be implemented at the institution to ensure that all loan disbursements are reported to the DLSS within the required time frame.

Condition:

In our testing we test a sample of loan recipients and PELL recipients to verify that disbursement dates and amounts in the COD agree to the student accounts (institutions records). There were 52 instances in which Treasure Valley Community College exceeded the 30 day requirement.

Questioned costs:

None

Effect:

The institution does not have a control system in place to ensure that all loan disbursements are reported and records submitted to DLSS within the required timeframe and thus the COD is not updated to reflect the disbursement in a timely manner.

Cause:

Reporting to the COD is taking place after the 30 day time requirement.

Recommendation:

Controls should be implemented at the institution to ensure that the loan disbursement s and records are submitted to the COD within the 30 day requirement.

Management's response:

The base cause of the finding is a workload that cannot be sustained with current staffing. We have added some capacity by hiring a part-time person and will continue to request additional resources. We are also organizing training with our software vendor to work through challenges we have with our systems. We will also increase our cross-training within our department to add capacity. The last week of each month the Director and Assistant Director will have a meeting to confirm that all reporting has been completed.

Corrective Action Plan (CAP)

Actions Planned in Response to Finding -

The base cause of the finding is a workload that cannot be sustained with current staffing. We are adding some capacity by hiring a person and will continue to request additional resources. There will be a training and learning curve that we hope to overcome by the end of February. We are organizing training with our software vendor to work through challenges we have with our systems. We are purchasing additional tools and training from a consultant and are working to have this in place by February 2013. We will also increase our cross-training within our department to add capacity.

Explanation of Disagreement –

No disagreement with the finding.

Official Responsible for Ensuring Corrective Action –

The Director of Financial Aid, on a monthly basis, will report to the Dean of Student Services our current reporting status.

Planned Completion for Correction Action -

We will work on the staffing and training from January through April. We will start the monthly meetings in February 2013.

Plan to Monitor Completion of Corrective Action -

Monitoring will be done through our monthly Financial Aid meeting and our monthly report to the Dean of Student Services.