



REPORTS OF INDEPENDENT AUDITORS
IN ACCORDANCE WITH UNIFORM GUIDANCE
AND FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE

Year Ended June 30, 2021



MOSSADAMS

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Report of Independent Auditors

The Board of Education
Treasure Valley Community College
Ontario, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Treasure Valley Community College (the College), and its discretely presented component unit, Treasure Valley Community College Foundation (the Foundation), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 13, and the schedules of net RHIA OPEB liability (asset), schedule of employer contributions – RHIA OPEB, schedule of changes in total RHIPA OPEB liability and related ratios, schedule of employer's share of net pension liability (asset), and the schedule of employer contributions – pensions on pages 55 through 59 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 60 through 67, budgetary information on page 68, combining balance sheet – proprietary fund types – auxiliary on page 69, combining statement of revenue, expenses, and changes in net position – proprietary fund types – auxiliary on pages 70 through 71, combining statement cash flows – proprietary fund types – auxiliary on page 72 through 73, statement of property tax transactions on page 74, statement of assets, liabilities, and fund balance – general fund on page 75, historical property values and general obligation legal debt capacity on page 76, the District major taxpayers on page 77, and the schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards, on pages 81 through 82, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our

opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 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, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 21, 2021, on our consideration of the College's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Moss Adams LLP

Portland, Oregon
December 21, 2021

Treasure Valley Community College Management's Discussion and Analysis

This section of Treasure Valley Community College's (the College) financial statements presents an analysis of the financial activities of the College for the fiscal year-ended June 30, 2021. 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.

Financial Highlights

The significant events that impacted the College for the fiscal year ended June 30, 2021, are as follows:

As with almost every aspect of our daily lives, the COVID-19 pandemic has had a substantial impact on the financial statements. The College recognized \$3.4 million of revenue received as a result of COVID-19 stimulus funds made available by the Federal government. Of this amount, \$873k was awarded as emergency grants to students and \$2.6 million was used to offset expenses incurred by the College to continue operations under strict COVID-19 protocols and to reimburse the College for lost revenue incurred as a result of the pandemic. While this stimulus funding has been a tremendous help in navigating through these difficult times, we must keep in mind that it is one-time funding only and cannot be relied upon for financing future operations of the College.

The College receives funding from the state across the biennium; however, the cash payments are not equal across the two years. In the first year of the biennium, the College receives five payments whereas, in the second year, it receives three. During the 2020-21 fiscal year, the College received only three state payments, resulting in the decrease in state community college support. State of Oregon community college support revenue decreased 38% or \$3.7 million from the prior year. This decrease is attributable to the Oregon Legislature's deferral of the eighth quarter reimbursement for the biennium.

As valued by PERS and an independent actuary, the College's share of the system-wide PERS unfunded liability increased, going from \$9.6 million at June 30, 2020, to \$12.7 million at June 30, 2021. The reporting requirements of GASB 68, *Accounting and Financial Reporting for Pensions*, continue to impact the financial statements in non-current liabilities, deferred outflows and inflows of resources, pension expense, and unrestricted fund balance. Additional information regarding pension reporting is located in Note 7, Pension Plans.

While smaller dollar amounts are involved, reporting requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* also continue to impact the financial statements for Other Postemployment Benefits (OPEB). Note 8 in the Notes to the Basic Financial Statements contains additional information regarding OPEB.

Total FTE enrollment for 2020-21 was 1570 which was a decrease of 16.5% from the enrollment of 1881 in 2019-20. The decrease in enrollment, offset by a \$3 per credit increase in tuition resulted in a net decrease in tuition and fees revenues of \$506k.

Treasure Valley Community College Management's Discussion and Analysis

Grants and contract revenue decreased by approximately \$4.0 million or 27.9%. In addition to the normal annual fluctuations in Federal financial aid and loan programs including both federal and state funding received for the construction and remodel of the CTE center decreased significantly in 2020-21 since the majority of the project was completed during 2019-20.

Analysis of the Statement of Net Position

The *Statement of Net Position* includes all assets, deferred outflows, liabilities, and deferred inflows of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most nonprofit entities including private colleges and universities. Net position is the difference between assets and deferred outflows, and liabilities and deferred inflows, and it is one measure of the College's financial condition.

	2021	2020	\$ Change	% Change
Assets				
Current assets	\$ 8,662,147	\$ 6,857,000	\$ 1,805,147	26.3%
Capital assets, net	20,249,734	18,507,682	1,742,052	9.4%
OPEB Asset	134,398	149,250	(14,852)	-10.0%
Total assets	29,046,279	25,513,932	3,532,347	13.8%
Deferred outflows of resources	4,076,242	2,948,820	1,127,422	38.2%
Liabilities				
Current liabilities	3,107,288	4,018,621	(911,333)	-22.7%
Noncurrent liabilities	25,001,256	22,685,132	2,316,124	10.2%
Total liabilities	28,108,544	26,703,753	1,404,791	-12.5%
Deferred inflows of resources	2,443,363	2,765,205	(321,842)	-11.6%
Net Position				
Net investment in capital assets	14,994,430	12,832,106	2,162,324	16.9%
Restricted – OPEB asset	134,398	149,250	(14,852)	-10.0%
Unrestricted	(12,558,214)	(13,987,562)	1,429,348	-10.2%
Total net position	\$ 2,570,614	\$ (1,006,206)	\$ 3,576,820	(3.5548)

Assets

Total assets for the College at the end of the fiscal year were approximately \$29 million. Current assets were \$8.7 million which is sufficient to cover current liabilities of \$3.1 million. The College's total assets increased by approximately \$3.5 million mainly due to the completion of the construction and remodel of the CTE center and the COVID-19 stimulus funding.

Treasure Valley Community College Management's Discussion and Analysis

Current assets are comprised of restricted and unrestricted cash and cash equivalents of \$5.1 million, accounts receivable, net of allowances for uncollectable amounts of \$3.2 million, prepaid assets of \$48k, and inventory in the bookstore of \$265k. The College's receivables consist of property taxes, student accounts, grants and special projects, as well as various operating receivables.

Capital assets totaling \$36.5 million and associated accumulated depreciation totaling \$16.2 million present a net capital asset value of \$20.3 million. This is an increase of \$1.7 million from 2019-20 due to the completion of the construction and remodel of the CTE center and other capital additions, less depreciation expense and deletions of old, fully-depreciated assets. Additional information regarding capital assets can be found in Note 3. Also included in noncurrent assets is \$134k representing the College's proportionate share of the system-wide OPEB Asset for Retiree Health Insurance Account (RHIA). This asset decreased by \$15k from the prior fiscal year and is calculated as a result of GASB 75 as discussed in Note 8.

Deferred Outflows of Resources

The 2020-21 deferred outflows of resources (\$4.1 million) increased by \$1.1 million due to changes of assumptions and differences between expected and actual results of pension (PERS) reporting required by GASB 68 as discussed in Note 7 and of other post-employment benefit (OPEB) reporting required by GASB 75 as discussed in Note 8.

Liabilities

Liabilities are classified as current and noncurrent. Current liabilities are mainly comprised of accounts payable, accrued payroll liabilities, unearned revenue, and the current portion of long-term debt. The current liabilities decreased by \$911k which is almost entirely due to a decrease in accounts payable of \$931k. This decrease is largely a result of large payables related to the construction and remodel of the CTE center as of June 3, 2020 and none as of June 30, 2021.

Noncurrent liabilities are comprised of PERS bonds payable, the College's portion of the Pension Liabilities, the College's OPEB (Other Post-Employment Benefits) liability, and notes payable. The \$2.3 million increase in noncurrent liabilities is due to a combination of the manner in which PERS and OPEB liabilities are required to be reported under GASB 68 and GASB 75, offset by regularly scheduled principal payments made on all outstanding debt. See Note 6 for additional information regarding long-term debt.

Deferred Inflows of Resources

The deferred inflows of resources totaled \$2.4 million, reflecting the changes in proportion and differences in college contributions to the pension (PERS) plan and the other post-employment benefit (OPEB) plans which are entirely from the pension and OPEB reporting required by GASB 68 as discussed in Note 7 and GASB 75 as discussed in Note 8.

Treasure Valley Community College

Management's Discussion and Analysis

Analysis of the Statement of Net Position (continued)

Net Position

Total net position is composed of three components including net investment in capital assets, restricted, and unrestricted. Because of the requirements of GASB 68 and GASB 75, net position continues to fluctuate materially from year to year depending upon the PERS system-wide investment returns and changes in the balances of related assets, deferred outflows, liabilities, and deferred inflows as a result of actuarially determined values. The net effect of these changes, the decrease in state support payments resulting from receiving three payments rather than five, the Federal COVID-19 stimulus payments, and increased fixed assets because of the construction and remodel of the CTE center, account for the net increase resulting in a positive total net position of approximately \$2.5 million as of June 30, 2021. For the current year, there was an increase in net position of approximately \$3.6 million.

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

The *Statement of Revenues, Expenses, and Changes in Net Position* presents the College's revenues earned and expenses incurred during the year which are reported as either operating or non-operating. The accrual basis of accounting was used, meaning that revenues and expenses are recorded as soon as the underlying event occurs, regardless of the timing as to when the cash is actually received. Because of this, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Depreciation expense represents the utilization of capital assets and other long-term assets and is arrived at by amortizing the cost of the capital asset over the expected useful life.

Under generally accepted accounting principles (GAAP), many revenues such as state appropriations and local property taxes are required to be presented as non-operating revenue. Federal COVID-19 stimulus funding is also required to be reported as non-operating revenue. This causes the operating revenue (loss) to show a significant loss, even though the College's total net position increased by \$3.6 million.

Treasure Valley Community College Management's Discussion and Analysis

Analysis of the Statement of Revenues, Expenses, and Changes in Net Position (continued)

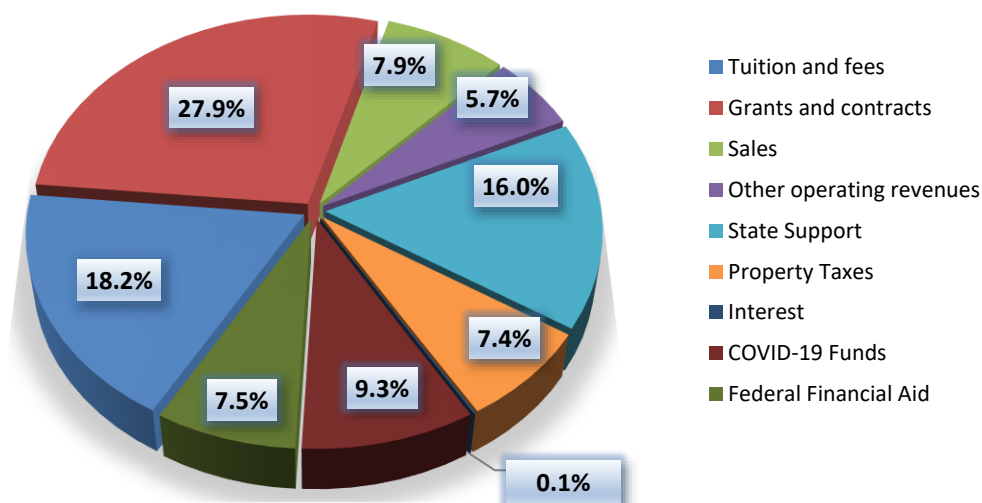
	2021	2020	\$ Change	% Change
Operating revenues				
Tuition and fees	\$ 6,672,008	\$ 7,177,761	\$ (505,753)	-7.0%
Grants and contracts	10,233,398	14,186,766	(3,953,368)	-27.9%
Sales of goods and services	2,888,318	2,999,401	(111,083)	-3.7%
Other operating revenues	2,097,913	1,800,138	297,775	16.5%
Total operating revenues	21,891,637	26,164,066	(4,272,429)	-16.3%
Non operating revenues				
State community college support	5,864,340	9,517,373	(3,653,033)	-38%
Property taxes	2,720,236	2,636,249	83,987	3%
Investment income	36,061	53,753	(17,692)	-33%
Federal COVID-19 funds	3,406,537	-	3,406,537	100%
Federal financial aid	2,760,624	3,526,874	(766,250)	-22%
Total non operating revenues	14,787,798	15,734,249	(946,451)	-6.0%
Total revenues	36,679,435	41,898,315	(5,218,880)	-12.5%
Operating expenses				
Educational and general	12,550,303	12,762,691	(212,388)	-1.7%
Other support services	8,092,645	8,317,589	(224,944)	-2.7%
Scholarships and grants	7,902,219	9,381,872	(1,479,653)	-15.8%
Auxiliary enterprises	2,434,584	2,531,987	(97,403)	-3.8%
Depreciation	956,481	835,550	120,931	14.5%
Total operating expense	31,936,232	33,829,689	(1,893,457)	-5.6%
Non operating expenses				
Loss on disposal of assets	62,247	-	62,247	100.0%
Interest expense	1,104,136	1,064,352	39,784	4%
Total expenses	33,102,615	34,894,041	(1,791,426)	-5.1%
Change in net position	\$ 3,576,820	\$ 7,004,274	\$ (3,427,454)	49%

Treasure Valley Community College Management's Discussion and Analysis

Revenue

Operating revenues for the fiscal year decreased by \$4.3 million over the prior year. Tuition and fee income decreased 7%, state and federal grants and contracts including aid received for students decreased 28%, auxiliary enterprise operational revenues decreased 3.7%, and other operating revenues including indirect costs received from federal and state grants increased 16.5%. The main reason for the large decrease in state and federal grants and contracts can be attributed to the approximately \$3 million decrease in receipts from the Federal Economic Development Administration and the state of Oregon for the construction and remodel of the CTE center since the project was completed during 2020-21. The increase in other operating revenues is a result of local funds beginning to come in for the feasibility study and other pre-construction costs of the nursing and allied health professions center. The percentages of total revenues by category are shown below.

2020-21 Operating and Nonoperating Revenues



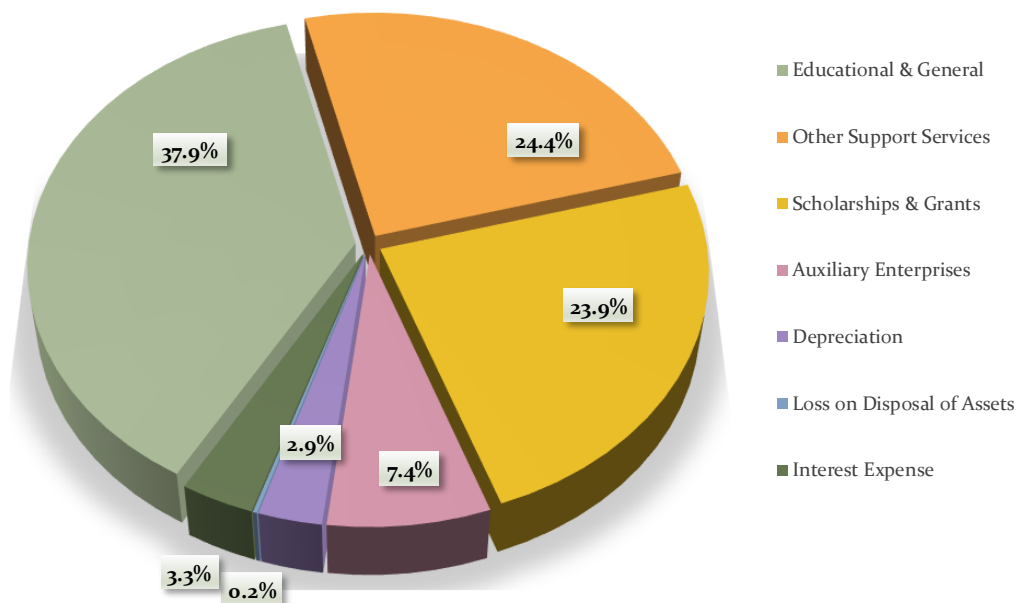
As previously stated under Financial Highlights, the State requires the College to report five support payments in the first year of a biennium and three payments in the second year. This resulted in a \$3.6 million decrease in state community college support payments in 2020-21. Partially offsetting the decrease in state support funds, was the receipt of \$3.4 million in Federal COVID-19 funds which was not received in the prior year. Federal financial aid decreased \$766k as a result of decreased enrollment and fewer students receiving federal awards and student loans during the pandemic. As a result, total current year non-operating revenues decreased approximately \$946k from the prior year.

Treasure Valley Community College Management's Discussion and Analysis

Expenses

Total operating expenses for the College were \$31.9 million for the 2020-21 fiscal year, a decrease of \$1.9 million from the prior year. Expenditures decreased for all categories except depreciation which increased mainly as a result of the new CTE center being completed and placed on the depreciation schedule during the current year. The other operating expense category decreases of 1.7% for educational and general, 2.7% for other support services, 15.8% for scholarships and grants, and 3.8% for auxiliary enterprises all resulted from lower enrollment and decreased expenditures during the pandemic which slowed activities and related spending. In actuality, these expenses were even less than the amounts that appear on the *Statement of Revenues, Expenses, and Changes in Net Position* but have been offset by increased retirement expenses across all departments as a result of accounting for pensions and other post-employment benefit plans under GASB Statements 68 and 75 as required by Generally Accepted Accounting Principles (GAAP). The percentages of expenses by category are shown in the table below.

2020-21 Operating and Nonoperating Expenses



Capital Assets

During the 2020-21 fiscal year, the College increased net capital assets by \$1.74 million due to capital asset additions of \$2.74 million, offset by deletions of \$544k and \$938k of depreciation expense. See Note 3, Changes in Capital Assets, for additional information.

Treasure Valley Community College

Management's Discussion and Analysis

Long-Term Obligations

As of June 30, 2021, the College's total outstanding debt was \$11.5 million. Of this amount, \$4.2 million is Housing Bonds and \$6.3 million is Limited Tax Pension Obligation Bonds; which are backed by the full faith and credit of the College. In addition, the College had a note payable to the Bank of Eastern Oregon with an outstanding balance of \$1.0 million.

State statutes limit the amount of general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College's district. Based upon this, the College's legal debt limit is \$43.7 million. See page 76 for additional information regarding general obligation legal debt capacity. Currently, none of the College's debt qualifies as general obligation debt.

Economic Factors and Next Year's Budget

The 2020-21 fiscal year was a tumultuous year which involved countless hours spent by the administration, along with faculty and staff, planning, implementing, and updating various stages of a resumption plan aimed at navigating through the national emergency of the Coronavirus pandemic. Beginning spring term of 2020, various adjustments were needed for the College to be able to start the term on schedule while going all virtual with the exception of healthcare classes. This modality of instruction carried through summer term with the majority of the College's employees working remotely and only essential employees working on campus. The College was one of the only Oregon community colleges to begin fall term with face-to-face instruction offerings in all disciplines which was the result of many more hours of planning to make sure classrooms were set up to provide for social distancing and follow proper sanitizing protocols so that our students and employees could remain safe. Because of the need for reduced class sizes to accommodate social distancing, extra sections of many classes were required to be added which led to the need to hire additional instructors for those classes. TVCC is proud to say that we were able to maintain face-to-face instruction for the entire academic year and through the summer 2021 term with no major outbreaks of the Coronavirus on campus. However, like all community colleges across the state and across the nation, enrollment has suffered significantly and we continue to look for new and innovative ways to serve students, increase enrollment, and maintain the educational quality for which Treasure Valley Community College is known.

Treasure Valley Community College Management's Discussion and Analysis

The College's board of directors adopted the budget for the 2021-22 fiscal year on June 15, 2021. The adopted budget was prepared keeping COVID-19 economic conditions in mind. For 2021-22, the adopted General Fund budget totaled \$18.99 million, representing an increase of 5.93% from the 2020-21 budget. The 2021-22 budget includes a 3% increase in property taxes, with a 5% decrease in enrollment due to the uncertainty of the pandemic's continued effects on enrollment. The College's board voted to increase tuition by \$3 per credit over the 2020-21 budget to partially offset the decrease in tuition and fees related to decreased enrollment. The beginning fund balance for 2021-22 was budgeted at \$2.0 million based on the assumption that the ending fund balance would be higher because of the Federal stimulus funding that could be carried over. Because the state funding for the 2021-23 biennium was unknown at the time the budget was prepared and adopted, the budget was developed based on State funding for Oregon's community colleges remaining flat for 2021-23 biennium with a very slight increase of .5% to account for the funding formula based on the College's reimbursable FTE in relation to the other 16 Oregon community colleges. While it appears that the financial position of the College going into the 2021-23 will look more favorable than it has for many years, it must be kept in mind that this strength is a result of the availability of one-time Federal stimulus money which cannot be used to sustain the College ongoing. After the budget was adopted, it became known that the state funding approved by the legislature for all Oregon community colleges for the next biennium increased from \$6.41 million to \$7.03 million. While this is wonderful news and the College will be receiving approximately \$624k more in state funding than was included in the 2021-22 budget, increased enrollment is the key to the College's sustenance in the future. Administration continues to monitor the income sources as well as spending and will adjust the operating budget as needed during the coming months in order to finish the year with an acceptable carryover balance. If budgeted enrollment rates are achieved, this may mean that a supplemental budget will be approved to be able to spend a portion of the increased state funding.

The construction and remodel of the College's new CTE Center was ready for occupancy just before the commencement of Winter term, 2021. Winter term welding program classes were held in the new building with the other programs starting classes spring term. The College, as a whole, is very excited about this new center and the countless opportunities it will provide for many years to come.

The College has conducted a feasibility study in an effort to obtain reasonable assurances about whether or not there is support in the community to begin construction on a new Nursing and Allied Health Professions Center on campus. The results of the study were very positive and the board has authorized the administration to raise \$ 11 million for the project. State of Oregon capital construction matching funds in the amount \$4.95 million have already been authorized to go towards the \$11 million goal. It is anticipated that a significant portion of the remaining funds as well as funds to equip the building for the nursing and allied health programs can be obtained through grants and corporate donations as well as through a major gifts fundraising campaign. The anticipation for this building is extremely exciting and will provide a much-needed boost to the College's current nursing, medical assistant, nursing assistant, and emergency medical technician programs as well as additional opportunities for training students in skills necessary to become prospective employees in the healthcare industry.

Treasure Valley Community College Management's Discussion and Analysis

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 Position
June 30, 2021

	Primary Government TVCC College	Component Unit TVCC Foundation
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,129,656	\$ 673,122
Restricted cash	5,775	
Investments	-	8,635,676
Accounts receivable, net	3,213,834	18,900
Prepaid and other assets	47,985	-
Inventory	264,897	-
Total current assets	<u>8,662,147</u>	<u>9,327,698</u>
Noncurrent assets		
Capital assets – non-depreciable	294,030	-
Capital assets – depreciable, net	19,955,704	-
Net OPEB asset – RHIA	134,398	-
Total noncurrent assets	<u>20,384,132</u>	<u>-</u>
Total assets	<u>29,046,279</u>	<u>9,327,698</u>
Deferred outflows of resources		
Deferred charge on refunding	152,718	-
Deferred outflows – RHIA OPEB	29,070	-
Deferred outflows – RHIPA OPEB	98,394	-
Deferred outflows on pension	3,796,060	-
Total deferred outflows of resources	<u>4,076,242</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accounts payable	547,793	810
Payroll liabilities	838,007	-
Compensated absences	93,498	-
Unearned revenue	905,490	-
Current portion of capital debt	435,893	-
Current portion of PERS bond payable	286,607	-
Total current liabilities	<u>\$ 3,107,288</u>	<u>\$ 810</u>

Treasure Valley Community College
Statement of Net Position
June 30, 2021

	Primary Government TVCC College	Component Unit TVCC Foundation
Noncurrent liabilities		
PERS bond payable	\$ 5,975,823	\$ -
Net pension liability	12,740,768	-
Pre-SLGRP PERS transition liability	774,109	-
Total OPEB liability – RHIPA	691,145	-
Notes payable	4,819,411	-
Total noncurrent liabilities	25,001,256	-
Total liabilities	28,108,544	810
Deferred inflows of resources		
Deferred inflows – RHIA OPEB	20,883	-
Deferred inflows – RHIPA OPEB	66,106	-
Deferred inflows pension amount	2,356,374	-
Total deferred inflows of resources	2,443,363	-
Net position		
Net investment in capital assets	14,994,430	-
Restricted – expendable		
Donor-imposed restriction	-	7,921,076
Net OPEB asset – RHIA	134,398	
Unrestricted	(12,558,214)	1,405,812
Total net position	\$ 2,570,614	\$ 9,326,888

Treasure Valley Community College
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2021

	Primary Government TVCC College	Component Unit TVCC Foundation
Operating revenues		
Student tuition and fees	\$ 6,672,008	\$ -
Federal sources	5,257,110	-
State sources	4,976,288	-
	<u>16,905,406</u>	<u>-</u>
 Auxiliary enterprises		
Bookstore	622,434	-
Food services	422,799	-
Housing	529,163	-
Printing	124,872	-
Transportation	75,636	-
Caldwell Center	1,113,414	-
Contributions and special events proceeds	-	1,211,065
Other operating revenues	<u>2,097,913</u>	<u>-</u>
 Total operating revenue	<u>21,891,637</u>	<u>1,211,065</u>
 Operating expenses		
Educational and general	12,550,303	-
Other support services		
Student activities	2,313,821	-
College support	4,006,677	840,162
Plant operations	1,772,147	-
Scholarships and grants	7,902,219	283,116
Auxiliary enterprises		
Bookstore	670,744	-
Food services	469,567	-
Housing	216,595	-
Printing	119,283	-
Transportation	44,885	-
Caldwell Center	913,510	-
Fundraising expenses	-	104,016
Management and general expense	-	106,378
Depreciation and Amortization	<u>956,481</u>	<u>-</u>
 Total operating expenses	<u>31,936,232</u>	<u>1,333,672</u>
 Operating Revenue (Loss)	<u>\$ (10,044,595)</u>	<u>\$ (122,607)</u>

Treasure Valley Community College
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2021

	Primary Government TVCC College	Component Unit TVCC Foundation
Nonoperating Revenues (Expenses)		
Property taxes	\$ 2,720,236	\$ -
State FTE reimbursement	5,864,340	-
Federal financial aid	2,760,624	-
Federal COVID-19 funds	3,406,537	-
Investment income	36,061	1,813,181
Loss on disposal of assets	(62,247)	-
Interest expense	(1,104,136)	-
Net nonoperating revenues	13,621,415	1,813,181
Change in net position	3,576,820	1,690,574
Net position, Beginning of Year	(1,006,206)	7,636,314
Net Position, End of Year	\$ 2,570,614	\$ 9,326,888

Treasure Valley Community College
Statement of Cash Flows
Year Ended June 30, 2021

	Primary Government TVCC College
Operating activities	
Tuition and fees, net	\$ 7,482,124
Federal grants and contracts	5,257,110
State and local government grants and contracts	4,976,288
Payments to suppliers for goods and services	(9,266,280)
Payments to employees	(13,274,962)
Payments for student financial aid and other scholarships	(7,902,219)
Other cash receipts	3,797,181
Net cash used for operating activities	<u>(8,930,758)</u>
Noncapital financing activities	
Cash received from property taxes	2,720,236
State full time equivalent reimbursement	5,864,340
Federal COVID-19 funds received	3,406,537
Federal financial aid received	2,760,624
Net cash from noncapital financing activities	<u>14,751,737</u>
Capital related financing activities	
Purchases of capital assets	(2,703,770)
Principal paid on long-term debt	(707,876)
Interest paid on long-term debt	(1,104,136)
Net cash used for capital related financing activities	<u>(4,515,782)</u>
Investing activities	
Interest on investments	36,061
Net cash from investing activities	<u>36,061</u>
NET CHANGE IN CASH, RESTRICTED CASH, AND CASH EQUIVALENTS	1,341,258
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, beginning of year	<u>3,794,173</u>
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, end of year	<u><u>\$ 5,135,431</u></u>

Treasure Valley Community College
Statement of Cash Flows
Year Ended June 30, 2021

	Primary Government TVCC College
Reconciliation of cash, restricted cash, and cash equivalents to the statement of net position	
Cash and cash equivalents	\$ 5,129,656
Restricted cash	<u>5,775</u>
Cash, restricted cash, and cash equivalents at end of year	<u><u>\$ 5,135,431</u></u>
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	\$ (10,044,595)
Adjustments to reconcile operating revenues net of operating expenses to net cash used for operating activities	
Depreciation and amortization	956,481
GASB 68 – actuarial pension expense	1,505,677
GASB 75 – RHIA OPEB revenue	(16,484)
GASB 75 – RHIPA OPEB expense	28,351
Changes in assets and liabilities	
Accounts receivable	(450,523)
Prepaid assets	4,500
Accounts payable	(970,453)
Unearned revenue	71,589
Inventory	(17,866)
Accrued payroll and payroll costs	1,522
Compensated absences	<u>1,043</u>
Net cash used for operating activities	<u><u>\$ (8,930,758)</u></u>

As of June 30, 2021, the College had \$38,710 of capital assets in accounts payable.

Treasure Valley Community College

Notes to Financial Statements

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, Caldwell, Idaho, Snake River Correctional Institute, and Warner Creek Correctional Facility.

Reporting entity – In accordance with the Governmental Accounting Standards Board (GASB), the 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.

As defined by GASB, the College includes one component unit in its financial statements: 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. The Foundation's financial statements are prepared in accordance with the Financial Accounting Standards Board (FASB); however, their financial statements have been reclassified to match that of the College. Copies of the Foundation's audited financial statements may be obtained from the Foundation Treasurer at 650 College Blvd, Ontario, Oregon, 97914.

Basis of presentation – GASB 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 three net position categories:

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

Restricted expendable net position – Consists of external constraints placed on asset use by laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – Net position that is not subject to externally imposed stipulations. Resources may be designated for specific purposes by action of management or by the board of education or may otherwise be limited by contractual agreements with outside parties. Substantially all unrestricted net position is designated for academic and general programs of the College.

The basic financial statements report information on all 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 that provide a comprehensive one-column look at the College's financial activities.

Treasure Valley Community College

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement focus and basis of accounting – For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities as defined by GASB. Accordingly, the basic financial statements of the College have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GAAP. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Non-exchange transactions are those in which the College receives value without directly giving equal value in return. These include property taxes, federal, state and local grants, state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenues from grants, state appropriations, and other contributions are recognized in the year in which all eligibility, matching, and expenditure requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements apply to grants and contracts in which the College must provide local resources to be used for a specified purpose; and expenditure requirements are those for which the resources are provided to the College on a reimbursement basis.

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.

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. The LGIP is stated at amortized cost, which approximates fair value. All other cash and cash equivalents are carried at cost.

Restricted cash and cash equivalents – Restricted cash consists of funds available for payment of outstanding debt which is restricted by outside sources.

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, 2021, the College was in compliance with the aforementioned State of Oregon Statutes. As of June 30, 2021, the College does not have any funds in investment accounts.

Treasure Valley Community College

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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. Taxes unpaid and outstanding on May 16 are considered delinquent. Malheur and Baker Counties collect and allocate 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. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, typically, no allowance for uncollectible taxes is deemed necessary.

Allowable 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 unearned revenue.

Student revenues are from tuition, fees, housing, and food services and are included in receivables and revenues for the year ended June 30, 2021.

Inventory – The value of the College's inventory is carried at the lower of first-in, first-out (FIFO) cost or market, and are charged to cost of sales as used.

Capital assets – Capital assets include land and land improvements, buildings and building improvements, equipment and machinery, leasehold improvements, and construction in progress. The College's capitalization threshold is \$5,000 for equipment. Donated capital assets are recorded at the acquisition 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, and 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 improvements	24–40 years
Land improvements	10–20 years
Machinery and equipment	5–10 years
Vehicles	5–10 years

Tuition and fees and unbilled 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 payments received prior to July 1, 2021, for the College's 2021-2022 summer and fall terms are recorded as unearned revenue.

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. As of June 30, 2021, the accrued compensated absences amounted to \$93,498.

Treasure Valley Community College

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Long-term debt – Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other post-employment benefits (OPEB) – State of Oregon Retiree Health Insurance Account (RHIA): For purposes of measuring the net OPEB asset - RHIA, deferred outflows of resources and deferred inflows of resources related to the RHIA and plan revenue, information about the fiduciary net position of the plan, and additions to/deductions from the plan's fiduciary net position have been determined based on the same basis as they are reported by OPERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

Single Employer Retiree Health Insurance Premium Account (RHIPA): This OPEB plan utilizes employee census data and benefits provided by the College for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments (including refunds of employee contributions) are financed on a pay-as-you-go basis.

Pre-SLGRP Pooled Liability – The Pre-SLGRP Pooled Liability was an actuarially determined liability recorded in the statement of net position based on the College's entry into the OPERS State and Local Government Rate Pool. The transition liability is reduced each year by contributions to OPERS and increased for interest charged by OPERS.

Deferred outflows/inflows of resources – In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The College has three items that qualify for reporting in this category: the net pension liability, the RHIA and RHIPA OPEB asset/liability, and deferred charge on refunding, which are reported on the Statement of Net Position. The net pension liability results from differences between expected and actual experience, changes in assumptions, differences between projected and actual earnings on investments, changes in proportion share, and contributions made subsequent to the measurement date of the net pension liability. The RHIA and RHIPA OPEB amounts result from contributions subsequent to the measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Treasure Valley Community College

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The College has two items that qualify for reporting in this category: the employer net pension liability and the RHIA and RHIPA OPEB asset/liability. The employer net pension liability results from the differences between employer's contributions and employer's proportionate share of system contributions derived from the actuarial calculation of the College's net pension liability. The RHIA and RHIPA OPEB amounts result from the differences between the projected and actual earnings on investments, changes in proportionate share, and changes in assumptions.

Operating and nonoperating revenues and expenses – Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition and fees, 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, transportation, 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.

Federal financial assistance programs – The College participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, and Federal Direct Lending programs. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Uniform Guidance, Cost Principles, Audit, and Administrative Requirements for Federal Awards, and the Compliance Supplement.

Net position – Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Expendable restricted net position represents funds restricted for specific purposes. When both restricted and unrestricted resources are available for use, it is the college's practice to use restricted resources first, then unrestricted resources as they are needed.

Note 2 – Stewardship, Compliance, and Accountability

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except depreciation on capital assets is not an expenditure of the funds, amortization of long-lived assets is not an expenditure of the funds, inventory is not capitalized in the funds, and principal on debt services is an expenditure of the funds.

Treasure Valley Community College

Notes to Financial Statements

Note 2 – Stewardship, Compliance, and Accountability (continued)

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately two weeks later. The Board of Education may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared to the county assessors no later than July 15th.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

Instruction	Instructional Support
Community Services	Student Services
College Support Services	Financial Aid
Other Uses – Debt Service and Interfund Transfers	Facilities Acquisition & Construction
Debt Service	Operating Contingency

Treasure Valley Community College

Notes to Financial Statements

Note 3 – Changes in Capital Assets

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

	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated					
Land	\$ 233,381	\$ -	\$ -	\$ -	\$ 233,381
Construction in progress	5,393,318	2,071,854	-	(7,404,523)	60,649
Total capital assets not being depreciated	5,626,699	2,071,854	-	(7,404,523)	294,030
Other capital assets					
Buildings	19,855,048	-	-	7,404,523	27,259,571
Improvements and software	4,024,537	117,095	(19,476)	-	4,122,156
Vehicles and equipment	4,806,933	553,533	(525,018)	-	4,835,448
Total other capital assets	28,686,518	670,628	(544,494)	7,404,523	36,217,175
Total capital assets	34,313,217	2,742,482	(544,494)	-	36,511,205
Less accumulated depreciation					
Buildings	9,054,072	603,377	-	-	9,657,449
Improvements and software	2,485,090	159,199	(19,476)	-	2,624,813
Vehicles and equipment	4,266,374	175,605	(462,771)	-	3,979,208
Total accumulated depreciation	15,805,536	938,181	(482,247)	-	16,261,470
Capital assets, net	<u>\$ 18,507,681</u>	<u>\$ 1,804,301</u>	<u>\$ (62,247)</u>	<u>\$ -</u>	<u>\$ 20,249,735</u>

Depreciation expense for the year ended June 30, 2021 was \$938,181.

Treasure Valley Community College

Notes to Financial Statements

Note 4 – Cash and Investments

The College maintains a cash and investment pool that is available for use by all funds. This pool is displayed on the statement of net position as cash and cash equivalents.

Cash consisted of the following at June 30, 2021:

Cash and cash equivalents	
Petty cash	\$ 3,246
Deposits with banks	1,164,972
State Treasurer's Local Government Investment Pool (LGIP)	<u>3,961,438</u>
Total cash and cash equivalents	<u>5,129,656</u>
Restricted cash and cash equivalents	
State Treasurer's Local Government Investment Pool (LGIP)	<u>5,775</u>
Total cash and cash equivalents	<u>\$ 5,135,431</u>

Deposits – The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States 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, 2021. 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 Statutes require depository institutions to be in compliance with ORS 295.

At June 30, 2021, the carrying amount of the College's deposits (cash and LGIP) was \$5,135,431 and the bank balance was \$5,482,586. 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 qualified depositories found on the Oregon State Treasurers website. Qualifying depository banks must pledge securities with a particular value based on the bank's level of capitalization. At June 30, 2021, and for the year then ended, the College's deposits were in compliance with ORS 295.015.

Custodial credit risk, 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, 2021, \$250,000 of deposits were fully covered by federal depository insurance and the remainder of the balance was collateralized by the Oregon Public Funds Collateralization Program; thus no assets were exposed to custodial credit risk.

Treasure Valley Community College

Notes to Financial Statements

Note 4 – Cash and Investments (continued)

Cash equivalents – At June 30, 2021, the College held \$3,967,213 in the Oregon Local Government Investment Pool, which is all classified as cash equivalents on the Statement of Net Position. The College has no policy for managing interest rate risk or credit risk.

Custodial credit risk, investments – 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, 2021, none of the College's cash equivalents 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 Oregon Local Government Investment Pool (LGIP) is an external investment pool as defined by GASB. The LGIP is part of the Oregon Short-Term Fund. Investment policies of this fund are governed by the Oregon Revised Statutes and the Oregon Investment Council. 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 U.S. 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 – Accounts Receivable

Receivables as of June 30, 2021, were as follows:

Property tax	\$ 132,012
Tuition and related fees	1,321,358
Due from other governmental units	2,003,079
Other	<u>169,969</u>
	3,626,418
Allowance for uncollectible tuition and fees	<u>(412,584)</u>
Total accounts receivable, net	<u><u>\$ 3,213,834</u></u>

Treasure Valley Community College

Notes to Financial Statements

Note 6 – Long-Term Obligations

The following is a summary of long-term obligation transactions during the year:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Bank of Eastern Oregon	\$ 1,240,575	\$ -	\$ (150,271)	\$ 1,090,304	\$ 155,893
PERS UAL Bond	6,550,035	-	(287,605)	6,262,430	286,607
Series 2012 Refinancing	4,435,000	-	(270,000)	4,165,000	280,000
Total Debt	12,225,610	-	(707,876)	11,517,734	722,500
Pre-SLGRP PERS transition liability	996,680	-	(222,571)	774,109	-
Compensated absences	92,455	311,184	(310,141)	93,498	93,498
Total Other	\$ 1,089,135	\$ 311,184	\$ (532,712)	\$ 867,607	\$ 93,498

In April 2003, the College issued \$10,701,480 in limited tax pension bonds to finance the unfunded net pension liability to the Oregon Public Employees Retirement System (PERS). These bonds have interest rates that range from 5.60 to 6.25 percent. Interest payments are made semiannually on June 30 and December 30. Principal payments are 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.

In December of 2012, the College refinanced three different debt issues. The amount refinanced was \$5.89 million and the total debt issuance was \$6.225 million. The debt refunded partially, or wholly, the 2000, 2005, and 2006 debt issues. The coupon rate on the debt is between 2 and 4% for the life of the obligation. The reacquisition price exceeded the net carrying amount of the old debt by \$335,000; however, the refunding reduced the College's total debt service payments over the remaining life of the debt by \$620,000. The financing is collateralized by the College General Fund.

In October 2017, the College entered into a loan agreement with Bank of Eastern Oregon in the amount of \$1.616 million to refinance three of its smaller notes payable. The remaining funds were designated to purchase critical computer software and website development as well as various other projects as determined by the administration. The variable interest loan is being repaid in monthly installments of \$16,176 over ten years. The interest rate is calculated at 0.5 percentage points below the prime rate as published by the Wall Street Journal. The initial rate on the note is 3.75% per annum and changes to this rate will not occur for at least five years from the date of the loan. The loan is collateralized by the security instrument as listed in the promissory note.

Treasure Valley Community College

Notes to Financial Statements

Note 6 – Long-Term Obligations (continued)

Future payments for long-term debt at June 30, 2021, include:

	Principal	Interest	Total
2022	\$ 722,500	\$ 1,149,812	\$ 1,872,312
2023	737,663	1,196,249	1,933,912
2024	1,508,015	477,198	1,985,213
2025	1,649,425	402,658	2,052,083
2026	1,751,079	320,381	2,071,460
2027-2031	3,814,052	598,141	4,412,193
2032-2036	1,335,000	135,800	1,470,800
	<u>\$ 11,517,734</u>	<u>\$ 4,280,239</u>	<u>\$ 15,797,973</u>

Note 7 – Pension Plans

Plan description – The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program and the Individual Account Program. The Pension Program is the defined benefit portion of the plan which applies to qualifying College employees hired after August 29, 2003. 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. The Individual Account Program (IAP) is the defined contribution portion of the plan. Beginning January 1, 2004, all OPERS members' contributions go into the IAP. OPERS members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account.

Both OPERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. OPERS is administered under Oregon Revised Statute Chapter 238, which establishes 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 at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

Benefits Provided

Tier One/Tier Two Retirement Benefit - ORS Chapter 238

Pension benefits – The OPERS retirement allowance is payable monthly for life. The allowance may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage, equal to 1.67 percent for general service employees, is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus an annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death benefits – Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by an OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in an OPERS-covered job, or
- The member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability benefits – A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit changes after retirement – Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

PERS Pension Program (OPSRP-DB) – ORS Chapter 238A

Pension benefits – This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

- General service – 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits – Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability benefits – A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

OPSRP Individual Account Program (OPSRP IAP) – ORS Chapter 238A

Pension benefits – A member of the pension program becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: The date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the OPSRP IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15- or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

Death benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping – OPERS contracts with Voya Financial to maintain IAP participant records.

Contributions – OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Ultimate authority for setting and changing the laws governing contributions rests with the Oregon legislature.

Employer contribution rates during the period were based on the December 31, 2017, actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2021 were \$648,993, excluding amounts to fund employer specific liabilities. The rates, presented as a percentage of covered payroll, for the College in effect for the fiscal year ended June 30, 2021, were:

	Chapter 238 Tier One and Tier Two	Chapter 238A - OPERS Pension Program (OPSRP-DB)
General service	11.87%	5.78%

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2021, the College reported a liability of \$12,740,768 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The College's proportion of the net pension liability was based on the College's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

Rates of every employer have at least two major components:

- *Normal cost rate* – The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

- *UAL rate* – If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumptions. The UAL Rate is the upcoming year's fixed component of the cumulative amortization schedules, stated as a percent of payroll.

The employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or pre-SLGRP liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account and the pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

Looking at both rate components, the projected long-term contribution effort is the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2021, the College's proportion was 0.05838112 percent, and was 0.05575543 percent at the prior year date of June 30, 2020.

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

For the year ended June 30, 2021, the College recognized a pension expense of \$621,154. At June 30, 2021, the College reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 560,748	\$ -
Changes of assumptions	683,757	23,957
Net difference between projected and actual earnings on investments	1,498,149	-
Changes in proportionate share	404,413	1,094,708
Differences between College contributions and the College's proportionate share of system contributions	-	1,237,709
	3,147,067	2,356,374
College contributions subsequent to the measurement date	648,993	-
	<u>\$ 3,796,060</u>	<u>\$ 2,356,374</u>

The \$648,993 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) in the year ended June 30, 2022. Other amounts reported as deferred outflow of resource and deferred inflow of resource related to pensions will be recognized in pension expense in future years as follows:

	Deferred Outflow (Inflow) of Resources
Years Ending June 30, 2022	\$ (27,138)
2023	174,585
2024	279,081
2025	376,487
2026	(12,322)
	<u>\$ 790,693</u>

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

Actuarial assumptions – The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for the normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarially accrued liabilities, which are being amortized over a fixed period with new unfunded actuarially accrued liabilities being amortized over 10 years.

A summary of the economic assumptions used for the December 31, 2018 actuarial valuation is shown below:

Actuarial Methods and Assumptions	Valuation Date: December 31, 2018 Measurement Date: June 30, 2020
Experience Study	2018, published July 24, 2019
<u>Actuarial Assumptions:</u>	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Experience studies are performed as of December 31st of even-numbered years. The methods and assumptions shown above are based on the 2018 experience study, which reviewed experience for the four-year period ended December 31, 2018.

Long-term expected rate of return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	20-Year Annualized Geometric Mean	Annual Standard Deviation
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Market Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30.00%
Real Estate (Property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	21.00%
Hedge Fund of Funds – Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund – Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed inflation – mean			2.50%	1.65%

Treasure Valley Community College

Notes to Financial Statements

Note 7 – Pension Plans (continued)

Discount rate – The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.2 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.2 percent) or 1-percentage point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Proportionate share of net pension liability	\$ 18,918,989	\$ 12,740,768	\$ 7,560,044

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be found at <http://www.oregon.gov/pers>.

Pre-SLGRP pooled liability – The College reports a separate liability to the plan with a balance of \$774,109 at June 30, 2021. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.71% of covered payroll for the payment of this transition liability.

Note 8 – Postemployment Healthcare Plans

State Retiree Health Insurance Account (RHIA) – Oregon Public Employees Retirement System (OPERS) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of June 30, 2020, there were 811 participating employers. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700. The reports and other related schedules including plan assumptions, methods and plan provisions may also be found on the PERS website at <https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

Plan Description (RHIA) – Oregon Revised Statute 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA towards the monthly cost of health insurance for eligible PERS members.

Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The Plan is closed to new entrants hired on or after August 29, 2003, who had not established membership prior to that date.

To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive this subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Funding Policy (RHIA) – Contributions of employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

For the fiscal year ended June 30, 2020, state agencies contributed 0.06 and 0.18 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits, respectively. State agencies contributed 0.27 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability of the RHIPA program over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years

Actuarial methods and assumptions related to RHIA – The actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members as of the December 31, 2018, valuation rolled forward to June 30, 2020.

The methods and assumptions shown below are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018. Experience studies are performed as of December 31 of even numbered years.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

Key actuarial methods and assumptions used to measure the total OPEB liability are illustrated in the table below:

Actuarial Methods and Assumptions	Valuation Date: December 31, 2018 Measurement Date: June 30, 2020
Experience Study	2018, published July 24, 2019
<u>Actuarial Assumptions:</u>	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale with job category adjustments and set-backs as described in the valuation.</p>

Discount rate – The discount rate used to measure the total OPEB liability at June 30, 2020, was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

Long-term expected rate of return – To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means; see PERS’ audited financial statements at: <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

Depletion rate projection – GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is PERS’ third-party actuary’s opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Proportionate share allocation methodology – The basis for the employer’s proportion is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

OPEB Asset, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the College reported an asset of \$134,398 for its proportionate share of the net OPEB asset – RHIA. The net OPEB asset – RHIA was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset – RHIA was determined by an actuarial valuation as of December 31, 2018. The College's proportion of the net OPEB asset – RHIA was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the College's proportion was 0.06595909%, which was a decrease of 0.01176464% from the proportion measurement of 0.077723731% as of June 30, 2019.

At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 13,739
Changes of assumptions	-	7,144
Net difference between projected and actual earnings on investments	14,945	-
Changes in proportionate share	12,243	-
	27,188	20,883
College contributions subsequent to the measurement date	1,882	-
	<u>\$ 29,070</u>	<u>\$ 20,883</u>

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

The deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date of \$1,882 will be recognized as a reduction of the net OPEB asset – RHIA in the year ended June 30, 2022. Other amounts reported as deferred outflow of resource and deferred inflow of resource related to pensions will be recognized in pension expense in future years as follows:

		Deferred Outflow (Inflow) of Resources
Years Ended June 30,	2022	\$ (6,665)
	2023	2,731
	2024	5,525
	2025	4,715
		<u>\$ 6,306</u>

Sensitivity of RHIA asset to changes in the discount rate – The discount rate used for the fiscal year ended June 30, 2021, is 7.2%. The impact of a 1% increase or decrease in these assumptions is shown in the chart below. The following table presents the College's proportionate share of the net OPEB asset of the RHIA OPEB asset calculated using the current discount rate as well as what the net OPEB liability/(asset) would be if calculated using one percentage point lower or one percentage higher than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Proportionate share of net RHIA Liability (asset)	\$ (108,504)	\$ (134,398)	\$ (156,539)

Single Employer Retiree Health Insurance Premium Account (RHIPA)

Plan description – The College operates a single-employer retiree benefit plan that provides postemployment 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 Plan has no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75.

Funding policy – 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 \$1,625, staff receive \$1,400, and part-time employees received between 50% and 75% of the individual insurance rate based on their FTE, for the year ended June 30, 2021.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

The College is required by Oregon Revised Statute 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.

Total net OPEB liability – The College’s total OPEB liability was measured as of June 30, 2020, and the total liability of \$691,145 was determined by an actuarial valuation dated December 31, 2018. This actuarial valuation covered a measurement period of July 30, 2019 to June 30, 2020.

Actuarial assumptions – The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions	Valuation Date: December 31, 2018 Measurement Date: June 30, 2020
<u>Actuarial Assumptions:</u>	
Actuarial cost method	Entry age normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	3.50%
Projected salary increases	3.50%
Retire healthcare participation	8-14 Years of Service: 10.0% 15-19 Years of Service: 15.0% 20-24 Years of Service: 19.0% 25-29 Years of Service: 26.0% 30+ Years of Service: 34.0%
Healthcare cost trend rate	Applied at beginning of plan year, starting with 7.1% for 2019, decreasing to 5.0% for 2022, increasing to 5.9% for 2031, and decreasing to an ultimate rate of 4.1% for 2094 and beyond.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

When the financing of OPEB liabilities is on a pay-as-you-go basis, as the College does, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate was based on the Bond Buyer 20-Year General Obligation Bond Index. Reporting dates follow measurement dates by one full year.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Inflation

The following presents the total OPEB liability of the College, calculated using the disclosure discount rate as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total RHIPA Liability (asset)	\$ 737,009	\$ 691,145	\$ 647,507

The following presents the total OPEB liability of the College, calculated using the disclosure health care cost trend rate as well as what the College's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current health-care cost trend rate:

	1% Decrease (3.25%)	Health Care Cost Trend Rate (4.25%)	1% Increase (5.25%)
Total RHIPA Liability (asset)	\$ 621,121	\$ 691,145	\$ 773,507

The H.R. 1865 Further Consolidated Appropriations Act, 2020 became law on December 20, 2019. This law repealed the excise tax for high cost or "Cadillac" health plans and removed the Health Insurer Fee permanently beginning in 2021. As of the June 30, 2020 measurement date, the excise tax and fee were excluded from 2021 onward.

GASB State No. 75 indicates that the projection of benefits should include all benefits to be provided to retirees in accordance with the current "substantive" plan. The substantive plan refers to the plan terms as understood by the employer and plan members at the measurement date. For this reason the provisions of ACA in effect as of the measurement date are reflected in the projection of benefits.

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

The health care trend rates were updated to reflect the provisions of H.R. 1865 and were used for the June 30, 2020 measurement date. These assumptions are used for both current and future retirees and their dependents. Note that the 2019 trend refers to the amount by which July 1, 2020 – June 30, 2021 medical costs are anticipated to exceed July 1, 2019 – June 30, 2020 medical costs. These trend rates assume that, over time, deductibles and out-of-pocket maximums will be periodically increased as medical trends increase.

OPEB expense – The following table shows the components affecting the College's OPEB expense for the fiscal year ended June 30, 2021:

BALANCE, June 30, 2020	\$ 594,732
Service cost	74,725
Interest on total OPEB liability	22,671
Recognition of deferred (inflows) outflows of resources	
Effect of economic/demographic gains or losses	-
Effect of assumption changes or inputs	42,839
Benefit payments	<u>(43,822)</u>
OPEB expense	<u>96,413</u>
BALANCE, June 30, 2021	<u><u>\$ 691,145</u></u>

Deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2021, the College recognized OPEB expense of \$11,867. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or inputs	\$ 37,416	\$ 23,917
Differences between expected and actual experience	-	42,189
College contributions subsequent to the measurement date	<u>60,978</u>	<u>-</u>
	<u><u>\$ 98,394</u></u>	<u><u>\$ 66,106</u></u>

Treasure Valley Community College

Notes to Financial Statements

Note 8 – Postemployment Healthcare Plans (continued)

The College will recognize the \$60,978 of contributions made subsequent to the measurement date in the next fiscal year. In addition, other amounts currently reported as deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

		Deferred Outflow (Inflow) of Resources
Years Ended June 30,	2022	\$ (8,067)
	2023	(8,067)
	2024	(8,067)
	2025	(5,475)
	2026	(2,672)
	Thereafter	3,658
		<u>\$ (28,690)</u>

Note 9 – Commitments and Contingencies

The College receives significant financial assistance from various federal, state, and local governmental agencies. These funds are subject to audit and adjustment by these agencies, which may occur after the College's annual audit. Any disallowed costs, including amounts already collected, could become a liability of the general fund or other applicable funds. In the opinion of management, any such potential liability would 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, 2021.

Note 10 – 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 property and carries commercial insurance for all risks of loss, including workers' compensation, and employee health and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Treasure Valley Community College

Notes to Financial Statements

Note 11 – Related Party

The Treasure Valley Community College Foundation (the Foundation) provides scholarships to students of the College based upon on the terms of donations received. For the year ended June 30, 2021, the Foundation provided scholarship support of \$283,116 and program support of \$85,039. It also provided CTE building and equipment support of \$392,400 and Nursing and Allied Health Professions Center building and equipment support of \$100,000. During the year ended June 30, 2021, the College provided support to the Foundation to pay salaries and benefits for the executive director and administrative personnel of \$125,619. The College donated \$7,673 and \$51,825 to the Foundation for supplies and in-kind contributions, including office space, respectively.

Note 12 – Component Unit

Treasure Valley Community College 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 students attending the College who have properly completed application for admission and obtained approval for financial aid.

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 Foundation'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 two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions, 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.

Treasure Valley Community College

Notes to Financial Statements

Note 12 – Component Unit (continued)

Investments – Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that the Foundation can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available in the circumstances.

Treasure Valley Community College

Notes to Financial Statements

Note 12 – Component Unit (continued)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Foundation's assessment of the quality risk or liquidity profile of the asset.

A significant amount of the Foundation's investment assets are classified within Level 1 because they are comprised of investment securities with readily determinable fair values based on daily redemption values. The fixed income securities are valued by the custodians of the securities using pricing models based upon credit quality, time to maturity, stated interest rates, and market rate assumptions, and are classified within Level 2.

The assets that are measured at fair value on a recurring basis as of June 30, 2021, are as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investment securities				
Fixed income	\$ -	\$ 682,434	\$ -	\$ 682,434
Mutual funds				
Fixed income mutual funds	665,710	-	-	665,710
Equities				
Large Cap Growth	888,941	-	-	888,941
Large Cap Value	615,496	-	-	615,496
Small/Mid Cap Growth	228,683	-	-	228,683
Small/Mid Cap Value	446,166	-	-	446,166
International Equity	504,333	-	-	504,333
Equities Blend	26,143	-	-	26,143
Exchange traded funds				
Fixed income exchange traded funds	1,475,764	-	-	1,475,764
Equity exchange traded funds	3,102,006	-	-	3,102,006
Total assets at fair value	<u>\$ 7,953,242</u>	<u>\$ 682,434</u>	<u>\$ -</u>	<u>\$ 8,635,676</u>

Treasure Valley Community College

Notes to Financial Statements

Note 12 – Component Unit (continued)

Donated materials and services – Donated materials and services for the year ended June 30, 2021, were:

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 20,761	\$ 29,283	\$ 29,283	\$ 79,327
Employee benefits	12,314	16,989	16,989	46,292
Materials and supplies	3,157	2,791	1,725	7,673
In-kind contributions	17,275	17,275	17,275	51,825
	<u>\$ 53,507</u>	<u>\$ 66,338</u>	<u>\$ 65,272</u>	<u>\$ 185,117</u>

All donated materials and services were provided by the College.

Endowment – The Foundation's endowment consists of over 110 individual funds established for a variety of purposes. The endowment consists of funds with donor restrictions and two funds without donor restriction that have been designated for the endowment by the Board of Directors. 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 Oregon Prudent Management of Institutional Funds Act (UPMIFA) 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 retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment, and (b) any accumulations to the endowment made in accordance with direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

- The duration and preservation of the fund or endowment
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effects of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Treasure Valley Community College

Notes to Financial Statements

Note 12 – Component Unit (continued)

The endowment funds net asset composition at June 30, 2021, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ 1,405,812	\$ 6,862,842	\$ 8,268,654

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 principal 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 4% 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 4% distribution, the annual distribution is contingent on projected revenues from investments meeting the 4% threshold for disbursement. If anticipated revenues do not meet the 4% 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.

Treasure Valley Community College

Notes to Financial Statements

Note 12 – Component Unit (continued)

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 4% 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 4% distribution, the annual distribution is contingent on projected revenues from investments meeting the 4% threshold for disbursement. If anticipated revenues do not meet the 4% 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.

Changes in endowment net assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment assets			
Beginning of year, July 1, 2020	\$ 1,118,532	\$ 5,573,538	\$ 6,692,070
Investment return			
Investment income	27,900	137,449	165,349
Net realized and unrealized appreciation	267,919	1,319,923	1,587,842
Contributions	148,848	85,113	233,961
Other changes			
Appropriation of endowment assets for expenditures	(157,387)	(252,181)	(409,568)
Funds transferred by donor request	-	(1,000)	(1,000)
Endowment assets			
End of year, June 30, 2021	<u>\$ 1,405,812</u>	<u>\$ 6,862,842</u>	<u>\$ 8,268,654</u>

The Foundation has \$3,183,111 in financial assets as of the balance sheet date, reduced by amounts not available for general use within one year because of donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriations from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Directors approves that action.

Treasure Valley Community College
Notes to Financial Statements

Note 12 – Component Unit (continued)

Cash	\$ 673,122
Accounts receivable	18,900
Investments	<u>8,635,676</u>
Total financial assets	9,327,698
Donor-imposed restrictions	
Endowment fund	(6,862,842)
Add back amounts available for expenditures in one year	409,568
Board designations	
Operating reserves and other available for expenditure in one year	<u>338,255</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 3,212,679</u></u>

Required Supplementary Information

Treasure Valley Community College
Schedule of Employer's Share of Net RHIA OPEB Liability (Asset)
June 30, 2021

Schedule of Employer's Share of Net RHIA OPEB Liability (Asset)
Last Ten Fiscal Years*

As of the Measurement Date June 30,	(a) College's Proportion of the Net OPEB Liability (Asset)	(b) College's Proportionate Share of the Net OPEB Liability (Asset)	(c) College's Employee Covered Payroll	(b) / (c) College's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.06595909%	\$ (134,398)	\$ 10,179,311	-1.32%	150.10%
2019	0.07723731%	\$ (149,250)	\$ 10,462,730	-1.43%	144.40%
2018	0.07723731%	\$ (88,688)	\$ 10,541,986	-0.84%	82.07%
2017	0.08464059%	\$ (35,324)	\$ 10,687,660	-0.33%	108.90%

*GASB Statement No. 75 requires presentation of information for 10 years. However, until a full 10-year trend is compiled, only those years in which information is available will be presented.

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

Treasure Valley Community College
Schedule of Employer Contributions – RHIA OPEB
June 30, 2021

For Fiscal Years Ended June 30,	(a) Statutorily Required Contribution	Contributions Related to the Statutorily Required Contribution	(a) - (b) Contribution Deficiency (Excess)	(c) College's Covered Payroll	(b) / (c) Contributions as a Percent of Covered Payroll
2021	\$ 4,195	\$ 4,195	\$ -	\$ 9,736,684	0.04%
2020	38,322	38,322	-	10,179,311	0.38%
2019	25,595	25,595	-	10,462,730	0.24%
2018	38,470	38,470	-	10,541,986	0.36%

*GASB Statement No. 75 requires presentation of information for 10 years. However, until a full 10-year trend is compiled, only those years in which information is available will be presented.

Treasure Valley Community College
Schedule of Changes in Total RHIPA OPEB Liability and Related Ratios
Year Ended June 30, 2021

	2021	2020	2019	2018
Total RHIPA OPEB liability				
Service cost	\$ 74,725	\$ 59,850	\$ 59,047	\$ 61,573
Interest on total OPEB liability	22,671	24,974	21,751	16,817
Effect of economic/demographic gains or losses	-	(56,491)	-	-
Effect of assumptions changes or inputs	42,839	(1,826)	(13,222)	(31,976)
Benefit payments	(43,822)	(34,188)	(27,148)	(25,696)
Net changes in total RHIPA OPEB liability	96,413	(7,681)	40,428	20,718
Total RHIPA OPEB liability – beginning	594,732	602,413	561,985	541,267
Total RHIPA OPEB asset – ending	<u>\$ 691,145</u>	<u>\$ 594,732</u>	<u>\$ 602,413</u>	<u>\$ 561,985</u>
Covered payroll	\$ 9,736,684	\$ 10,179,311	\$ 10,462,730	\$ 10,541,986
Total RHIPA OPEB asset as a percentage of covered payroll	7.10%	5.84%	5.76%	5.33%
Discount rate	2.21%	3.50%	3.58%	7.50%

*GASB Statement No. 75 requires presentation of information for 10 years. However, until a full 10-year trend is compiled, only those years in which information is available will be presented.

No assets were accumulated in a trust.

Treasure Valley Community College
Schedule of Employer's Share of Net Pension Liability (Asset)
June 30, 2021

As of the Measurement Date June 30,	(a) College's Proportion of the Net Pension Liability (Asset)	(b) College's Proportionate Share of the Net Pension Liability (Asset)	(c) College's Covered Payroll	(b) / (c) College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2021	0.058381%	\$ 12,740,768	\$ 10,179,311	125.16%	75.80%
2020	0.055755%	9,644,354	10,472,730	92.09%	80.20%
2019	0.067303%	10,245,094	10,541,986	97.18%	82.10%
2018	0.073026%	9,843,936	10,687,660	92.11%	83.10%
2017	0.070116%	10,526,017	9,090,288	115.79%	80.50%
2016	0.060478%	3,472,304	9,643,827	36.01%	91.90%
2015	0.056709%	(1,285,441)	9,603,844	-13.38%	103.60%

GASB Statement No. 68 requires ten years of information to be presented in this table; however, until a full ten-year trend is compiled, the College will present information for those years for which information is available.

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

Treasure Valley Community College
Schedule of Employer Contributions – Pensions
June 30, 2021

For Fiscal Years Ended June 30,	(a) Statutorily Required Contribution	(b) Contributions Related to the Statutorily Required Contribution	(a) - (b) Contribution Deficiency (Excess)	(c) College's Covered Payroll	(b) / (c) Contributions as a Percent of Covered Payroll
2021	\$ 648,993	\$ 648,993	\$ -	\$ 9,736,684	6.7%
2020	619,196	619,196	-	10,179,311	6.1%
2019	577,489	577,489	-	10,462,730	5.5%
2018	575,406	575,406	-	10,541,986	5.5%
2017	398,056	398,056	-	10,687,660	3.7%
2016	403,935	403,935	-	9,090,288	4.4%
2015	504,541	504,541	-	9,643,827	5.2%

GASB Statement No. 68 requires ten years of information to be presented in this table; however, until a full ten-year trend is compiled, the College will present information for those years for which information is available.

Date reported is measured as of June 30.

Supplementary Information

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
General Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 3,066,179	\$ 3,066,179	\$ 3,128,151	\$ 61,972
State sources	7,740,722	7,740,722	7,818,536	77,814
Lost revenue recovery			925,801	925,801
Tuition and fees	5,869,288	5,869,288	5,065,969	(803,319)
Total revenues	16,676,189	16,676,189	16,938,457	262,268
Expenditures				
Instruction	6,240,372	5,850,372	5,245,465	604,907
Instruction support	845,810	845,810	655,881	189,929
Student services	2,331,635	2,231,635	1,987,313	244,322
College support services	4,320,669	4,212,433	3,922,678	289,755
Plant operation and maintenance	1,704,773	1,904,773	1,810,387	94,386
Plant additions	40,000	40,000	33,410	6,590
Financial aid	971,166	971,166	954,823	16,343
Operating contingency	701,764	-	-	-
Total expenditures	17,156,189	16,056,189	14,609,957	1,446,232
Excess of revenues over (under) expenditures	(480,000)	620,000	2,328,500	1,708,500
Other financing sources (uses)				
Transfers in		-	6,993	6,993
Transfers out	(470,000)	(1,570,000)	(1,570,000)	-
Total other financing sources (uses)	(470,000)	(1,570,000)	(1,563,007)	6,993
Excess of revenues, other Financing sources over (under) expenditures, other Financing (uses)	(950,000)	(950,000)	765,493	1,715,493
Available fund balance, July 1	1,250,000	1,250,000	1,385,948	135,948
Available fund balance, June 30	\$ 300,000	\$ 300,000	\$ 2,151,441	\$ 1,851,441

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Special Projects Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 750,000	\$ 750,000	\$ 529,494	\$ (220,506)
Tuition and fees	2,500,000	2,500,000	1,143,221	(1,356,779)
Lost revenue recovery	-	-	235,314	235,314
State sources	3,500,000	3,500,000	3,315,514	(184,486)
Federal sources	3,460,053	3,460,053	4,354,850	894,797
Total revenues	10,210,053	10,210,053	9,578,393	(631,660)
Expenditures				
Instruction	7,009,688	6,024,688	4,836,944	1,187,744
Supporting services	2,855,365	3,840,365	3,785,032	55,333
Total expenditures	9,865,053	9,865,053	8,621,976	1,243,077
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(385,000)	(385,000)	-	385,000
Total other financing sources (uses)	(385,000)	(385,000)	-	385,000
Excess of revenues, other Financing sources, over (under) expenditures	(40,000)	(40,000)	956,417	996,417
Available fund balance, July 1	425,000	425,000	677,438	252,438
Available fund balance, June 30	<u>\$ 385,000</u>	<u>\$ 385,000</u>	<u>\$ 1,633,855</u>	<u>\$ 1,248,855</u>

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Debt Service Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 1,191,145	\$ 1,191,145	\$ 1,189,012	\$ (2,133)
Total revenues	1,191,145	1,191,145	1,189,012	(2,133)
Expenditures				
Debt service	1,814,145	1,814,145	1,812,012	2,133
Total expenditures	1,814,145	1,814,145	1,812,012	2,133
Excess of revenues over (under) expenditures	(623,000)	(623,000)	(623,000)	-
Other financing sources (uses)				
Transfer from other funds	623,000	623,000	623,000	-
Total other financing sources (uses)	623,000	623,000	623,000	-
Excess of revenues, other Financing sources over (under) expenditures, other financing (uses)	-	-	-	-
Available fund balance, July 1		-		-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Capital Projects Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 735,000	\$ 735,000	\$ 435,700	\$ (299,300)
State sources	2,300,000	2,300,000	1,104,066	(1,195,934)
Federal sources	2,000,000	2,000,000	678,742	(1,321,258)
Total revenues	<u>5,035,000</u>	<u>5,035,000</u>	<u>2,218,508</u>	<u>(2,816,492)</u>
Expenditures				
Facilities acquisition and construction	5,285,000	5,285,000	2,125,894	3,159,106
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,285,000</u>	<u>5,285,000</u>	<u>2,125,894</u>	<u>3,159,106</u>
Excess of revenues over (under) expenditures	<u>(250,000)</u>	<u>(250,000)</u>	<u>92,614</u>	<u>342,614</u>
Other financing sources (uses)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>310,000</u>	<u>210,000</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>310,000</u>	<u>210,000</u>
Excess of revenues, other Financing sources over (under) expenditures, other financing (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>402,614</u>	<u>552,614</u>
Available fund balance, July 1	<u>150,000</u>	<u>150,000</u>	<u>60,707</u>	<u>(89,293)</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,321</u>	<u>\$ 463,321</u>

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Reserve Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 905,000	\$ 905,000	\$ 1,101,418	\$ 196,418
State sources	-	-	-	-
Lost revenue recovery	-	-	65,420	65,420
Tuition and fees	145,000	145,000	152,378	7,378
Total revenues	1,050,000	1,050,000	1,319,216	269,216
Expenditures				
Support services	905,000	905,000	754,690	150,310
Facilities acquisition and construction	202,500	202,500	-	202,500
Total expenditures	1,107,500	1,107,500	754,690	352,810
Excess of revenues over (under) expenditures	(57,500)	(57,500)	564,526	(83,594)
Other financing sources (uses)				
Transfers from other funds	75,000	75,000	1,025,000	950,000
Transfers to other Funds	-	-	-	-
Total other financing sources (uses)	75,000	75,000	1,025,000	950,000
Excess of revenues, other Financing sources over (under) expenditures, other financing (Uses)	17,500	17,500	1,589,526	1,572,026
Available fund balance, July 1	1,182,500	1,182,500	1,939,967	757,467
Available fund balance, June 30	\$ 1,200,000	\$ 1,200,000	\$ 3,529,493	\$ 2,329,493

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Agency Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 400,000	\$ 400,000	\$ 285,528	\$ (114,472)
Lost revenue recovery	\$ -	\$ -	78,485	78,485
Tuition and fees	500,000	500,000	374,618	(125,382)
Total revenues	900,000	900,000	738,631	(161,369)
Expenditures				
Instruction	150,000	150,000	53,024	96,976
Support Services	750,000	750,000	428,498	321,502
Total expenditures	900,000	900,000	481,522	418,478
Excess of revenues over (under) expenditures	-	-	257,109	257,109
Other financing sources (uses)				
Transfers from other funds	15,000	15,000	-	(15,000)
Transfers to other Funds	(15,000)	(15,000)	(6,993)	8,007
Total other financing sources (uses)	-	-	(6,993)	(6,993)
Excess of revenues, other Financing sources over (under) expenditures, other financing (Uses)	-	-	250,116	250,116
Available fund balance, July 1	450,000	450,000	517,606	67,606
Available fund balance, June 30	<u>\$ 450,000</u>	<u>\$ 450,000</u>	<u>\$ 767,722</u>	<u>\$ 317,722</u>

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Student Financial Aid Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local sources	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
State sources	800,000	800,000	556,709	(243,291)
Federal sources	11,025,000	11,025,000	6,390,686	(4,634,314)
Total revenues	11,850,000	11,850,000	6,947,395	(4,902,605)
Expenditures				
Supporting services	11,850,000	11,850,000	6,947,395	4,902,605
Total expenditures	11,850,000	11,850,000	6,947,395	4,902,605
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues, other Financing sources over (under) expenditures, other financing (uses)	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

Treasure Valley Community College
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual (Budgetary Basis)
Auxiliary Fund
Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Operating revenues				
Sales	\$ 2,600,000	\$ 2,600,000	\$ 1,774,902	\$ (825,098)
Lost revenue recovery	-	-	602,846	602,846
Tuition and fees	2,600,000	2,600,000	1,113,414	(1,486,586)
Total operating revenues	5,200,000	5,200,000	3,491,162	(1,708,838)
Operating expenses				
Instruction	2,500,000	2,500,000	935,691	1,564,309
Enterprise services	2,250,000	2,250,000	1,689,677	560,323
Total operating expenses	4,750,000	4,750,000	2,625,368	2,124,632
Operating Income	450,000	450,000	865,794	415,794
Other financing sources (uses)				
Transfer from other funds				
Transfer to other funds	(478,000)	(478,000)	(348,000)	130,000
Total other financing sources (uses)	(478,000)	(478,000)	(348,000)	130,000
Excess of revenues, other Financing sources over (under) expenditures, other financing (uses)	(28,000)	(28,000)	517,794	545,794
Available fund balance, July 1	3,270,000	3,270,000	3,293,074	23,074
Available fund balance June 30	<u>\$ 3,242,000</u>	<u>\$ 3,242,000</u>	<u>\$ 3,810,868</u>	<u>\$ 568,868</u>

Treasure Valley Community College
Reconciliation of Budgetary Fund Balances to Net Position
Total Budgetary Fund Balances
as of June 30, 2021

General	\$ 2,151,441
Special Projects	1,633,855
Capital Projects	463,321
Reserve Funds	3,529,493
Auxiliary	3,810,868
Agency	<u>767,722</u>
Total Budgetary Fund Balances	12,356,700
 Governmental Funds Fixed Assets, Net	 16,218,086
Long-term Liabilities	(11,517,734)
Compensated Absences	(93,498)
Adjustment for Difference in State Support Pmts	<u>(1,954,195)</u>
Net Position Prior to Effects of GASB's 68 and 75	15,009,359
 Net OPEB Asset – RHIA	 134,398
Deferred Outflows	4,076,242
Net Pension Liability	(12,740,768)
Pre-SLGRP PERS Transition Liability	(774,109)
OPEB Liability – RHIPA	(691,145)
Deferred Inflows	<u>(2,443,363)</u>
 Net Position	 <u><u>\$ 2,570,614</u></u>

Other Information

Treasure Valley Community College
Combining Balance Sheet – Proprietary Fund Types – Auxiliary
June 30, 2021

	Bookstore	Food Service	Housing	Printing	Transportation	Caldwell Center	Totals, June 30, 2021
ASSETS							
Cash and cash items	\$ 1,000	\$ -	\$ 250	\$ -	\$ -	\$ 440	\$ 1,690
Interfund receivable	-	-	178,305	46,059	32,025	-	256,389
Prepaid assets	-	-	-	-	-	5,000	5,000
Receivables	42,086	-	-	-	-	-	42,086
Inventory	264,897	-	-	-	-	-	264,897
Capital assets (net of accumulated depreciation)	-	-	-	-	-	-	-
	50,273	22,912	3,857,924	15,340	-	86,413	4,032,862
	<u>\$ 358,256</u>	<u>\$ 22,912</u>	<u>\$ 4,036,479</u>	<u>\$ 61,399</u>	<u>\$ 32,025</u>	<u>\$ 91,853</u>	<u>\$ 4,602,924</u>
LIABILITIES AND NET POSITION							
Liabilities							
Accrued payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,860	\$ 18,860
Accounts payable	-	-	-	-	-	-	-
Deposits payable	-	-	16,960	-	-	-	16,960
Interfund payable	171,732	2,572	-	-	-	581,932	756,236
Total liabilities	171,732	2,572	16,960	-	-	600,792	792,056
Net position							
Unrestricted	186,524	20,340	4,019,519	61,399	32,025	(508,939)	3,810,868
Total net position	186,524	20,340	4,019,519	61,399	32,025	(508,939)	3,810,868
	<u>\$ 358,256</u>	<u>\$ 22,912</u>	<u>\$ 4,036,479</u>	<u>\$ 61,399</u>	<u>\$ 32,025</u>	<u>\$ 91,853</u>	<u>\$ 4,602,924</u>

Treasure Valley Community College

Combining Statement of Revenue, Expenses, and Change in Net Position – Proprietary Fund Types – Auxiliary Year Ended June 30, 2021

	Bookstore	Food Service	Housing	Printing	Transportation	Caldwell Center	Totals, June 30, 2021
OPERATING REVENUES							
Sale of textbooks and school supplies	\$ 622,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,432
Food and catering sales	-	422,799	-	-	-	-	422,799
Housing income	-	-	529,162	-	-	-	529,162
Printing income	-	-	-	124,873	-	-	124,873
Transportation Income	-	-	-	-	75,636	-	75,636
Lost revenue recovery	188,762	152,838	90,415	-	-	170,831	602,846
Tuition and fees	-	-	-	-	-	1,113,414	1,113,414
Total operating revenues	811,194	575,637	619,577	124,873	75,636	1,284,245	3,491,162
OPERATING EXPENSES							
Salaries and benefits	153,904	25,682	109,199	64,507	16,579	604,361	974,232
Cost of goods sold	493,112	-	-	-	-	-	493,112
Travel and mileage	-	-	1,876	-	522	6,423	8,821
Materials and supplies	-	15,726	44,736	6,090	1,130	10,021	77,703
Rent	-	2,218	-	-	-	200,765	202,983
Outside services	18,574	416,674	36,583	18,764	-	20,530	511,125
Repairs and maintenance	-	8,445	1,639	-	25,885	4,679	40,648
Printing	430	5	277	28,512	-	1,032	30,256
Other expense	798	258	20,123	-	335	17,689	39,203
Depreciation	11,227	2,397	158,989	4,146	-	26,525	203,284
Utilities	-	-	-	-	-	43,629	43,629
Bad debts	335	-	-	-	-	37	372
Total operating expenses	678,380	471,405	373,422	122,019	44,451	935,691	2,625,368
OPERATING INCOME	\$ 132,814	\$ 104,232	\$ 246,155	\$ 2,854	\$ 31,185	\$ 348,554	\$ 865,794

Treasure Valley Community College
Combining Statement of Revenue, Expenses, and Change in Net Position – Proprietary Fund Types – Auxiliary
(continued)
Year Ended June 30, 2021

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>	<u>Printing</u>	<u>Transportation</u>	<u>Caldwell Center</u>	<u>Totals, June 30, 2021</u>
Other financing sources (uses)							
Transfer to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (348,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (348,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(348,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(348,000)</u>
NET POSITION, beginning of year	<u>53,710</u>	<u>(83,892)</u>	<u>4,121,364</u>	<u>58,545</u>	<u>840</u>	<u>(857,493)</u>	<u>3,293,074</u>
NET POSITION, end of year	<u><u>\$ 186,524</u></u>	<u><u>\$ 20,340</u></u>	<u><u>\$ 4,019,519</u></u>	<u><u>\$ 61,399</u></u>	<u><u>\$ 32,025</u></u>	<u><u>\$ (508,939)</u></u>	<u><u>\$ 3,810,868</u></u>

Treasure Valley Community College
Combining Statement Cash Flows – Proprietary Fund Types – Auxiliary
Year Ended June 30, 2021

	Bookstore	Food Service	Housing	Printing	Transportation	Caldwell Center	Totals, June 30, 2021
OPERATING ACTIVITIES							
Cash received from customers	\$ 811,194	\$ 575,637	\$ 595,357	\$ 124,873	\$ 75,636	\$ 1,284,245	\$ 3,466,942
Payments to employees	(153,904)	(25,682)	(109,199)	(64,507)	(16,579)	(602,035)	(971,906)
Payments to suppliers	(491,955)	(443,326)	(105,234)	(53,366)	(27,872)	(305,788)	(1,427,541)
Net cash from (used for) operating activities	<u>165,335</u>	<u>106,629</u>	<u>380,924</u>	<u>7,000</u>	<u>31,185</u>	<u>376,422</u>	<u>1,067,495</u>
NONCAPITAL FINANCING ACTIVITIES							
Increase (decrease) in interfund receivable/payable	(165,336)	(94,629)	22,515	(7,000)	(31,185)	(376,424)	(652,059)
Operating transfers In (Out)	<u>-</u>	<u>-</u>	<u>(348,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(348,000)</u>
Net cash from (used for) noncapital financing activities	<u>(165,336)</u>	<u>(94,629)</u>	<u>(325,485)</u>	<u>(7,000)</u>	<u>(31,185)</u>	<u>(376,424)</u>	<u>(1,000,059)</u>
Investing activities							
Net increase in capital assets	<u>-</u>	<u>(12,000)</u>	<u>(55,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,269)</u>
Net change in cash used for investing activities	<u>-</u>	<u>(12,000)</u>	<u>(55,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,269)</u>
NET CHANGE IN CASH	(1)	-	170	-	-	(2)	167
NET CASH AND CASH ITEMS, beginning of year	<u>1,001</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>1,523</u>
NET CASH AND CASH ITEMS, end of year	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440</u>	<u>\$ 1,690</u>

Treasure Valley Community College
Combining Statement Cash Flows – Proprietary Fund Types – Auxiliary (continued)
Year Ended June 30, 2021

	Bookstore	Food Service	Housing	Printing	Transportation	Caldwell Center	Totals June 30, 2021
Reconciliation of operating income to net net cash from operating activities							
Operating income	\$ 132,814	\$ 104,232	\$ 246,155	\$ 2,854	\$ 31,185	\$ 348,554	\$ 865,794
Depreciation and amortization	11,227	2,397	158,989	4,146	-	26,525	203,284
(Increase) decrease in accounts receivable (net)	39,160	-	-	-	-	-	39,160
(Increase) decrease in inventory	(17,866)	-	-	-	-	-	(17,866)
(Increase) decrease in prepaid assets	-	-	-	-	-	(983)	(983)
(Increase) decrease in capital assets	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	-	-	-	-	-	-	-
Increase (decrease) in payroll payable	-	-	-	-	-	2,326	2,326
Increase (decrease) in deposits payable	-	-	(24,220)	-	-	-	(24,220)
Net cash from (used for) operating activities	<u>\$ 165,335</u>	<u>\$ 106,629</u>	<u>\$ 380,924</u>	<u>\$ 7,000</u>	<u>\$ 31,185</u>	<u>\$ 376,422</u>	<u>\$ 1,067,495</u>

Treasure Valley Community College
Statement of Property Tax Transactions
Year Ended June 30, 2021

Tax Year Special Levy All Counties	Uncollected Taxes June 30, 2020	2020-2021 Assessment	Adjustments	Rebates Allowed	Interest	Taxes Collected	Total Amount Collected	Uncollected Taxes June 30, 2021
2020-2021	\$ -	\$ 2,815,727	\$ 3,148	\$ 70,731	\$ 1,297	\$ 2,673,579	\$ 2,674,876	\$ 68,269
2019-2020	69,573	-	199	-	2,474	34,371	36,845	35,003
2018-2019	39,972	-	157	-	3,501	19,461	22,962	20,354
2017-2018	22,049	-	48	-	4,083	14,571	18,654	7,430
2016-2017	6,752	-	33	-	2,058	6,208	8,266	511
2015-2016	924	-	32	-	132	556	688	336
2014-2015	404	-	30	-	9	246	255	128
Prior years	427	-	13	-	2	434	436	(20)
Total	<u>\$ 140,101</u>	<u>\$ 2,815,727</u>	<u>\$ 3,660</u>	<u>\$ 70,731</u>	<u>\$ 13,556</u>	<u>\$ 2,749,426</u>	<u>\$ 2,762,982</u>	<u>\$ 132,011</u>

Treasure Valley Community College
Statement of Assets, Liabilities, and Fund Balance – General Fund
June 30, 2021

ASSETS

Cash and cash equivalents	\$ 5,133,641
Accounts receivable, net	2,739,955
Prepaid assets	<u>42,985</u>
 Total assets	 <u><u>\$ 7,916,581</u></u>

LIABILITIES

Accounts payable	\$ 521,683
Payroll liabilities	818,777
Due to other funds	4,400,855
Unearned revenue	<u>23,825</u>
 Total liabilities	 5,765,140

FUND BALANCE

<u>2,151,441</u>
<u><u>\$ 7,916,581</u></u>

Treasure Valley Community College
Historical Property Values and General Obligation Legal Debt Capacity
Year Ended June 30, 2021

Fiscal Year	Measure 5 Real Market Value	Total Assessed Value	% AV Growth
2021	\$ 2,912,166,000	\$ 2,307,309,000	5.63%
2020	2,693,426,000	2,184,233,000	3.23%
2019	2,529,087,000	2,115,876,000	-2.49%
2018	2,610,710,000	2,169,853,000	10.65%
2017	2,303,823,037	1,961,033,816	10.15%
2016	2,030,563,331	1,780,364,713	2.75%
2015	1,999,474,573	1,732,664,506	2.90%
2014	1,934,924,557	1,683,880,925	-2.25%
2013	1,996,579,975	1,722,597,592	6.71%
2012	1,915,006,675	1,614,261,739	1.95%
2011	2,032,940,238	1,583,378,391	3.72%
2010	2,065,610,076	1,526,586,029	3.57%
2009	2,001,937,822	1,473,990,650	5.02%
2008	1,838,225,220	1,403,564,969	3.48%
2007	1,671,097,840	1,356,378,265	2.08%
2006	1,547,887,690	1,328,764,895	4.22%
2005	1,506,054,290	1,274,997,655	3.09%
2004	1,450,814,560	1,236,815,526	2.41%
2003	1,421,109,120	1,207,731,074	1.84%
2002	1,448,793,430	1,185,961,331	7.03%
2001	1,397,851,930	1,108,062,481	-

Source: Oregon Department of Revenue, Research Section

General Obligation Legal Debt Capacity

Real market value (Fiscal Year 2021)	<u>\$ 2,912,166,000</u>
G.O. bond debt capacity	43,682,490
Less: outstanding debt subject to limit	<u>-</u>
Remaining general obligation debt capacity	<u><u>\$ 43,682,490</u></u>
Percent of debt capacity issued	0%

**Treasure Valley Community College
District Major Taxpayers
Year Ended June 30, 2021**

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Tax ⁽¹⁾</u>	<u>Assessed Value ⁽²⁾</u>	<u>Percent of Value</u>
Idaho Power Co	Utilities	\$ 1,709,059	\$ 144,009,950	5.93%
HJ Heinz Company LP	Food processing	1,684,459	113,550,522	4.68%
ORMAT Technologies Inc	Renewable energy	1,298,778	123,867,700	5.10%
Fry Foods	Food processing	285,786	26,004,917	1.07%
Union Pacific Railroad Co.	Freight/transportation	250,470	16,357,006	0.67%
PacifiCorp (PP&L)	Utilities	218,930	20,279,987	0.84%
CenturyLink	Telecommunications	203,860	15,663,981	0.65%
EP Minerals LLC	Diatomaceous earth	185,128	18,595,774	0.77%
Wal-Mart Rest Est Business Trs	Real estate	181,461	12,140,000	0.50%
Americold Realty Inc	Real estate	162,762	10,895,900	0.45%
Subtotal - Ten of District's largest taxpayers			501,365,737	20.66%
All other District's taxpayers			1,925,474,594	79.34%
Total district			<u>\$ 2,426,840,331</u>	<u>100.00%</u>

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of Malheur County. This amount is distributed to individual local governments by Malheur County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Treasure Valley Community College
Comments and Disclosures Required by the State of Oregon
Year Ended June 30, 2021

Oregon Administration Rules 162-010-0000 through 162-010-0320 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 in the following pages.

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

The Board of Education
Treasure Valley Community College
Ontario, Oregon

We have audited the basic financial statements of Treasure Valley Community College (the College), and the discretely presented component unit, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 21, 2021. We conducted our audit 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 the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Treasure Valley Community College Foundation, the College's discretely presented component unit, were not audited in accordance with *Government Auditing Standards* or the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

The use of approved depositories to secure the deposit of public funds.

The requirements relating to debt.

The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal year 2021 and 2022.

The requirements relating to insurance and fidelity bond coverage.

The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

The statutory requirements pertaining to the investment of public funds.

The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Scott Simpson, Partner
for Moss Adams LLP
Portland, Oregon
December 21, 2021

