

TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Malheur County, Oregon

**INDEPENDENT AUDITOR'S REPORT,
FINANCIAL STATEMENTS
and
SINGLE AUDIT**

For the Year Ended June 30, 2009

TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Malheur County, Oregon
June 30, 2009

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Administrative Organization Chart	i
List of Elected and Appointed Officials	ii

FINANCIAL SECTION

<i>Independent Auditor's Report</i>	1-2
<i>Management's Discussion and Analysis</i>	3-9
<i>Basic Financial Statements</i>	
Statement of Net Assets	10
Statement of Revenues, Expenses, and Changes in Net Assets	11
Statement of Cash Flows	12
Notes to the Basic Financial Statements	13-29
 <i>Required Supplementary Information</i>	
Budgetary Comparison Schedules	
General Fund	30
Special Revenue Funds	
Special Projects Fund	31
Student Financial Aid Fund	32
Perkins Loan Fund	33
Capital Projects Fund	
Capital Projects Fund	34
Reserve Fund	35
Auxiliary Funds	
Bookstore Fund	36
Food Service Fund	37
Housing Fund	38
Printing Fund	39
Caldwell Center	40
Notes to Required Supplementary Information	41
 <i>Other Information</i>	
Combining Schedules	
Combining Schedule of Net Assets – Auxiliary Funds	42
Combining Schedule of Revenues, Expenses, and Changes in Net Assets- Auxiliary Funds	43
Combining Schedule of Cash Flows – Auxiliary Funds	44

FINANCIAL SECTION (CONTINUED)

Other Financial Schedules

Summary Schedule – All Agency Funds.....	45
Summary Schedules of Cash, Cash Items and Investments – All Funds	46
Schedule of Property Tax Transactions	47

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

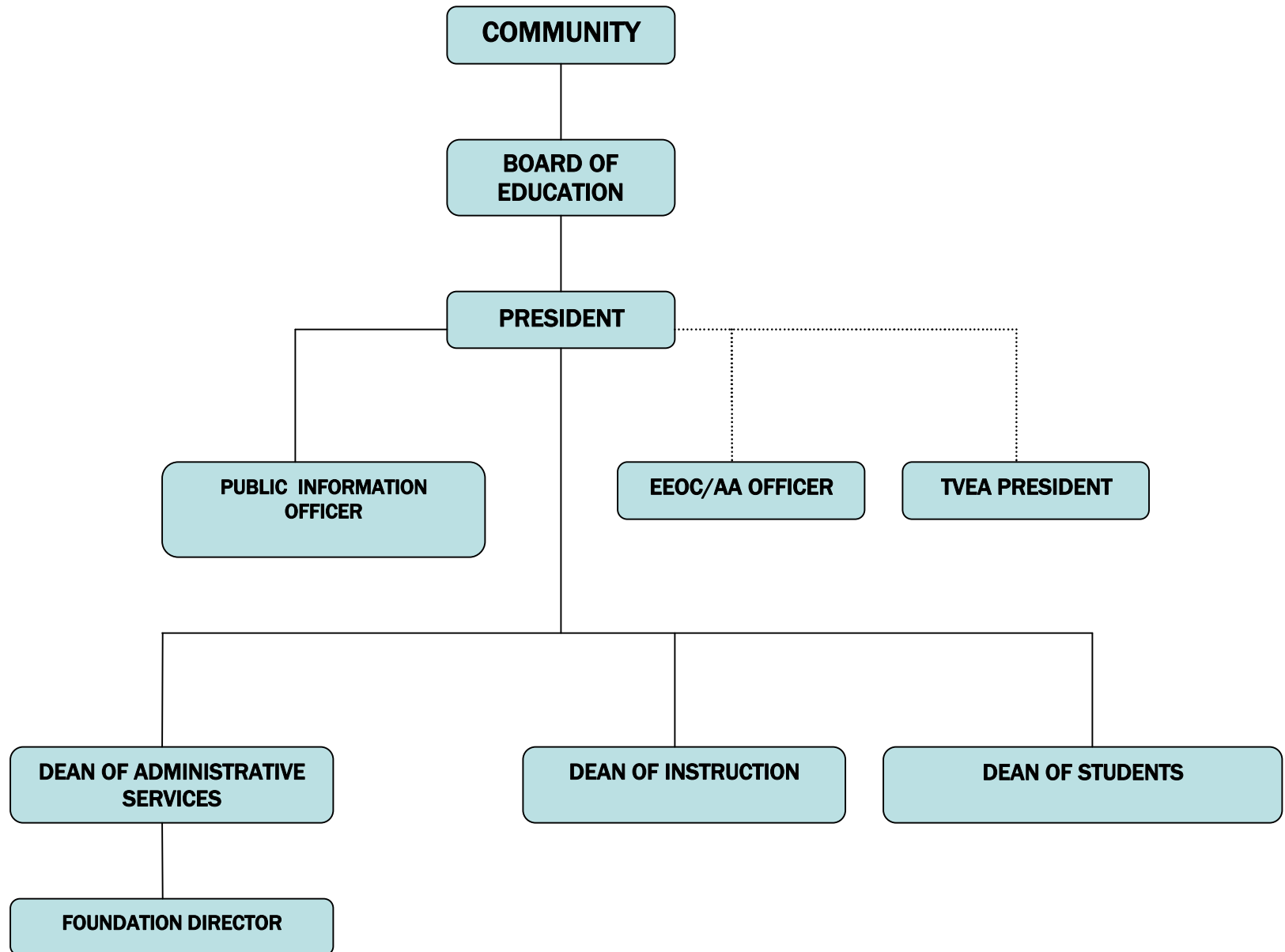
Comments and Disclosures Required by the State of Oregon.....	48-49
Summary of Revenues and Expenditures Required by Oregon Secretary of State.....	50

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards.....	51-52
Schedule of Findings and Questioned Costs.....	53-54
Report on Compliance and Internal Control over Financial Reporting based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>	55-56
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	57-58

INTRODUCTORY SECTION

**TREASURE VALLEY COMMUNITY COLLEGE
2008 – 2009 Organizational Chart**



TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Malheur County, Oregon
BOARD OF EDUCATION AND ADMINISTRATORS
June 30, 2009

Board of Education

<u>Name</u>	<u>Address</u>	<u>Position</u>
John Forsyth	Ontario	Chairperson
Peter Lawson	Ontario	Vice-Chairperson
Scott Wilson	Ontario	Director
Cheryl Cruson	Ontario	Director
Mary Ann Standage	Vale	Director
Ryan Gentry	Ontario	Director
Jed Myers	Ontario	Director

Administrators

Dr. James E. Sorensen	President
Randy R. Griffin	Dean of Administrative Services

FINANCIAL SECTION



Certified Public Accountants, PC

George W. Wilber, CrFA, CPA
Robert M. Armstrong, CPA
Mary Jo Evers, CPA

Arlie W. Oster, CPA (1931-1998)

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

We have audited the accompanying financial statements of Treasure Valley Community College, Ontario, Oregon and its discretely presented component unit as of and for the year ended June 30, 2009, which collectively comprise the college's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Treasure Valley Community College's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position Treasure Valley Community College, Ontario, Oregon and its discretely presented component unit, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2010, on our consideration of the Treasure Valley Community 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis on pages 3 through 9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiry of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Treasure Valley Community College's basic financial statements. The required supplementary information, other information and other financial schedules listed in the financial section on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and*

Non-Profit Organizations and is not a required part of the basic financial statements of Treasure Valley Community College. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory section, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
January 14, 2010

TREASURE VALLEY COMMUNITY COLLEGE MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Treasure Valley Community College's (the College) Financial Statements presents an analysis of the financial activities of the College and the Treasure Valley Community College Foundation (the Foundation) for the fiscal year-ended June 30, 2009. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

Overview of Financial Statements

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

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

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

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

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

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

the College's ability to generate future cash flows and its ability to meet its obligations as they come due.

Financial Highlights

- State of Oregon FTE reimbursements decreased in the 08-09 fiscal year. Due to market conditions and declining employment in the State of Oregon, overall tax revenues have decreased from the prior year, which effected the FTE reimbursement that state provides Community Colleges. The College is expecting continued decreases in the 09-11 biennium.
- Enrollment for 08-09 increased dramatically from the prior year.
- The College continues to expand its current class selection and increase its overall enrollment at the College's main satellite center in Caldwell, Idaho.
- Federal financial aid continued to increase from prior years due to an increase in the funds available to students through improved utilization of existing aid programs.

Analysis of the Statement of Net Assets

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

In summary form, net assets consisted of:

	2009	2008	Increase (Decrease) in millions
Assets			
Current assets	\$ 5,394,423	\$ 4,453,622	0.94
Pension asset	10,968,774	16,327,448	-5.36
Capital assets, net	<u>10,230,667</u>	<u>9,081,361</u>	<u>1.15</u>
Total assets	<u>26,593,864</u>	<u>29,862,431</u>	<u>-3.27</u>
Liabilities			
Current liabilities	2,562,376	2,165,388	0.40
Noncurrent liabilities	<u>17,783,110</u>	<u>18,259,580</u>	<u>-0.48</u>
Total liabilities	<u>20,345,486</u>	<u>20,424,968</u>	<u>-0.08</u>
Net Assets			
Invested in capital assets, net of related debt	1,300,544	132,628	1.17
Restricted	1,708,985	6,547,036	-4.84
Unrestricted	<u>3,238,849</u>	<u>2,757,799</u>	<u>0.48</u>
Total net assets	<u>\$ 6,248,378</u>	<u>\$ 9,437,463</u>	<u>-3.19</u>

Assets

Total assets for the College at the end of the fiscal year were approximately \$26.6 million, comprised of both current assets (\$5.4 million) and noncurrent assets (\$21.2 million).

Cash and cash equivalents for the College were \$.7 million at year-end which is a decrease of \$1.5 million from the prior year. This decrease is due in large part because the State of Oregon

withholds the College's fourth quarter FTE payment until July of the following fiscal year. The College noted an accounts receivable increase of \$2.4 million from the prior year. This increase is due to the recognizing of the receivable from the State of Oregon for the FTE payment, and an increase in student receivables due to the increase in enrollment.

At year-end capital assets totaled \$17.8 million with associated accumulated depreciation of \$7.5 million, for a net capital asset value of \$10.2 million. This is a \$1.15 million increase in the capital assets over the 2007-2008 fiscal year. In the 08-09 fiscal year, the State of Oregon funded numerous capital projects for community colleges and other state agencies in the hope that it would encourage job growth in the Oregon economy. These capital projects funded through state dollars are the major reason for the increase in capital assets for this fiscal year.

The College's prepaid pension contribution reflects bonds issued by the College in 2003 to finance the unfunded pension liability due to the Oregon Public Employees Retirement System. The value of these assets decreased by \$5.36 million as of the year ended 08-09. The prepaid pension obligation, like many investments in the 08-09 fiscal year, was hurt by the market declines experienced by the stock and bond markets, which was the major cause for the loss in value of this asset.

Overall total assets of the College decreased \$3.27 million as compared to prior year.

Assets of the Foundation are comprised primarily of investments (\$2.4 million of the \$2.69 million asset balance). Total assets for the Foundation decreased by approximately .5 million, due in large part to realized losses in investment values.

Liabilities

Liabilities are classified as current and noncurrent. The current liabilities balance at year-end was approximately \$2.5 million and the noncurrent liability balance was \$17.7 million. Current liabilities are comprised of accounts payable, accrued payroll liabilities, deferred revenue, and the current portion of long-term debt. Noncurrent liabilities are comprised of two primary amounts, PERS bonds payable (\$9.43 million) and notes payable (\$8.93 million), less the current portion of notes payable of \$0.72 million. Non-current liabilities also include the OPEB obligation that TVCC has to its employees, which was a payable of \$.13 million as of year end. The notes payable balance decreased from prior year by \$.48 million.

Net Assets

Total net assets at year-end are \$6.2 million or a \$3.19 million decrease over the prior year. The decrease from prior year is due to the following:

- Decrease in the fair market value of our pre-paid pension asset of \$5.3 million
- Change in net assets of \$2.1 million net of investment losses

The net assets of the Foundation are divided as follows:

Restricted – expendable for student aid and grants	\$.43 million
Restricted – nonexpendable endowment principal	1.98 million
Unrestricted	<u>.21 million</u>
Total net assets at year-end	\$ 2.62 million

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

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

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

In summary form the year's results were:

	2009	2008	Increase (Decrease) in millions
Operating revenues			
Tuition and fees	\$ 5,390,176	\$ 4,572,777	0.82
Grants and contracts	4,199,415	2,892,418	1.31
Sales of goods and services	4,988,373	3,721,978	1.27
Other operating revenues	1,134,944	606,607	0.53
Total operating revenues	15,712,908	11,793,780	3.92
Non operating revenues			
State community college support	6,727,599	6,568,194	0.16
Property taxes	1,727,338	1,720,569	0.01
Investment income (loss)	(5,318,650)	684,576	(6.00)
Federal financial aid	10,698,309	6,584,135	4.11
Other	335,678	-	0.34
Total non operating revenues	14,170,274	15,557,474	(1.39)
Total revenues	29,883,182	27,351,254	2.53
Operating expenses			
Educational and general	9,537,271	8,321,862	1.22
Other support services	18,440,264	13,190,177	5.25
Auxiliary enterprises	3,675,804	3,022,680	0.65
Depreciation	560,979	511,058	0.05
Total operating expense	32,214,318	25,045,777	7.17
Non operating expenses	857,949	842,598	0.02
Total expenses	33,072,267	25,888,375	7.18
Change in net assets	\$ (3,189,085)	\$ 1,462,879	-4.65

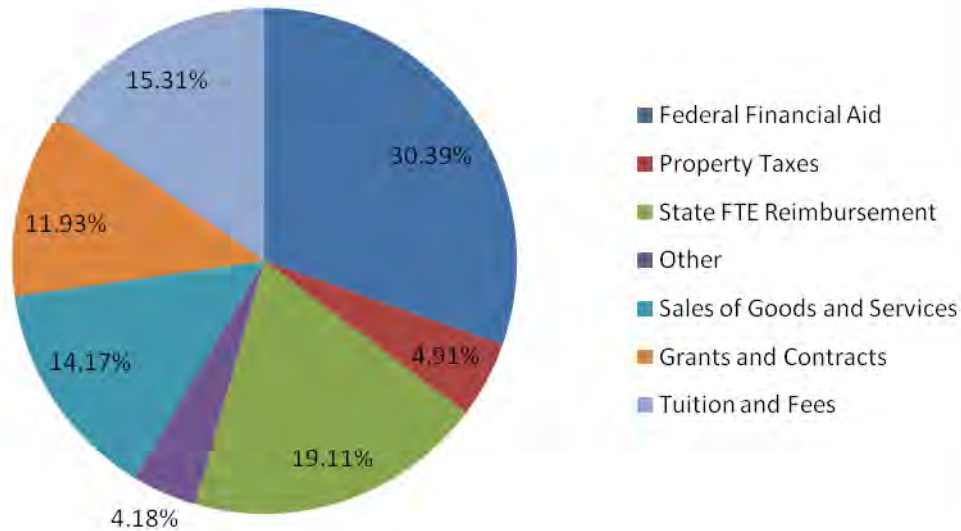
Operating Revenue

Operating revenue for the fiscal year was \$15.7 million (an increase of \$3.92 million over prior year). Grants and contracts revenue, which includes both federal and state grants and contracts, (except for federal financial aid) increased by \$1.31 million from the prior year due to an increase in the amount of state programs the College administers.

Nonoperating Revenue

Nonoperating revenues decreased by \$1.39 million from prior year; This was due to a large investment loss on the College's prepaid pension obligation, which was off-set by an increase in federal financial aid disbursed to students due to increased enrollment.

2009 Operating and Non Operating Revenues

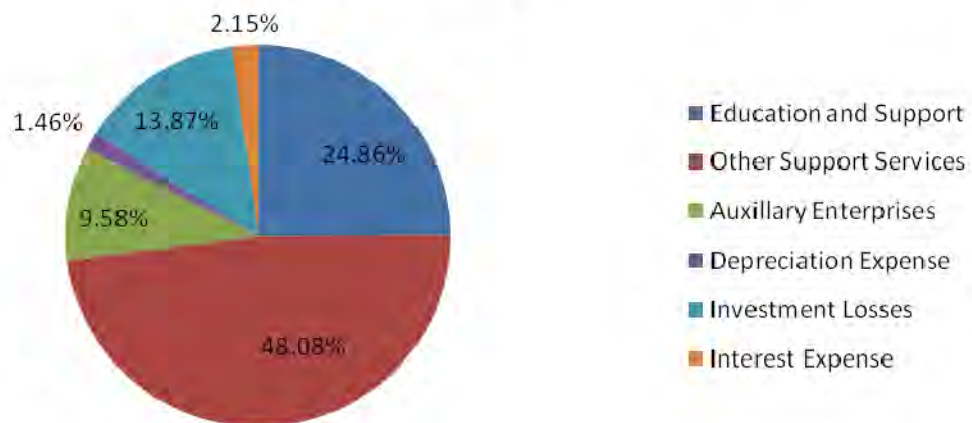


Revenue for the Foundation of \$454,766 came primarily from contributions and special events proceeds.

Expenses

Total operating expenses for the College were \$32.21 million for the fiscal year, an increase of \$7.17 million from prior year. Expenses by category are as follows:

2009 Operating and Non Operating Expenses



Operating expenses increased largely due to the increase in enrollment experienced by the College. Additional expenses included salary and related payroll increases, and the increased expense burden placed on the Colleges auxiliary services due to the increased enrollment growth. Financial Aid expense increased dramatically over the prior year, due in large part to the increased enrollment and the number of students who qualified for federal financial aid.

Change in Net Assets

The change in net assets for the 08-09 fiscal year was an decrease of \$3.19 million. The decrease was due to the devaluing of our prepaid pension obligation due to investment losses that occurred in 08-09 fiscal year.

Statement of Cash Flows

The College's major operating sources of cash include \$6.9 million in tuition and fees, \$1.47 million in federal grants, and \$3.8 million in state and local government grants and contracts. Major operating uses of cash are payments to suppliers of \$7.1 million, payments to employees of \$11.5 million, and payments for student financial aid and scholarships of \$12.08 million.

Cash flows from noncapital financing activities included \$1.7 million in property taxes, \$10.59 million in federal student financial and grants, and \$5.0 million in state FTE reimbursement payments.

The College had a cash outflow of \$3.25 million in capital financing activities. These outflows included payments on long-term debt and the purchase of additional capital assets for the institution.

The overall cash balance for the College decreased by \$1.5 million for the year.

Variations between Budget and Actual

During the fiscal year 08-09 we had a large increase in tuition and fees due to increased student enrollment, however that enrollment increase was tempered by a decrease in State FTE reimbursement provided to community colleges. We anticipate in the 09-11 bi-ennium continued weakness in the labor markets, which usually coincides with increased enrollment at the community college level. However, with the lower employment outlook, the College also anticipates decreased state funding due to lower overall state tax revenues.

Almost all of the College's auxiliary services showed continued growth and strength. All of them exceeded their budgeted expectations for revenues. Along with the revenue generation, many of the auxiliary services also had increased expenses over the prior year. It is expected that growth in our auxiliary operations will continue, in particular, with the expansion and growth of our Caldwell Center.

Capital Assets

The College obtained funding from the State of Oregon for capital additions to our campus. These capital additions for 08-09 came in the way of building and infrastructure improvements. The College received approximately \$1.4 million from the State of Oregon to fund these improvements in the hope that it would spur job creation in the State of Oregon.

The College is continuing its plans for our Science Center, which will be a 40,000 square foot building on the Ontario Campus. This building will house new science labs, staff and faculty offices, and a large lecture hall for use in our lower division pre-requisite courses. The funding for this building is a 50/50 split, with a fifty percent match being provided by the State of Oregon, and the other fifty percent being funded by the College. The College has begun its first ever capital campaign with the hope of raising the College match through community donations.

Debt

During fiscal year 2008-2009 the college purchased new bleachers for our gymnasium. The new bleachers were financed over a three year period. The College anticipates having the bleachers completely paid for by the 10-11 fiscal year. No additional debt was issued or incurred during the 08-09 fiscal year, and no additional debt is expected to be issued for 09-10.

Economic Factors and Next Year's Budget

The College is expecting to see continued growth in student enrollment, but the weakness in the national economy, and more specifically the state of Oregon, will reduce the amount of FTE reimbursement the college receives for each of the students it serves. The College expects continued growth from its Auxiliary Services, including expansion of enrollment from the Caldwell Center, the College's satellite center located in Idaho. Occupancy for the residence hall has exceeded expectations. The recent improvements have greatly increased the look and appeal of the campus which has been well received in the community and with staff and students. Our current and future capital improvement projects are expected to have a positive impact for the image of the College as well as provide future fiscal benefits in the way of recruitment and overall retention of students. Management will continue to pursue current strategies and explore others as they arise to help strengthen the fiscal performance of the College for the future.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF NET ASSETS
June 30, 2009

	TVCC College	TVCC Foundation
ASSETS		
Current assets		
Cash and cash equivalents	\$ 725,069	\$ 290,354
Investments	-	2,400,835
Receivables		
Taxes	135,688	-
Accounts, net of allowance for doubtful accounts of \$548,153	4,163,702	5,171
Prepaid assets	81,549	-
Unamortized bond issuance costs-net	20,345	-
Other assets	-	2,000
Inventory	268,070	-
Total current assets	<u>5,394,423</u>	<u>2,698,360</u>
Noncurrent assets		
Long-term investments	-	-
Capital assets	17,801,232	-
Less accumulated depreciation	(7,570,565)	-
Prepaid pension contribution	10,968,774	-
Total noncurrent assets	<u>21,199,441</u>	<u>-</u>
TOTAL ASSETS	<u>26,593,864</u>	<u>2,698,360</u>
LIABILITIES		
Current liabilities		
Accounts payable	717,519	76,282
Payroll liabilities	80,792	-
Compensated absences	84,843	-
Due to other funds student and agency groups	161,459	-
Deferred revenue	794,523	-
Current portion of long-term debt	723,240	-
Total current liabilities	<u>2,562,376</u>	<u>76,282</u>
Noncurrent liabilities		
PERS bonds payable	9,437,597	-
Other post employment benefits payable	138,630	-
Notes payable	8,930,123	-
Less current portion of long-term debt	(723,240)	-
Total noncurrent liabilities	<u>17,783,110</u>	<u>-</u>
TOTAL LIABILITIES	<u>20,345,486</u>	<u>76,282</u>
NET ASSETS		
Net assets invested in capital assets	10,230,667	-
Less: related debt	(8,930,123)	-
Investment in capital assets, net	1,300,544	-
Restricted - expendable:		
Student financial aid grants and loans	177,808	433,411
Restricted - non expendable:		
Pension obligation	1,531,177	-
Endowment principal	-	1,976,325
Unrestricted	3,238,849	212,342
TOTAL NET ASSETS	<u><u>\$ 6,248,378</u></u>	<u><u>\$ 2,622,078</u></u>

See notes to the basic financial statements.

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended
June 30, 2009

	TVCC College	TVCC Foundation
OPERATING REVENUES		
Student tuition and fees	\$ 5,390,176	\$ -
Federal contracted programs	1,471,374	-
State sources	2,728,041	-
Auxiliary enterprises		
Bookstore	1,594,798	-
Food services	465,677	-
Housing	464,319	-
Printing	218,605	-
Caldwell Center	2,244,974	-
Contributions and special events proceeds	-	437,371
Other operating revenues	1,134,944	7,418
Total operating revenues	<u>15,712,908</u>	<u>444,789</u>
OPERATING EXPENSES		
Educational and general	9,537,271	-
Other support services		
Student activities	2,107,124	183,744
College support	2,675,015	-
Plant operations	1,899,536	-
Financial aid	11,758,589	182,743
Auxiliary enterprises		
Bookstore	1,286,367	-
Food services	523,859	-
Housing	99,551	-
Printing	184,516	-
Caldwell Center	1,581,511	-
Fund raising expenses	-	3,167
Management and general expenses	-	66,579
Depreciation expense	560,979	-
Total operating expenses	<u>32,214,318</u>	<u>436,233</u>
Operating income (loss)	<u>(16,501,410)</u>	<u>8,556</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	1,727,338	-
Federal financial aid	10,698,309	-
State FTE reimbursement	6,727,599	-
Miscellaneous income	335,678	-
Investment income (loss)	(5,318,650)	(504,911)
Transfers to agency funds	(34,444)	-
Interest expense	(823,505)	-
Net nonoperating revenues (expenses)	<u>13,312,325</u>	<u>(504,911)</u>
Increase (decrease) in net assets	(3,189,085)	(496,355)
NET ASSETS		
Net assets -beginning of the year	<u>9,437,463</u>	<u>3,118,433</u>
Net assets - end of the year	<u>\$ 6,248,378</u>	<u>\$ 2,622,078</u>

See notes to the basic financial statements.

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 6,991,397
Federal grants and contracts	1,471,374
State and local government grants and contracts	3,879,923
Local sources	113,956
Payments to suppliers for goods and services	(7,114,519)
Payments to employees	(11,577,395)
Payments for student financial aid and other scholarships	(12,083,501)
Other cash receipts	2,629,443
Net cash used in operating activities	<u>(15,689,322)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from property taxes	1,702,467
Federal student financial aid grants	10,596,672
State full time equivalent reimbursement	5,093,967
Transfer to agency funds	(34,444)
Net cash provided by noncapital financing activities	<u>17,358,662</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Purchases of capital assets	(1,733,327)
Principal paid on long-term debt	(702,821)
Interest paid on long-term debt	(823,505)
Net cash provided by capital financing activities	<u>(3,259,653)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	40,024
Net cash provided by investing activities	<u>40,024</u>

NET INCREASE (DECREASE) IN CASH

(1,550,289)

Cash and cash equivalents - beginning of the year 2,275,358

Cash and cash equivalents - end of year \$ 725,069

Operating loss \$ (16,501,410)

Adjustments to reconcile operating loss
to net cash used in operating activities

Depreciation expense all governmental funds	560,979
Increase in accounts receivable, not including state support	826,970
Decrease in inventory	(62,698)
Increase in prepaid assets	9,692
Increase in salaries payable	(9,600)
Increase in accounts payable and payroll tax liabilities	(122,781)
Increase in deferred revenue	(299,793)
Decrease in due to student groups	(90,681)
Increase in deposit payable	-

Net cash used in operating activities \$ (15,689,322)

See notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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 organized under the laws prescribed by the State of Oregon, charged with educating students under the general supervision of the State Board of Education through the Department of Community College and Workforce Development. A seven-member Board of Education is locally elected and is authorized to establish policies governing the operation of the college. The college qualifies as a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. Treasure Valley Community College maintains a main campus in Ontario, Oregon, and outreach sites in Burns, Oregon, Lakeview, Oregon and Caldwell, Idaho.

A. Reporting Entity

For financial reporting purposes, Treasure Valley Community College has included all funds, organizations, agencies, boards, commissions and authorities. The college has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the college are such that exclusion would cause the college's financial statements to be misleading or incomplete. In May 2002, the Governmental Accounting Standards Board (GASB) issued Statement No. 39, "Determining Whether Certain Organizations are Component Units". This Statement amends Statement No. 14 "The Financial Reporting Entity" to provide additional guidance to determine whether certain organizations for which the college is not financially accountable should be reported as component units based on the nature and significance of their relationship with the college. In general, it requires reporting as a component unit, an organization that raises and holds economic resources for the direct benefit of the governmental unit.

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

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

B. Basis of Presentation

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

Invested in capital assets, net of related debt

Capital assets, net of accumulated depreciation and outstanding debt obligations attributable

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

to the acquisition, construction or improvement of those assets.

Restricted net assets

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

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

Unrestricted net assets

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

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

C. Measurement Focus and Basis of Accounting

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

D. Use of Estimates

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

E. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, funds invested

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

F. 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, 2009, the college was in compliance with the aforementioned state of Oregon statutes. Investments are stated at fair value, which is based on the individual investment's quoted market price at year end.

G. Receivables

Ad valorem 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 amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Malheur and Baker Counties collect and allocate all property taxes to the college. Property taxes are recognized as revenues when they become available. Available means when due, or past due and receivable within the current period, and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Taxes relating to the current budget and collected within 60 days after the fiscal year end are recognized as revenue currently.

Student loans receivable are recorded as tuition and are charged as amounts are advanced to students under various federal student financial assistance programs. The college has created an estimate for the allowance of doubtful accounts based on accounts older than 360 days, representing approximately 31% of the total due. The Caldwell Center estimates 5% of tuition as uncollectible.

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

General fund and proprietary funds student accounts receivable consists of tuition, fees, housing, and food service revenues for the period ended June 30, 2009. The special revenue funds reflect amounts receivable from grants and state fees due to the college at June 30, 2009.

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

H. Inventories

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

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

I. Capital Assets

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

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

J. Tuition and Fees and Unearned Revenue

Tuition and fees include all assessments for educational purposes. It is stated net of institutional aid provided to students. The college's fiscal year begins with summer term and ends with spring term. Tuition and fees received prior to July 1, 2009 for the college's 2009-2010 summer term are recorded as unearned revenue.

K. 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 is accrued when earned.

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

L. Long-term Debt

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

M. Operating and Non Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition, federal and state grants, charges for services and sale of educational materials. Operating expenses include the cost of faculty, administration,

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

sales and services for food services, printing, housing, bookstore and the Caldwell Center operations and depreciation. All other revenues, including property taxes, federal and state grants, state educational support, investment income, and interest expense not meeting this definition are reported as non-operating revenues and expenses.

N. Federal Financial Assistance Programs

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

O. Budgetary Information

Budgetary information is reported in the required supplementary information.

Note 2. Negative Retained Earnings

Negative retained earnings of auxiliary funds at June 30, 2009, were as follows:

	Amount
Food Service	\$ 104,708
Caldwell Center	48,379

Note 3. Due From and Due to Other Funds

The college pools all operational cash into one account and establishes interfund receivables and payables to reflect the balances of each funds portion of cash. The detail of interfund receivables and payables at June 30, 2009 is as follows:

	General Fund	Special Revenue Fund	Capital Project Fund	Reserve Funds	Auxiliary Funds	Agency Funds	Financial Aid Funds	(memo only) Total
Due From:	\$ -	\$ 85,198	\$ -	\$ 1,246,682	\$ 491,278	\$ 172,235	\$ 38,658	\$ 2,034,051
Due to:								
General	\$ 565,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,169
Special Revenue	-	701,621	-	-	-	-	-	701,621
Capital Project	-	-	367,602	-	-	-	-	367,602
Proprietary	-	-	-	-	131,562	-	-	131,562
Agency	-	-	-	-	-	10,775	-	10,775
Financial Aid	-	-	-	-	-	-	257,322	257,322
	<u>\$ 565,169</u>	<u>\$ 701,621</u>	<u>\$ 367,602</u>	<u>\$ -</u>	<u>\$ 131,562</u>	<u>\$ 10,775</u>	<u>\$ 257,322</u>	<u>\$ 2,034,051</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 4. Changes in Fixed Assets

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

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009
Capital assets not being depreciated				
Land	\$ 233,381	\$ -	\$ -	\$ 233,381
Construction in progress	13,789	793,647	-	807,436
Total capital assets not being depreciated	<u>247,170</u>	<u>793,647</u>	<u>-</u>	<u>1,040,817</u>
Capital assets being depreciated				
Buildings	11,783,503	38,000	(505,586)	11,315,917
Improvements	1,431,401	849,956	(32,926)	2,248,431
Vehicles and equipment	3,144,343	51,724	-	3,196,067
Total capital assets being depreciated	<u>16,359,247</u>	<u>939,680</u>	<u>(538,512)</u>	<u>16,760,415</u>
Less accumulated depreciation for				
Buildings	4,606,169	253,453	(505,586)	4,354,036
Improvements	398,388	118,172	(9,885)	506,675
Vehicles and equipment	2,520,499	189,355	-	2,709,854
Total accumulated depreciation	<u>7,525,056</u>	<u>560,980</u>	<u>(515,471)</u>	<u>7,570,565</u>
Total capital assets being depreciated, net	8,834,191	378,700	(23,041)	9,189,850
Total capital assets, net	<u>\$ 9,081,361</u>	<u>\$ 1,172,347</u>	<u>\$ (23,041)</u>	<u>\$ 10,230,667</u>

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

Note 5. Pension Plan

Public Employees Retirement System (PERS)

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

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

Funding Policy – Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The college is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2009 were .46% and 2.93% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost – The college's contribution to PERS for the years ending June 30, 2006, 2007, and 2008 were \$256,653, \$226,139 and \$233,482 respectively, which equaled the required contribution for the year. During the 2002-03, the college issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (UAL). The PERS UAL Bond debt service was \$651,144 for the year ending June 30, 2009. The prepaid retirement obligation is being amortized over the life of the bond at a rate of \$430,476 per year for 24 years.

Pension Asset - The pension asset is the result of the transfer of the college's pension bond proceeds to PERS to cover a portion of the college's share of the cost sharing plan's unfunded actuarial liability. This pension asset is being used to pay a portion of the college's annual required contribution. The financial statements reflect the balance held with PERS in a designated side account and the last available actuarial valuation as of December 31, 2008 of \$10,968,774. The following reflects the activity during the year reported by the actuarial valuations:

Balance - December 31, 2007	\$ 16,327,448
Investment income (loss)	(4,209,728)
Administrative expenses	(1,000)
Contribution to cost sharing plan	(1,147,946)
Balance - December 31, 2008	<u>\$ 10,968,774</u>

Note 6. Cash and Investments

The college maintains a cash and investment pool that is available for use by all funds.

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Cash and investments are comprised of the following at June 30, 2009:

Petty cash	\$ 2,868
Deposits with banks	601,677
Investments	120,524
	<u>\$ 725,069</u>

Cash and investments are shown on the basic financial statements as:

Statement of Net Assets	
Cash and investments	\$ 725,069
Total	<u>\$ 725,069</u>

As of June 30, 2009, the district held the following investments and maturities:

Investment type	Fair Value	% of investment portfolio
Local Government Investment Pool	\$ 120,524	100%

Deposits

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial risk assumed by the college at June 30, 2009. 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, 2009 the carrying amount of the college's deposits (cash and certificates of deposit) in various financial institutions was \$601,677 and the bank balances was \$949,491. Of these deposits, all were covered by federal depository insurance. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance (FDIC) of \$250,000 applies to the deposits in each depository. Where 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 treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the banks level of capitalization. At June 30, 2009 and for the year then ended, the college's deposits were in compliance with the requirements of ORS 295.015.

Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The college does not have a policy for custodial credit risk for deposits.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the Oregon State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

Investments

At June 30, 2009, the college held \$120,524 of investments, which is all classified as cash and investments on the Statement of Net Assets. The college has no policy for managing interest rate risk or credit risk.

The college has invested funds in the Oregon Short-term Fund Local Government Investment Pool (LGIP) during fiscal year 2009. The Local Government Investment Pool (LGIP) was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Local Government Investment Pool (LGIP) is an external investment pool managed by the state treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon LGIP distributes investment income on an amortized cost basis and participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the college's cash position.

Investments in the Oregon LGIP are made under the provisions of ORS 194.180. These funds are held in the college's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at cost, which approximated fair value.

A separate financial report for the Oregon Short-term Fund Local Government Investment Pool (LGIP) is prepared by the Secretary of State Audits Division in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from the Oregon Audits Division 255 Capitol Street NE, Suite 500 Salem, OR 97310 or online at <http://www.sos.state.or.us/audits/index.html>.

Oregon statutes restrict the types of investments in which the college may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the Oregon Local Government Investment Pool (LGIP). As of June 30, 2009 and for the year then ended, the college was in compliance with the aforementioned Oregon statutes.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes authorize the college to invest primarily in general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the State of

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Oregon Treasurer's Local Government Investment Pool (LGIP), among others. The college has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk – Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The college is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the United States Government. The college has no such investments.

Interest Rate Risk – The college has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Foreign Currency Risk – The college is prohibited from investments that are not US dollar-denominated; therefore, the college is not exposed to this risk.

Note 7. Commitments and Contingencies

The college receives significant financial assistance from various federal, state and local governmental agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the college at June 30, 2009.

Note 8. Risk Management

The college is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees, and natural disasters. The college is insured for the physical damage to vehicles and carries commercial insurance for all risks of loss, including workers' compensation, and employee health and accident insurance. There was no significant reduction in the college's insurance coverage in 2009 and settlements have not exceeded the college's coverage in the past three years.

Note 9. Long Term Debt

In February 2006, the college issued \$1,600,000 in full faith and credit certificate of obligation, to provide additional financing for construction of student housing on campus and parking improvements. Terms call for the bonds to be repaid in annual payments of approximately \$110,000 for thirty years including interest ranging from 4.0 to 5.0 percent per annum.

Beginning July 1, 2008	\$ 1,580,000
Increases	-
Decreases	(20,000)
Ending June 30, 2009	<u>\$ 1,560,000</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Future principal and interest payments as of June 30, 2009 are as follows:

Housing Series 2006 Bond		
Fiscal year	Principal	Interest
2009-10	\$ 20,000	\$ 76,100
2010-11	20,000	75,300
2011-12	35,000	74,500
2012-13	35,000	73,100
2013-14	40,000	71,700
2014-19	220,000	331,350
2019-24	280,000	270,750
2024-29	355,000	194,000
2029-34	450,000	96,250
2034-35	105,000	5,250
Total	<u>\$ 1,560,000</u>	<u>\$ 1,268,300</u>

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

Beginning July 1, 2008	\$ 5,005,000
Increases	-
Decreases	(120,000)
Ending June 30, 2009	<u>\$ 4,885,000</u>

Future principal and interest payments as of June 30, 2009 are as follows:

Housing Series 2005 Bond		
Fiscal year	Principal	Interest
2009-10	\$ 120,000	\$ 221,958
2010-11	130,000	217,458
2011-12	130,000	212,258
2012-13	135,000	207,058
2013-14	135,000	201,658
2014-19	795,000	912,887
2019-24	995,000	716,238
2024-29	995,000	448,420
2029-34	1,180,000	248,175
2034-35	270,000	13,500
Total	<u>\$ 4,885,000</u>	<u>\$ 3,399,610</u>

In April 2003, the college issued \$10,701,480 in limited tax pension bonds to finance the unfunded pension liability to the Oregon Public Employees Retirement System (PERS). These bonds have

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

interest rates that range from 2.06 to 6.10 percent. Interest payments are to be made semiannually on June 30 and December 30. Principal payments are to be made on June 30 of each year. Debt service is financed by a self-imposed pension expense based on a percentage of payroll costs.

Beginning July 1, 2008	\$ 9,959,392
Increases	-
Decreases	(255,950)
Ending June 30, 2009	<u>\$ 9,703,442</u>

Future principal and interest payments as of June 30, 2009 are as follows:

PERS UAL Bond		
Fiscal year	Principal	Interest
2009-10	\$ 265,844	\$ 420,300
2010-11	275,995	450,149
2011-12	281,037	480,108
2012-13	286,522	514,623
2013-14	290,845	555,300
2014-19	1,462,983	3,452,740
2019-24	2,200,216	4,060,507
2024-28	4,640,000	615,847
Total	<u>\$ 9,703,442</u>	<u>\$ 10,549,574</u>

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

Beginning July 1, 2008	\$ 1,080,093
Increases	-
Decreases	(118,502)
Ending June 30, 2009	<u>\$ 961,591</u>

Future principal and interest payments as of June 30, 2009 are as follows:

Johnson Control Capital Project		
Fiscal year	Principal	Interest
2009-10	\$ 129,052	\$ 47,848
2010-11	140,390	40,870
2011-12	152,538	33,282
2012-13	165,559	25,041
2013-14	179,540	16,100
2014-15	194,512	6,426
Total	<u>\$ 961,591</u>	<u>\$ 169,567</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

In March of 2005, the college entered into a five-year financing agreement with Nebraska Book Company for the purchase of a College Bookstore Management System. The agreement calls for annual payments of \$8,588 including interest at 6.5% per annum.

Beginning July 1, 2008	\$ 14,298
Increases	-
Decreases	(6,234)
Ending June 30, 2009	<u>\$ 8,064</u>

Future principal and interest payments as of June 30, 2009 are as follows:

Nebraska Book Company Point-of-Sale Package		
Fiscal year	Principal	Interest
2009-10	\$ 8,064	\$ 524
Total	<u>\$ 8,064</u>	<u>\$ 524</u>

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

Beginning July 1, 2008	\$ 1,110,000
Increases	-
Decreases	(115,000)
Ending June 30, 2009	<u>\$ 995,000</u>

Future principal and interest payments as of June 30, 2009 are as follows:

2000 Series A Bonds		
Fiscal year	Principal	Interest
2009-10	\$ 120,000	\$ 46,345
2010-11	130,000	40,530
2011-12	135,000	34,235
2012-13	140,000	27,600
2013-14	150,000	20,343
2014-16	320,000	16,738
Total	<u>\$ 995,000</u>	<u>\$ 185,791</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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

Beginning July 1, 2008	\$ 159,341
Increases	-
Decreases	<u>(11,579)</u>
Ending June 30, 2009	<u><u>\$ 147,762</u></u>

Future principal and interest payments as of June 30, 2009 are as follows:

City of Ontario				
LID Lot 500			LID Lot 100	
Fiscal year	Principal	Interest	Principal	Interest
2009-10	\$ 1,021	\$ 615	\$ 11,106	\$ 6,910
2010-11	1,076	560	11,703	6,312
2011-12	1,134	502	12,323	5,692
2012-13	1,195	441	13,004	5,012
2013-14	1,259	377	13,694	4,321
2014-19	6,486	802	73,761	9,766
Total	<u><u>\$ 12,171</u></u>	<u><u>\$ 3,297</u></u>	<u><u>\$ 135,591</u></u>	<u><u>\$ 38,013</u></u>

In March 2009, the college entered into a three-year lease agreement with First American Equipment Financing for the purchase of bleachers. The agreement calls for an initial deposit of \$5,572.87, two annual payments of \$66,874.49 with the first due on May 1, 2009 and a final annual payment of \$61,301.62.

Beginning July 1, 2008	\$ -
Increases	168,650
Decreases	<u>(61,789)</u>
Ending June 30, 2009	<u><u>\$ 106,860</u></u>

Future principal and interest payments as of June 30, 2009 are as follows:

First American Equipment Financing		
Fiscal year	Principal	Interest
2009-10	\$ 56,217	\$ 10,658
2010-11	50,644	10,658
Total	<u><u>\$ 106,860</u></u>	<u><u>\$ 21,316</u></u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Note 10. Accounts Receivable

Receivables at the government-wide level at June 30, 2009, were as follows:

	General	Special Revenue	Capital Projects	Auxiliary	Financial Aid	Total
Property tax	\$ 135,688	\$ -	\$ -	\$ -	\$ -	\$ 135,688
Tuition and fee related	1,481,394	-	-	-	-	1,481,394
Due from other governmental units	1,713,837	702,888	367,602	14,505	399,273	3,198,104
Other receivables	32,356	-	-	-	-	32,356
Sub total	3,363,275	702,888	367,602	14,505	399,273	4,847,542
Allowance for uncollectible	(491,296)	-	-	-	(56,857)	(548,153)
Total	\$ 2,871,979	\$ 702,888	\$ 367,602	\$ 14,505	\$ 342,416	\$ 4,299,389

The following is an aging of tuition and fees receivables within the General Fund. As of June 30, 2009 the college has also recorded an allowance for doubtful accounts related to tuition and fees receivable of \$491,296

	0-90	91-180	181-360	Greater than 1 year	Greater than 2 years	Total
Amount	\$ 837,491	\$ 89,353	\$ 95,778	\$ 126,361	\$ 332,410	\$ 1,481,394
Percentage of total	57%	6%	6%	9%	22%	100%

Note 11. Other Post Employment Benefits (OPEB)

Health Care Benefits

The college implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, for the fiscal year ended June 30, 2009. This implementation allows the district to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

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

The college contributes premiums for eligible faculty and academic professional employees and their eligible dependents up to the employer paid maximum at the time of retirement (College Paid-Cap). The employer cap separates employees into three distinct categories; faculty, staff (which includes classified, professional, and administrative staff) and part-time employees. Faculty receive an employer paid cap of \$1,022.59, staff receive \$926.56, and part-time employees received between 25% and 50% of the individual rate based on their full time equivalent, for the year ended June 30, 2009.

To be eligible, retired employees must be receiving benefits from Oregon PERS and the duration of benefits is 48 months or until the attainment of age 65, if earlier.

The college is required by Oregon Revised Statute 243.303 to provide retirees with group health

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

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 plan on a self-pay basis until age 65. Retired employees who are not eligible for the College Paid-Cap may continue enrollment in the health plans on a self-pay basis until age 65.

For fiscal year ended June 30, 2009, the college contributed \$1.6 million in College Paid-Cap payments. The college has elected not to prefund the actuarially determined future cost amount of \$1,108,087.

The college's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the college, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the district's normal cost each year and amortize any unfunded actuarial liabilities over a period of 15 years. The following table shows the components of the college's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the college's OPEB obligation to the plan.

	June 30, 2009
Determination of Annual Required Contribution	
(1) Normal Cost at year end	\$ 103,825
(2) Amortization of UAAL	<u>77,367</u>
(3) Annual Required Contribution (ARC)	<u>181,192</u>
Determination of Net OPEB Obligation	
(4) Annual Required Contribution (ARC)	181,192
(5) Interest on prior year Net OPEB Obligation	-
(6) Adjustment to ARC	<u>-</u>
(7) Annual OPEB Cost	<u>181,192</u>
Less	
(8) Explicit Benefit Payments	-
(9) Implicit Benefit Payments	<u>42,562</u>
(10) Increase in Net OPEB Obligation	<u>138,630</u>
(11) Net OPEB Obligation - June 30, 2008	<u>-</u>
(12) Net OPEB Obligation - June 30, 2009	<u><u>\$ 138,630</u></u>

The district's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending June 30, 2009 were as follows:

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2009

Fiscal Year Ending	Annual Pension Cost	Percentage of Pension Cost Contributed	Net Pension Obligation
June 30, 2007	N/A*	N/A*	N/A*
June 30, 2008	N/A*	N/A*	N/A*
June 30, 2009	\$ 181,192	23%	\$ 138,630

* Fiscal year ending June 30, 2009 is the year of implementation for GASB 45 which requires this disclosure. Three years of data will be included as it becomes available.

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

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

In the June 30, 2009 actuarial valuation “the projected unit credit actuarial cost method” was used. The actuarial assumption was a 4.0% investment rate of return (net of administrative expenses). Medical and prescription drugs premium increase of 9.6% in the first year, 8.4% in the second year, 7.3% in the third year, 6.2% in the fourth year, then grading down from 5.9% to 5.0% over the next 28 years, and then 5.0% thereafter. The annual healthcare cost trend rate of 5.0% for dental and vision insurance premiums. The UAAL (Unfunded Actuarial Accrued Liability) is being amortized as a level percentage of projected payroll on a closed basis over a period of fifteen years.

Note 12. Leases

Treasure Valley Community College leases two photocopy machines under noncancelable lease agreements. The total cost for these operating leases was \$21,658 for the year ended June 30, 2009.

The following is a schedule of the future minimum operating lease payments under the leases as of June 30, 2009:

Year ending June 30	
2010	\$ 16,423
Total minimum lease payments	<u>\$ 16,423</u>

REQUIRED SUPPLEMENTARY INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 2,175,781	\$ 2,175,781	\$ 2,183,328	\$ 7,547
State sources	6,320,950	6,320,950	6,333,345	12,395
Tuition and fees	5,141,945	5,256,945	5,330,410	73,465
Total revenues	13,638,676	13,753,676	13,847,083	93,407
EXPENDITURES				
Instruction	5,547,143	5,567,143	5,468,733	98,410
Instruction support	413,477	403,477	400,921	2,556
Student services	1,973,476	1,973,476	1,947,955	25,521
College support services	2,565,383	2,503,383	2,623,178	(119,795)
Plant operation and maintenance	1,455,890	1,605,890	1,582,265	23,625
Plant additions	145,500	145,500	145,135	365
Debt service	1,459,953	1,459,953	1,453,096	6,857
Financial aid	775,354	765,354	675,355	89,999
Operating contingency	710,000	710,000	-	710,000
Total expenditures	15,046,176	15,134,176	14,296,638	837,538
Excess of revenues over (under) expenditures	(1,407,500)	(1,380,500)	(449,555)	930,945
Other financing sources (uses)				
Transfers out	(375,500)	(375,500)	(375,500)	-
Transfer in	783,000	783,000	783,000	-
Institutional contribution	-	-	(83,093)	(83,093)
Total other financing sources (uses)	407,500	407,500	324,407	(83,093)
Net change in fund balance	(1,000,000)	(973,000)	(125,148)	847,852
Available fund balance, July 1	1,300,000	1,300,000	1,646,910	346,910
Available fund balance, June 30	\$ 300,000	\$ 327,000	\$ 1,521,762	\$ 1,194,762

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

For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 225,000	\$ 225,000	\$ 94,996	\$ (130,004)
State sources	50,000	50,000	2,246,334	2,196,334
Federal sources	2,500,000	2,500,000	1,471,374	(1,028,626)
Tuition and fees	<u>2,200,000</u>	<u>2,200,000</u>	<u>59,445</u>	<u>(2,140,555)</u>
Total revenues	<u>4,975,000</u>	<u>4,975,000</u>	<u>3,872,149</u>	<u>(1,102,851)</u>
EXPENDITURES				
Instruction	3,400,000	3,050,000	2,328,972	721,028
Supporting services	<u>1,475,000</u>	<u>1,825,000</u>	<u>1,616,103</u>	<u>208,897</u>
Total expenditures	<u>4,875,000</u>	<u>4,875,000</u>	<u>3,945,075</u>	<u>929,925</u>
Net change in fund balance	100,000	100,000	(72,926)	(172,926)
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>207,243</u>	<u>207,243</u>
Available fund balance, June 30	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 134,317</u>	<u>\$ 34,317</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
STUDENT FINANCIAL AID FUND**

For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ 42,654	\$ 42,654
State sources	250,000	315,000	324,912	9,912
Federal sources	6,000,000	11,445,000	10,698,309	(746,691)
Total revenues	6,250,000	11,760,000	11,065,875	(694,125)
EXPENDITURES				
Supporting services	5,800,000	11,310,000	11,071,735	238,265
Total expenditures	5,800,000	11,310,000	11,071,735	238,265
Excess of revenues over (under) expenditures	450,000	450,000	(5,860)	(455,860)
Other financing sources (uses)				
Transfer in	3,750,000	3,750,000	3,829,210	79,210
Transfer out	(4,200,000)	(4,200,000)	(3,823,350)	376,650
Total other financing sources (uses)	(450,000)	(450,000)	5,860	455,860
Net change in fund balance	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
PERKINS LOAN FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ 643	\$ 643
Total revenues	-	-	643	643
EXPENDITURES				
Supporting services	100,000	100,000	1,816	98,184
Total expenditures	100,000	100,000	1,816	98,184
Excess of revenues over (under) expenditures	(100,000)	(100,000)	(1,173)	98,827
Other financing sources (uses)				
Transfer in	100,000	100,000	-	(100,000)
Total other financing sources (uses)	100,000	100,000	-	100,000
Net change in fund balance	-	-	(1,173)	(1,173)
Available fund balance, July 1	-	-	178,979	178,979
Available fund balance, June 30	\$ -	\$ -	\$ 177,806	\$ 177,806

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)**
CAPITAL PROJECTS FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	<u>1,300,000</u>	<u>1,300,000</u>	<u>875,961</u>	<u>(424,039)</u>
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>875,961</u>	<u>(424,039)</u>
EXPENDITURES				
Facilities and acquisitions	<u>1,300,000</u>	<u>1,300,000</u>	<u>875,961</u>	<u>424,039</u>
Total capital outlay	<u>1,300,000</u>	<u>1,300,000</u>	<u>875,961</u>	<u>424,039</u>
Excess of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Available fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
RESERVE FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 15,000	\$ 330,000	\$ 786,951	\$ 456,951
Total revenues	15,000	330,000	786,951	456,951
EXPENDITURES				
Support services	250,000	275,000	206,684	68,316
Facilities acquisitions and construction	430,000	720,000	675,478	44,522
Total expenditures	680,000	995,000	882,162	112,838
Excess of revenues over (under) expenditures	(665,000)	(665,000)	(95,211)	569,789
Other financing sources (uses)				
Transfer from Other Funds	275,000	275,000	399,009	124,009
Transfer to General Fund	-	-	-	-
Total other financing sources (uses)	275,000	275,000	399,009	124,009
Net change in fund balance	(390,000)	(390,000)	303,798	693,798
Available fund balance, July 1	400,000	400,000	951,245	551,245
Available fund balance, June 30	\$ 10,000	\$ 10,000	\$ 1,255,043	\$ 1,245,043

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
BOOKSTORE FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 1,250,000	\$ 1,325,000	\$ 1,418,721	\$ 93,721
Sale of school supplies	-	-	169,807	169,807
Miscellaneous income	-	-	6,270	6,270
Total operating revenues	1,250,000	1,325,000	1,594,798	269,798
Operating expense				
Support services				
Salaries and benefits	120,000	120,000	117,040	2,960
Cost of goods sold	1,180,000	1,205,000	1,157,725	47,275
Outside services	-	-	11,030	(11,030)
Depreciation	-	-	8,912	(8,912)
Other expense	-	-	573	(573)
Total operating expenses	1,300,000	1,325,000	1,295,280	29,720
Operating income	(50,000)	-	299,518	299,518
Other sources and (uses)				
Transfer to other funds	(98,000)	(98,000)	(98,000)	-
Changes in net assets	(148,000)	(98,000)	201,518	(299,518)
Net assets, July 1	350,000	350,000	288,692	61,308
Net assets, June 30	\$ 202,000	\$ 252,000	\$ 490,210	\$ 238,210

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOOD SERVICE FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Food and catering sales	\$ 476,000	\$ 476,000	\$ 465,677	\$ (10,323)
Total operating revenues	<u>476,000</u>	<u>476,000</u>	<u>465,677</u>	<u>(10,323)</u>
Operating expense				
Support services				
Materials and supplies	-	-	15,228	(15,228)
Outside services	530,000	530,000	508,630	21,370
Depreciation	<u>-</u>	<u>-</u>	<u>5,128</u>	<u>(5,128)</u>
Total operating expenses	<u>530,000</u>	<u>530,000</u>	<u>528,986</u>	<u>1,014</u>
Changes in net assets	(54,000)	(54,000)	(63,309)	(9,309)
Net assets, beginning	<u>65,000</u>	<u>65,000</u>	<u>(41,399)</u>	<u>(106,399)</u>
Net assets, ending	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ (104,708)</u>	<u>\$ (115,708)</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)**
HOUSING FUND
For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Residence hall receipts	\$ 490,000	\$ 490,000	\$ 464,319	\$ (25,681)
Total operating revenues	490,000	490,000	464,319	(25,681)
Operating expense				
Support services				
Salaries	65,000	65,000	60,310	4,690
Materials and services	190,000	190,000	6,253	183,747
Outside services	-	-	29,886	(29,886)
Depreciation	-	-	155,413	(155,413)
Total operating expenses	255,000	255,000	254,963	37
Operating income	235,000	235,000	209,356	(25,644)
Other financing sources(uses)				
Transfer to other funds	(330,000)	(330,000)	(330,000)	-
Total other financing sources (uses)	(330,000)	(330,000)	(330,000)	-
Changes in net assets	(95,000)	(95,000)	(120,644)	(25,644)
Net assets, July 1	5,345,189	5,345,189	5,629,910	284,721
Net assets, June 30	\$ 5,250,189	\$ 5,250,189	\$ 5,509,266	\$ 259,077

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)**

PRINTING FUND

For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Printing income	\$ 165,000	\$ 165,000	\$ 218,605	\$ 53,605
Total operating revenues	<u>165,000</u>	<u>165,000</u>	<u>218,605</u>	<u>53,605</u>
Operating expense				
Support services				
Salaries	50,000	50,000	78,424	(28,424)
Travel	115,000	165,000	74	164,926
Materials and supplies	-	-	98,539	(98,539)
Outside services	-	-	7,313	(7,313)
Other expense	-	-	166	(166)
Total operating expenses	<u>165,000</u>	<u>215,000</u>	<u>184,516</u>	<u>30,484</u>
Operating income (loss)	-	(50,000)	34,089	84,089
Other financing sources(uses)				
Transfer from other funds	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Changes in net assets	(20,000)	(70,000)	14,089	84,089
Net assets, July 1	<u>50,000</u>	<u>50,000</u>	<u>48,126</u>	<u>(1,874)</u>
Net assets, June 30	<u>\$ 30,000</u>	<u>\$ (20,000)</u>	<u>\$ 62,215</u>	<u>\$ 82,215</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)**
CALDWELL CENTER

For the Year Ended
June 30, 2009

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 344,000	\$ 394,000	\$ 366,874	\$ (27,126)
Tuition and fees	1,600,000	1,875,000	1,875,334	334
Miscellaneous income	-	-	2,766	2,766
Total operating revenues	<u>1,944,000</u>	<u>2,269,000</u>	<u>2,244,974</u>	<u>(24,026)</u>
Operating expense				
Instruction				
Salaries and benefits	800,000	800,000	904,098	(104,098)
Travel	550,000	1,000,000	10,268	989,732
Cost of goods sold	-	-	361,843	(361,843)
Materials and supplies	-	-	96,611	(96,611)
Outside services	-	-	23,971	(23,971)
Other expense	-	-	15,478	(15,478)
Rent	-	-	151,166	(151,166)
Support services				
Other expense	-	-	12,436	(12,436)
Depreciation	-	-	3,289	(3,289)
Bad debt	-	-	5,640	(5,640)
Total operating expenses	<u>1,350,000</u>	<u>1,800,000</u>	<u>1,584,800</u>	<u>215,200</u>
Operating income (loss)	594,000	469,000	660,174	191,174
Other financing sources(uses)				
Transfer to General Fund	<u>(477,000)</u>	<u>(527,000)</u>	<u>(450,535)</u>	<u>76,465</u>
Total other financing sources (uses)	<u>(477,000)</u>	<u>(527,000)</u>	<u>(450,535)</u>	<u>76,465</u>
Changes in net assets	117,000	(58,000)	209,639	267,639
Net assets, July 1	<u>75,000</u>	<u>75,000</u>	<u>(258,018)</u>	<u>(333,018)</u>
Net assets, June 30	<u>\$ 192,000</u>	<u>\$ 17,000</u>	<u>\$ (48,379)</u>	<u>\$ (65,379)</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2009

In accordance with Oregon Revised Statutes, the college adopts annual budgets and makes appropriations on a fund by fund basis utilizing the accrual basis of accounting. This method of accounting contains all information needed for proper GAAP presentation and no additional reconciliation is required.

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

Budgets are not required to be adopted for the agency funds. We noted one budget violations due to overexpenditure:

General Fund	College support services	\$119,795
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OTHER INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
COMBINING SCHEDULE OF NET ASSETS
AUXILIARY FUND TYPES
For the Year Ended
June 30, 2009

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2009
Assets						
Cash and cash items	\$ 496	\$ -	\$ -	\$ -	\$ 413	\$ 909
Interfund receivable	233,144	-	-	55,809	193,967	482,920
Receivables						
Accounts	14,505	-	-	-	-	14,505
Inventory	249,807	-	-	-	18,263	268,070
Prepaid expenses	-	-	-	6,406	-	6,406
Fixed assets (net of accumulated depreciation)	323	21,310	5,574,636	-	10,839	5,607,108
Total assets	<u>498,275</u>	<u>21,310</u>	<u>5,574,636</u>	<u>62,215</u>	<u>223,482</u>	<u>6,379,918</u>
					-	
Liabilities						
Deposits payable	-	-	59,826	-	-	59,826
Deferred revenue	-	-	-	-	271,861	271,861
Interfund payable	-	126,018	5,544	-	-	131,562
Current portion of long term lease payable	7,572	-	-	-	-	7,572
Lease payable long term	493	-	-	-	-	493
Total liabilities	<u>8,065</u>	<u>126,018</u>	<u>65,370</u>	<u>-</u>	<u>271,861</u>	<u>471,314</u>
Net assets						
Invested in capital assets, net of related debt	323	-	5,574,636	-	10,839	5,585,798
Unrestricted	489,887	(104,708)	(65,370)	62,215	(59,218)	322,806
Total net assets	<u>\$ 490,210</u>	<u>\$ (104,708)</u>	<u>\$ 5,509,266</u>	<u>\$ 62,215</u>	<u>\$ (48,379)</u>	<u>\$ 5,908,604</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - AUXILIARY FUND TYPES
For the Year Ended
June 30, 2009

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2009
Operating revenues						
Sale of textbooks and school supplies	\$ 1,588,528	\$ -	\$ -	\$ -	\$ 366,874	\$ 1,955,402
Food sales	-	465,677	-	-	-	465,677
Dormitory receipts	-	-	464,319	-	-	464,319
Printing income	-	-	-	218,605	-	218,605
Miscellaneous income	6,270	-	-	-	2,766	9,036
Tuition and fees	-	-	-	-	1,875,334	1,875,334
Total operating revenues	<u>1,594,798</u>	<u>465,677</u>	<u>464,319</u>	<u>218,605</u>	<u>2,244,974</u>	<u>4,988,373</u>
Operating expenses						
Salaries and benefits	117,040	-	60,310	78,424	904,098	1,159,872
Cost of goods sold	1,157,725	-	-	-	361,843	1,519,568
Travel	-	-	2,285	74	10,268	12,627
Materials and supplies	-	15,228	6,253	98,539	96,611	216,631
Outside services	11,030	508,630	29,886	7,313	23,971	580,830
Other expense	573	-	816	166	27,914	29,469
Repairs and maintenance	-	-	-	-	151,166	151,166
Depreciation	8,912	5,128	155,413	-	3,289	172,742
Bad debts	-	-	-	-	5,640	5,640
Total operating expenses	<u>1,295,280</u>	<u>528,986</u>	<u>254,963</u>	<u>184,516</u>	<u>1,584,800</u>	<u>3,848,545</u>
Operating income	299,518	(63,309)	209,356	34,089	660,174	1,139,828
Other financing sources (uses)						
Transfer to other funds	(98,000)	-	(330,000)	(20,000)	(450,535)	(898,535)
Contributed capital	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(98,000)</u>	<u>-</u>	<u>(330,000)</u>	<u>(20,000)</u>	<u>(450,535)</u>	<u>(898,535)</u>
Change in net assets	201,518	(63,309)	(120,644)	14,089	209,639	241,293
Net assets - beginning	288,692	(41,399)	5,629,910	48,126	(258,018)	5,667,311
Net assets - ending	<u>\$ 490,210</u>	<u>\$ (104,708)</u>	<u>\$ 5,509,266</u>	<u>\$ 62,215</u>	<u>\$ (48,379)</u>	<u>\$ 5,908,604</u>

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
COMBINED SCHEDULE OF CASH FLOWS
ALL AUXILIARY FUND TYPES
For the Year Ended
June 30, 2009

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 1,597,728	\$ 469,023	\$ 481,015	\$ 218,605	\$ 2,016,215	\$ 4,782,586
Payments to employees	(86,427)	(508,630)	(41,425)	(61,483)	(897,343)	(1,595,308)
Payments to suppliers	(100,320)	(15,228)	(58,126)	(129,440)	(684,447)	(987,561)
Payments to suppliers for items for resale	(1,155,409)	-	-	-	(1,446)	(1,156,855)
Other cash receipts	-	-	-	-	364,455	364,455
Net cash provided by (used by) operating activities	<u>255,572</u>	<u>(54,835)</u>	<u>381,464</u>	<u>27,682</u>	<u>797,434</u>	<u>1,407,317</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Increase (decrease) in interfund receivable/payable	(151,367)	54,835	(51,464)	(7,682)	(338,126)	(493,804)
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	(98,000)	-	(330,000)	(20,000)	(450,535)	(898,535)
Net cash used in non-capital financing activities	<u>(249,367)</u>	<u>54,835</u>	<u>(381,464)</u>	<u>(27,682)</u>	<u>(788,661)</u>	<u>(1,392,339)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from issuance of debt	-	-	-	-	-	-
Principal paid on long term debt	(6,234)	-	-	-	-	(6,234)
Interest paid on long-term debt	-	-	-	-	-	-
Net cash used in financing activities	<u>(6,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,234)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital assets purchased	-	-	-	-	(8,360)	(8,360)
Contributed capital	-	-	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,360)</u>	<u>(8,360)</u>
NET INCREASE (DECREASE) IN CASH	(29)	-	-	-	413	384
CASH BALANCE (DEFICIT) JUNE 30, 2008	<u>525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525</u>
CASH BALANCE (DEFICIT) JUNE 30, 2009	<u>\$ 496</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 413</u>	<u>\$ 909</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	\$ 299,518	\$ (63,309)	\$ 209,356	\$ 34,089	\$ 660,174	\$ 1,139,828
Adjustments to reconcile net income to net cash						
Depreciation	8,912	5,128	155,413	-	3,289	172,742
(Increase) decrease in accounts receivable (net)	2,930	3,346	-	-	-	6,276
(Increase) decrease in inventory	(55,788)	-	-	-	(6,910)	(62,698)
(Increase) decrease in prepaid assets	-	-	-	(6,407)	-	(6,407)
Increase (decrease) in deposits payable	-	-	16,695	-	-	16,695
Increase (decrease) in deferred revenues	-	-	-	-	140,881	140,881
Net cash provided (used) by operating activities	<u>\$ 255,572</u>	<u>\$ (54,835)</u>	<u>\$ 381,464</u>	<u>\$ 27,682</u>	<u>\$ 797,434</u>	<u>\$ 1,407,317</u>

OTHER FINANCIAL SCHEDULES

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY SCHEDULE OF AGENCY FUND TRANSACTIONS

For the year ended
June 30, 2009

	Beginning Balance 6/30/2008	Increase	Decrease	Ending Balance 6/30/2009
3700 Small business training	\$ 33,622	\$ 23,438	\$ 37,433	\$ 19,627
3715 Student government/Caldwell	(1,650)	71,875	69,965	260
3717 Student government	23,423	238,927	269,129	(6,779)
3720 Student body special account	2,289	-	-	2,289
3790 Welding club	1,915	5,481	2,877	4,519
3810 Women's basketball	(1,364)	6,461	4,757	340
3850 Vending account	2,795	18,463	136	21,122
4003 Geology	150	-	17	133
4004 Employee wellness	-	1,000	745	255
4005 OR community college retreat	(1,262)	1,262	-	-
4010 Mentors	-	-	-	-
4030 Art guild	(417)	720	100	203
4050 Athletic programs	(1,577)	52,754	47,872	3,306
4100 Instrumental club	545	469	462	552
4110 Baseball club	(104)	14,740	14,635	1
4111 Baseball Orange sales	23,437	45,513	36,476	32,474
4113 Baseball club/Salaries	(6,682)	6,682	-	-
4115 Softball club	5,970	3,526	6,911	2,585
4116 Outdoor club	5,462	200	4,558	1,104
4120 Baseball marathon	4,077	27,945	22,524	9,498
4130 Chukar basketball	3,741	10,545	11,612	2,674
4136 Caldwell Hardship scholar/fundraised	90	13,818	13,908	-
4140 Chorale club	2,238	867	508	2,597
4142 TVCC chorale	571	-	-	571
4143 Youth orchestra	3,488	507	1,477	2,518
4144 Treasure Valley Symphony	2,761	4,408	2,843	4,326
4145 Children's chorus	134	480	339	275
4146 Musical jubilee	-	-	-	-
4147 Summer MAD camp	4,913	2,506	2,837	4,582
4148 Little stars	125	-	-	125
4150 Vocal jazz ensemble	202	1,619	1,356	465
4151 Jazz band	786	1,966	2,538	214
4152 Performing arts retreat	120	-	119	1
4210 Development education student support	3,135	-	-	3,135
4220 Dorm social/leadership and improvement	8,532	-	-	8,532
4230 Drama club	5,971	14,258	19,096	1,133
4231 Diversity club	-	675	115	560
4240 Cinco de Mayo	901	-	-	901
4242 Young republicans club	-	300	-	300
4245 Entrepreneurship Club	35	-	-	35
4250 English department travel	2,404	2,884	2,888	2,400
4253 The Education Club	1,165	2,027	2,678	514
4270 AAWCC	699	648	275	1,072
4350 Graduation	(471)	3,840	6,667	(3,298)
4385 TVCC Herd/Cattle Account	3,689	551	3,732	508
4440 Insurance claim account	-	30,345	30,345	-
4441 International relations club	999	2,789	1,436	2,352
4485 WINGS club	333	-	303	30
4540 Nursing club	677	-	78	599
4542 Nursing background	560	-	-	560
4545 Nursing mobility tests	298	7,111	6,993	416
4625 Campus Christian Fellowship	683	-	-	683
4630 Phi Theta Kappa	1,068	12,077	11,407	1,738
4660 Rodeo club	2,482	13,618	8,225	7,875
4661 Natural Resources Club	-	1,000	475	525
4662 AG ambassadors	5,065	3,636	5,166	3,535
4663 Ultrasound club	1,000	-	-	1,000
4664 Livestock judging club	816	50	250	616
4670 Volleyball club	4,554	6,198	10,066	686
4680 Science field trip	5,250	4,928	7,076	3,102
4686 Library - EOU	(230)	210	252	(272)
4692 Cross country club	409	-	286	123
4693 Golf	3,139	1,795	2,702	2,232
4694 Soccer club	3,164	348	1,174	2,338
4695 Track and field club	(427)	-	-	(427)
4696 Tennis	1,970	654	390	2,234
4697 Foundation	(1)	1	-	-
4700 Women's soccer club	5,739	994	944	5,789
4951 Lake County Special Programs	-	100	-	100
Total	\$ 173,403	\$ 667,209	\$ 679,153	\$ 161,459

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY SCHEDULES OF CASH, CASH ITEMS AND INVESTMENTS - ALL FUNDS
June 30, 2009

US Bank *	
Cash in checking	\$ 601,677
 Oregon State Treasury Local Government Investment Pool	
Cash invested	120,524
 Cash on hand	<u>2,868</u>
Total cash, cash items and investments all funds	<u><u>\$ 725,069</u></u>

SCHEDULE OF COLLATERAL SECURITY
June 30, 2009

US Bank *	
Federal Deposit Insurance Corporation - demand	<u>\$ 250,000</u>
Total US Bank	<u><u>\$ 250,000</u></u>

* Qualified depository per ORS 295

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended
June 30, 2009

Tax Year Special Levy All Counties	Uncollected Taxes June 30, 2008	2008-09 Assessment	(Abatement) and Adjustments	Rebates Allowed	Interest	Taxes Collected	Total Amount Collected	Uncollected Taxes June 30, 2009
2008-09		\$ 1,755,243	\$ -	\$ (43,748)	\$ 524	\$ 1,636,593	\$ 1,637,117	\$ 74,902
2007-08	\$ 60,674	-	(320)	-	1,039	25,192	26,231	35,162
2006-07	27,434	-	(191)	-	979	9,480	10,459	17,763
2005-06	14,944	-	(85)	-	1,322	7,894	9,216	6,965
2004-05	6,968	-	(48)	-	1,326	6,519	7,846	400
2003-04	402	-	(38)	-	49	179	228	185
2002-03	161	-	(37)	-	6	17	23	107
2001-02	65	-	-	-	-	-	-	65
2000-01	89	-	-	-	-	-	-	89
Prior	80	-	(1)	-	12	28	40	50
TOTAL	\$ 110,817	\$ 1,755,243	\$ (720)	\$ (43,748)	\$ 5,257	\$ 1,685,902	\$ 1,691,159	\$ 135,688

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2009

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

Accounting Systems and Control Structure

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

As we have stated in the following report on compliance and on internal control over financial reporting in accordance with *Government Auditing Standards*, we do not express an opinion on the college's effectiveness in those areas. However, we did note certain matters that we reported to management in a separate letter dated January 14, 2010.

Indebtedness

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

Budgets

Our audit of the 2008-2009 and 2009-2010 budgets indicate that local budget law has been substantially complied with during the preparation and adoption of those budgets. Treasure Valley Community College appropriates its budget at the fund and function level for budget law purposes. Treasure Valley Community College has generally complied with Oregon local budget law during the execution of the 2008-2009 budgets, however, we did not one budget violation due to overexpenditure:

General Fund	College support \$119,795
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Insurance and Fidelity Bond Coverage

We examined policies relating to insurance and fidelity bond coverages and ascertained that such policies were in force at June 30, 2009 and that they appeared to satisfy bond ordinances and other provisions. We are not competent by training to state whether the insurance policies in force at June 30, 2009 provide adequate coverage. We recommend that coverages be reviewed periodically with the college's agent of record.

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2009

Programs Funded From Outside Sources

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

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

Public Contracts and Purchasing

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

Investments

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

Collateral

Treasure Valley Community College bank balances of deposit at June 30, 2009, were entirely insured or collateralized with Federal Deposit Insurance Corporation or invested with qualified depositories.

Financial Reporting Requirements

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

Other

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

Average daily membership

Oregon tax on motor vehicle fuels

**OREGON AUDITS DIVISION
SUMMARY OF REVENUES AND EXPENDITURES**

Name of Municipal Corporation Treasure Valley Community College

Address Ontario, Malheur County, Oregon

Period Covered by Audit Report: From July 1, 2008 to June 30, 2009

Total Revenues and/or Receipts - All Funds		<u>\$ 30,490,269</u>
Less:		
Revenues of Component Units included in report	<u>60,122</u>	
Taxes, assessments and other collections to be distributed to other governmental units	<u>-</u>	<u>60,122</u>
Net Revenues and/or Receipts		<u>30,550,391</u>
Total Expenditures and/or Disbursements - All Funds		<u>34,187,653</u>
Less:		
Expenditures of Component Units included in report	<u>(436,233)</u>	
Turnovers to other municipal corporations		
Taxes and Assessments	<u>-</u>	
Other Distributions	<u>-</u>	
Net Expenditures and/or Disbursements		<u>\$ 34,187,653</u>

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

Auditor/Firm Signature 

PLEASE ENCLOSE PAYMENT WITH SUMMARY

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

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

For Use by Division of Audits

Account Code _____ Firm Code _____ Filing Fee _____

TREASURE VALLEY COMMUNITY COLLEGE

SINGLE AUDIT

For the Year Ended June 30, 2009

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
SINGLE AUDIT
June 30, 2009

CONTENTS

P a g e

Schedule of Expenditure of Federal Awards	51
Notes to the Schedule of Expenditure of Federal Awards	52
Schedule of Findings and Questioned Costs	53-54
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55-56
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	57-58

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (REVISED)

For the Year Ended
June 30, 2009

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Education</u>			
Direct program			
Student Financial Assistance Cluste			
PELL Grant Program	* 84.063	\$ 3,670,506	\$ 3,670,506
SEOG Program	* 84.007	151,015	151,015
College Work Study Program	* 84.033	134,814	134,814
Direct Loan Program	* 84.268	6,776,504	6,776,504
Academic Competitiveness Gran	* 84.375	13,984	13,984
		<u>10,746,823</u>	<u>10,746,823</u>
High School Equivalency Program	84.141A	329,439	329,439
Strengthening Institutions Programs (Developmen	* 84.031A	511,484	511,484
English Acquisition Program:National Professional Development Program	84.195N	247,605	247,605
Total direct programs		<u>11,835,351</u>	<u>11,835,351</u>
Passed through Oregon Department of Education			
Adult Education - Basic Grants to Stat			
ABE - Tuition	84.002	135,477	135,477
Vocational Education - Basic Grant			
Perkins - PTE Program Area	84.048A	76,526	76,526
Tech - Prep Education	84.243	76,526	76,526
		<u>153,052</u>	<u>153,052</u>
Total passed through Oregon Department of Education		<u>288,529</u>	<u>288,529</u>
Total Department of Education		<u>12,123,880</u>	<u>12,123,880</u>
<u>U.S. Small Business Administration</u>			
Passed through Oregon State SBA Direct			
SBA Federal	59.037	42,275	42,275
Total Small Business Administration		<u>42,275</u>	<u>42,275</u>
<u>U.S. Department of Agriculture</u>			
Viticulture program	10.226	16,759	16,759
Total U.S. Department of Agriculture		<u>16,759</u>	<u>16,759</u>
Total		<u>\$ 12,182,914</u>	<u>\$ 12,182,914</u>

*Denotes program audited as a major program

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
June 30, 2009

Note 1. Basis of Presentation

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

Note 2. Sub Recipients

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

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

SUMMARY OF AUDITOR'S RESULTS

Type of Report Issued

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

Significant Deficiencies in Internal Control

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

Noncompliance Material to Financial Statements

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

Significant Deficiencies in Internal Control over Major Programs

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

Type of Report Issued on Compliance for Major Programs

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

Audit Findings

Our audit of Treasure Valley Community College disclosed no audit findings, which we are required to report in accordance with OMB Circular A-133.

Identification of Major Programs

Student Financial Assistance Cluster	
CFDA Numbers 84.063, 84.007, 84.375, 84.033, 84.268	\$10,746,823
Strengthening Institutions Programs	
CFDA Number 84.031A	511,484

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

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

Risk Classification of Auditee

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

Findings In Accordance With *Government Auditing Standards*

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

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, MALHEUR COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2009

Findings and Questioned Costs For Major Federal Award Program Audit

Current Year Findings

The audit for the year ended June 30, 2009 reported no findings and questioned costs regarding the federal awards tested.

Prior Year Findings

The audit for the year ended June 30, 2008 reported no findings and questioned costs regarding the federal awards tested.



Certified Public Accountants, PC

George W. Wilber, CrFA, CPA
Robert M. Armstrong, CPA
Mary Jo Evers, CPA

Arlie W. Oster, CPA (1931-1998)

Offices in:
Burns, Oregon
John Day, Oregon

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

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

We have audited the accompanying basic financial statements of Treasure Valley Community College, as of and for the year ended June 30, 2009, which collectively comprise Treasure Valley Community College's basic financial statements and have issued our report thereon dated January 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Treasure Valley Community College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Treasure Valley Community College's financial statements that is more than inconsequential will not be prevented or detected by the Treasure Valley Community College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Treasure Valley Community College's internal control.

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of Treasure Valley Community College's, in a separate letter dated January 14, 2010.

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

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
January 14, 2010

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

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

Compliance

We have audited the compliance of Treasure Valley Community College, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Treasure Valley Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Treasure Valley Community College's management. Our responsibility is to express an opinion on Treasure Valley Community College's compliance based on our audit.

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

In our opinion, Treasure Valley Community College, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Treasure Valley Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Treasure Valley Community College's internal control over compliance with requirements that could have a direct and material effect on a major federal program

in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Treasure Valley Community College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
January 14, 2010

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