

TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Oregon

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

For the Year Ended June 30, 2007

TREASURE VALLEY COMMUNITY COLLEGE

June 30, 2007

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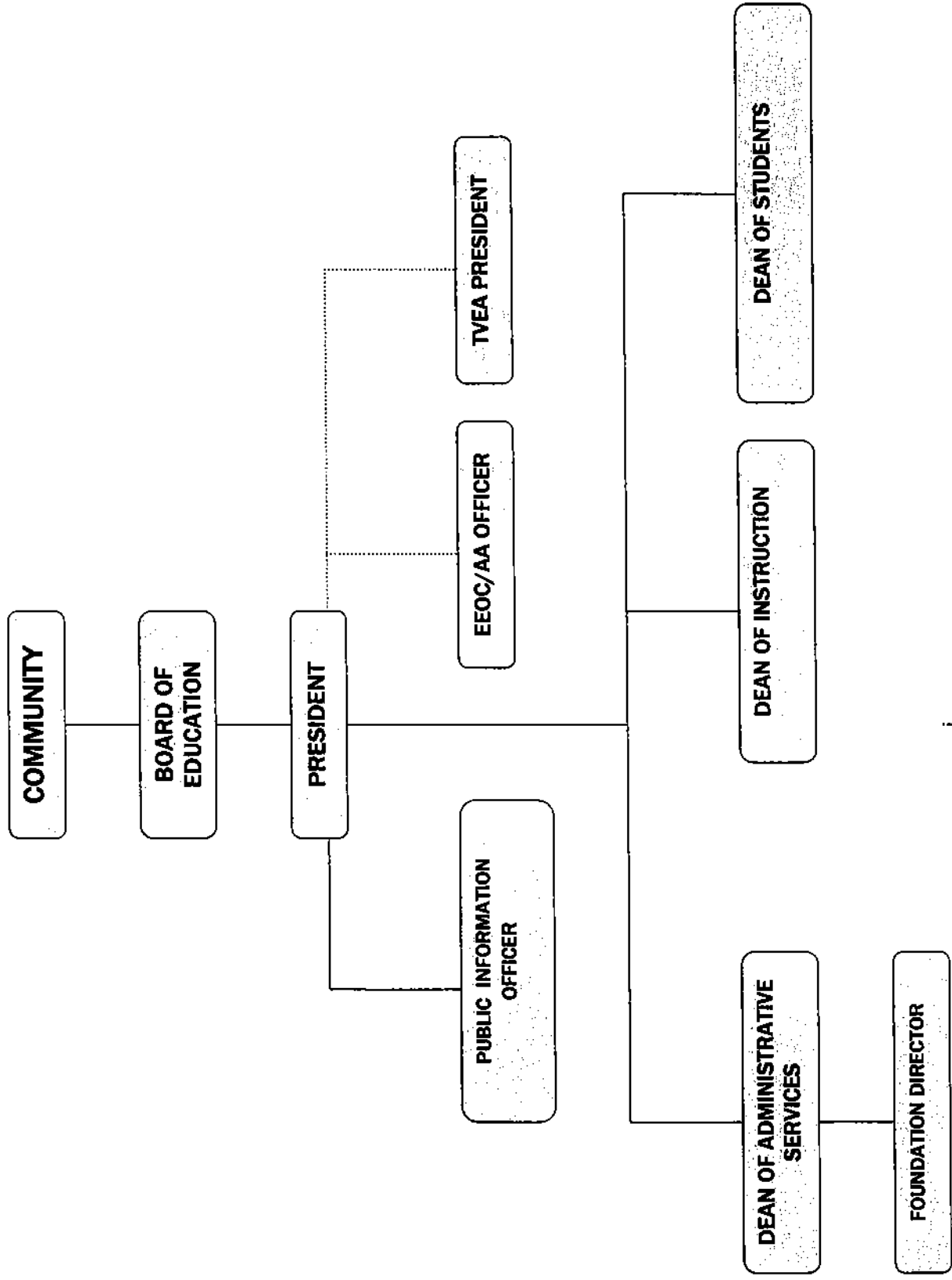
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INTRODUCTORY SECTION

**TREASURE VALLEY COMMUNITY COLLEGE
2006 - 2007 Organizational Chart**



TREASURE VALLEY COMMUNITY COLLEGE
June 30, 2007

Board of Education

<u>Board of Education</u>	<u>Address</u>	<u>Position</u>
Peter Lawson	Ontario	Director
Tik Moore	Ontario	Director
John Forsyth	Ontario	Vice-Chairperson
Scott Wilson	Ontario	Chairperson
David Sullivan	Ontario	Director
John Barinaga	Ontario	Director
Patricia Morinaka	Nyssa	Director

Administrators

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

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Treasure Valley Community College, Ontario, Oregon and its discretely presented component units as of and for the year ended June 30, 2007, 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 management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Treasure Valley Community College, and its discretely presented component unit as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 20, 2007 on our consideration of Treasure Valley Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
December 20, 2007

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, 2007. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

Overview of Financial Statements

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

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

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

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

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

- The *Statement of Revenues, Expenses and Changes in Net Assets* presents the College's financial results for the fiscal year. The statement includes the College's revenues and expenses, both operating and nonoperating, with operating revenues coming primarily from tuition and fees, grants, and contracts. State appropriations and property taxes are classified as non-operating revenues.

- The *Statement of Cash Flows* presents information on the receipt and uses of cash from operating activities, noncapital financing activities, capital financial activities, and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement is intended to help the reader assess the College's ability to generate future cash flows and its ability to meet its obligations as they come due.

Financial Highlights

- State of Oregon FTE reimbursement increased in 06-07 based upon the approved funding formula for community colleges. The college is projecting an increase in FTE reimbursement for the fiscal year 07-08.
- Enrollment for 06-07 decreased from the prior year.
- The college completed construction of a new residence hall complex which was fully finished and in operation in the fall of the 06-07 fiscal year.
- 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.
- The College implemented a number of procedures to address the growth in student accounts receivable noted in prior years. These steps have resulted in a decrease in the rate of growth of accounts receivable as well as an increase in the reserve established to offset the impact of uncollectible accounts (allowance for doubtful accounts).

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:

	2007	2006	Increase (Decrease) in millions
Assets			
Current assets	\$ 3,717,574	\$ 7,300,667	-3.58
Pension asset	15,764,973	13,558,316	2.21
Capital assets, net	9,508,242	6,715,637	2.79
Total assets	28,990,789	27,574,620	1.42
Liabilities			
Current liabilities	2,053,092	2,581,747	-0.53
Noncurrent liabilities	18,963,113	19,596,840	-0.63
Total liabilities	21,016,205	22,178,587	-1.16
Net Assets			
Invested in capital assets, net of related debt	134,184	(3,008,934)	3.14
Restricted	5,733,597	3,330,261	2.40
Unrestricted	2,106,803	5,074,706	-2.97
Total net assets	\$ 7,974,584	\$ 5,396,033	2.58

Assets

Total assets for the College at the end of the fiscal year were approximately \$28.9 million, comprised of both current assets (\$3.7 million) and noncurrent assets (\$25.2 million).

Cash and cash equivalents for the College were \$.6 million at year-end which is a decrease of \$4.9 million from last year. This decrease is due in large part because in the prior year the Residence Hall housing had not been completed as of year end. Accounts receivable increase \$1.31 million from the prior year, resulting in a year-end balance of \$2.6 million. This increase is due to the timing of the 06-07 fourth quarter FTE reimbursement from the State of Oregon. The 05-06 fourth quarter reimbursement payment of \$1.1 million was received in the 05-06 fiscal year whereas the 06-07 FTE reimbursement payment of \$1.4 million was not received until July of 2007.

At year-end capital assets totaled \$16.5 million with associated accumulated depreciation of \$7.0 million, for a net capital asset value of \$9.5 million. This is a \$2.7 million increase in the net value of capital assets from prior year. This increase is due to the construction of the new residence halls that were completed in the fiscal year 06-07.

The College's prepaid pension contribution reflects those bonds issued by the College in 2003 to finance the unfunded pension liability due to the Oregon Public Employees Retirement System. The value of these assets was increased by \$2.2 million as of the year ended 06-07.

Overall total assets of the College increased \$1.3 million as compared to prior year.

Assets of the Foundation are comprised primarily of investments (\$2.5 million of the \$2.6 million asset balance). Total assets for the Foundation increased \$0.3 million from prior year due to receipt of additional endowed funds as well as the increase in the fair market value of previously held investments.

Liabilities

Liabilities are classified as current and noncurrent. The current liabilities balance at year-end was approximately \$2.0 million and the noncurrent liability balance was \$18.9 million. Current liabilities are comprised of accounts payable, accrued payroll liabilities, deferred revenue, and the current portion of long-term debt. Noncurrent liabilities are comprised of two primary amounts, PERS bonds payable (\$10.2 million) and notes payable (\$9.3 million), less the current portion of that debt of \$0.6 million. The notes payable balance decreased from prior year by \$.2 million.

Net Assets

Total net assets at year-end are \$7.9 million or a \$2.5 million increase over the prior year. The increase from prior year is due to the following:

- Increase in fair market value of the prepaid pension assets of \$ 2.2 million
- Change in net assets of \$.3 million

The net assets of the Foundation are divided as follows:

Restricted – expendable for student aid and grants	\$.28 million
Restricted – nonexpendable endowment principal	1.99 million

Unrestricted	<u>.32 million</u>
Total net assets at year-end	\$ 2.6 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 non operating 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:

	2007	2006	Increase (Decrease) in millions
Operating revenues			
Tuition and fees	\$ 4,279,903	\$ 4,306,396	-0.03
Grants and contracts	2,733,561	2,713,623	0.02
Sales of goods and services	3,270,973	2,572,016	0.70
Other operating revenues	581,837	1,073,032	-0.49
Total operating revenues	<u>10,866,274</u>	<u>10,665,067</u>	<u>0.20</u>
Non operating revenues			
State community college support	6,140,105	5,244,270	0.90
Property taxes	1,505,783	1,648,546	(0.14)
Investment income	2,374,774	274,241	2.10
Federal financial aid	4,995,280	5,634,817	(0.64)
Other	-	60,000	(0.06)
Total non operating revenues	<u>15,015,942</u>	<u>12,861,874</u>	<u>2.15</u>
Total revenues	<u>25,882,216</u>	<u>23,526,941</u>	<u>2.36</u>
Operating expenses			
Educational and general	8,308,034	7,941,004	0.37
Other support services	11,230,068	11,944,853	(0.71)
Auxiliary enterprises	2,627,760	2,124,370	0.50
Depreciation	300,691	356,099	(0.06)
Total operating expense	<u>22,466,553</u>	<u>22,366,326</u>	<u>0.10</u>
Non operating expenses	<u>837,111</u>	<u>798,032</u>	<u>0.04</u>
Total expenses	<u>23,303,664</u>	<u>23,164,358</u>	<u>0.14</u>
Change in net assets	<u>\$ 2,578,552</u>	<u>\$ 362,583</u>	<u>2.22</u>

Operating Revenue

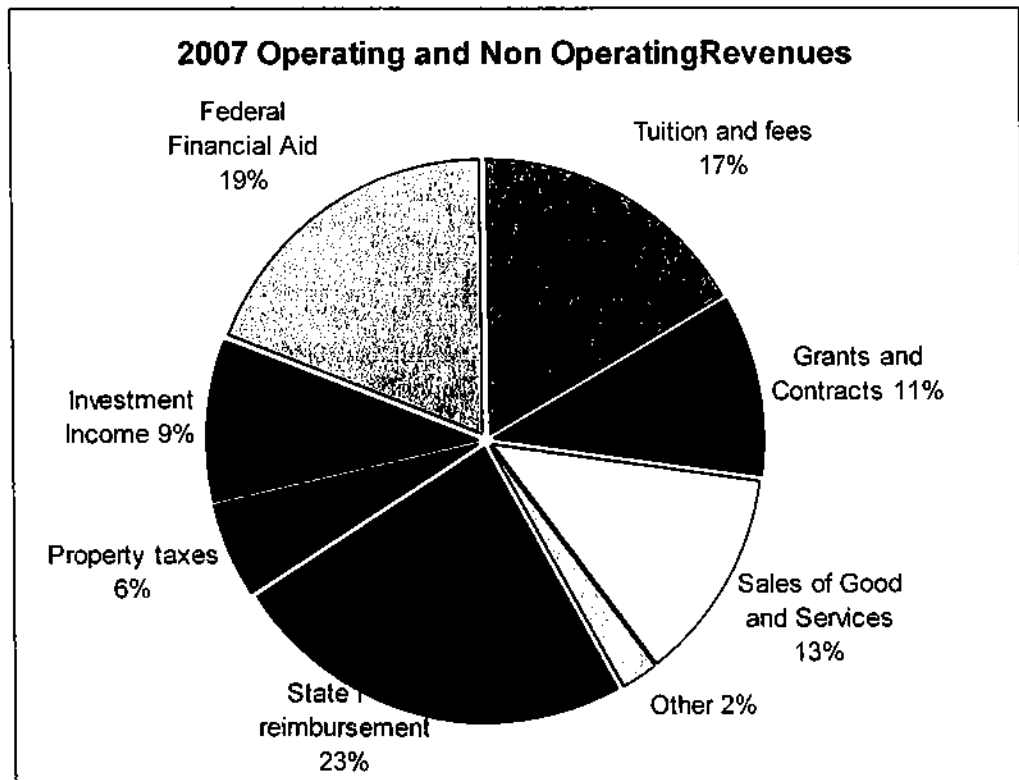
Operating revenue for the fiscal year was \$10.8 million (a decrease of \$5.4 million over prior year).

	Total 06- 07	Increase / decrease from 05- 06
Tuition and fees	\$4.2	\$0.1
Federal sources	\$2.7	-\$5.6
Caldwell Center	\$1.2	\$0.1
Other operating revenue	\$2.7	-\$0.8

Federal sources revenue decreased by 5.6 million from prior year due to a reclassification of federal financial aid funds being classified as non-operating revenues.
Other operating revenue decreased due to the budgeted transfer of funds from reserve funds to operations being less than in prior years.

Nonoperating Revenue

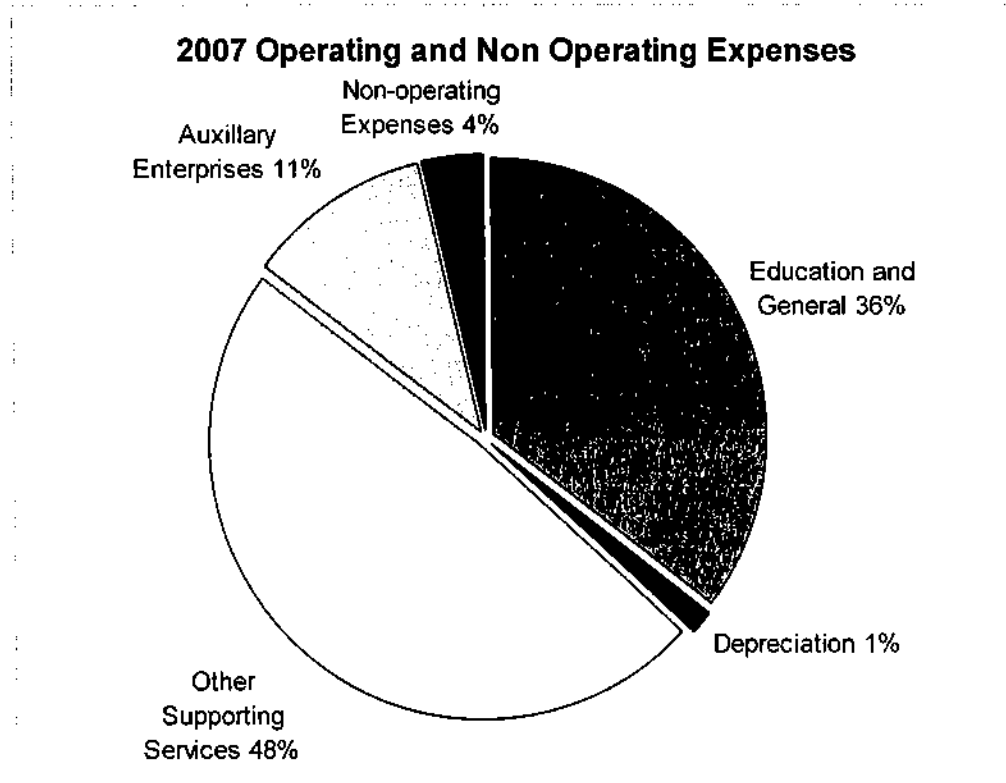
Nonoperating revenues increased \$7.7 million from prior year to \$15.0 million due to an increase in the reimbursement rate per FTE from the State of Oregon, increased property tax collections, and the classifying of federal financial aid as non-operating revenues.



Revenue for the Foundation of \$276,807 came primarily from contributions and special events proceeds.

Expenses

Total operating expenses for the College were \$22.4 million for the fiscal year, an increase of \$1.1 million from prior year. Expenses by category are as follows:



Operating expenses increased due to increases in employee salary and benefit costs from the prior year as well as increases associated with the costs of the Federal Title III grant. Financial aid expenses increased due to the growth in student financial aid being issued in 06-07 as compared to prior years. The College also increased the allowance for doubtful accounts receivable by \$100,000 to better reflect the collectibility of aged student accounts.

Change in Net Assets

The change in net assets for the 06-07 fiscal year was an increase of \$2.5 million. The increase is due almost exclusively from a change in the value of our prepaid pension asset.

Statement of Cash Flows

The College's major operating sources of cash include \$5.4 million in tuition and fees, \$4.9 million in federal student financial aid grants, and \$1.4 million in state and local government grants and contracts. Major operating uses of cash are payments to suppliers of \$11.3 million, payments to employees of \$10.7 million and payments for student financial aid and scholarships of \$.5 million.

Cash flows from noncapital financing activities included \$1.5 million in property taxes and \$4.6 million in state FTE reimbursement payments.

The College had a cash outflow of \$4.6 million in the capital financing activities. The large outflow of cash noted in the current year was for the completion of the residence halls on campus. Cash used in capital financing activities included \$1.4 million for principal and interest paid on long-term debt.

The overall cash balance for the College decreased by \$4.9 million for the year, again because of the residence halls, with a year-end balance of \$.6 million.

Variations between Budget and Actual

During the fiscal year 06-07 we had a decrease in expected tuition and fees generated in comparison to the budget. This decrease in tuition and fees coincided with a decrease in the overall FTE for the college. It is expected that tuition and fees will increase in 07-08 back to prior year levels.

The college's Housing and Food Service had much larger cash receipts than anticipated. The new residence hall facilities have helped greatly in revenue generation and the overall look and feel of the college campus. The residence halls were open in the fall of 2006 and were at full capacity through fall term, with numbers decreasing periodically as the school year continued. The expectation is that revenues will continue to increase in the years to come.

Capital Assets

The college completed construction of a 40,000 square feet residence hall facility in the fall of 2006. The college is anticipating the construction of the residence hall to increase overall enrollment and student satisfaction.

Along with the construction of the residence hall facilities, the college also performed additional paving work across the campus and added an additional parking lot to serve students and their parking needs. The college paving process included the finishing of a thruway across campus which allows for easier traffic flow across the campus and easy accessibility to the gym and athletic fields.

Capital asset additions in the future include the possibility of a University Center / Science Lab Building being built on campus, which would include new science and math labs, and additional updated student classrooms and instructional office space. The college did not receive a state funding match in the current biennium but will be bringing forward this request in the 2008-2010 biennium.

Debt

During fiscal year 2006-07 there was no additional debt incurred by the college. The college did complete paying off a capital lease it had for one of the two buses on campus used to transport students to athletic events.

Economic Factors and Next Year's Budget

The College is expected to continue to see increases in State of Oregon FTE reimbursements for next year. Due to the growth in the economy and investment returns at the Oregon Public Employee Retirement System, the College also expects a stable level for employer pension contributions in the next few years as well.

The College has completed its campus parking improvement projects and successfully opened its new residence housing unit. 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. These capital improvement projects are expected to have a positive impact in both the image of the College as well as provide future fiscal benefits in the way of recruitment and overall retention of students. Management will continue to pursue these 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, OREGON
STATEMENT OF NET ASSETS
June 30, 2007

	TVCC College	TVCC Foundation
ASSETS		
Current assets		
Cash and cash equivalents	\$ 680,617	\$ 59,365
Investments	-	2,558,576
Receivables		
Taxes	99,473	
Accounts, net of allowance for doubtful accounts of \$302,545	2,625,825	
Prepaid assets	64,343	
Unamortized bond issuance costs-net	21,911	
Other assets		2,000
Inventory	225,405	
Total current assets	<u>3,717,574</u>	<u>2,619,941</u>
Noncurrent assets		
Capital assets	16,522,237	
Less accumulated depreciation	(7,013,995)	
Prepaid pension contribution	15,764,973	
Total noncurrent assets	<u>25,273,215</u>	<u>-</u>
TOTAL ASSETS	<u>28,990,789</u>	<u>2,619,941</u>
LIABILITIES		
Current liabilities		
Accounts payable	411,154	6,552
Payroll liabilities	257,102	
Compensated absences	90,126	
Due to other funds student and agency groups	159,795	
Deferred revenue	516,651	
Current portion of long-term debt	618,264	
Total current liabilities	<u>2,053,092</u>	<u>6,552</u>
Noncurrent liabilities		
PERS bonds payable	10,207,319	
Notes payable	9,374,058	
Less current portion of long-term debt	(618,264)	
Total noncurrent liabilities	<u>18,963,113</u>	<u>-</u>
TOTAL LIABILITIES	<u>21,016,205</u>	<u>6,552</u>
NET ASSETS		
Net assets invested in capital assets	9,508,242	-
Less: related debt	(9,374,058)	
Investment in capital assets, net	134,184	-
Restricted - expendable:		
Student financial aid grants and loans	175,943	289,708
Restricted - non expendable:		
Pension obligation	5,557,654	
Endowment principal		1,999,309
Unrestricted	2,106,803	324,372
TOTAL NET ASSETS	<u>\$ 7,974,584</u>	<u>\$ 2,613,389</u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended
June 30, 2007

	TVCC College	TVCC Foundation
OPERATING REVENUES		
Student tuition and fees	\$ 4,279,903	\$ -
Federal contracted programs	1,308,320	-
State sources	1,425,241	-
Auxiliary enterprises		
Bookstore	947,942	-
Food services	444,146	-
Housing	456,893	-
Printing	147,483	-
Caldwell Center	1,274,509	-
Contributions and special events proceeds		303,395
Other operating revenues	581,837	-
	<u>10,866,274</u>	<u>303,395</u>
Total operating revenues		
	<u>10,866,274</u>	<u>303,395</u>
OPERATING EXPENSES		
Educational and general	8,308,034	-
Other support services		
Student activities	1,800,730	43,164
College support	2,088,795	-
Plant operations	1,641,318	-
Financial aid	5,699,225	134,927
Auxiliary enterprises		
Bookstore	791,763	-
Food services	438,520	-
Housing	238,754	-
Printing	123,679	-
Caldwell Center	1,035,044	-
Fund raising expenses		8,228
Management and general expenses		63,922
Depreciation expense	300,691	-
	<u>22,466,553</u>	<u>250,241</u>
Total operating expenses		
	<u>22,466,553</u>	<u>250,241</u>
Operating income (loss)	<u>(11,600,279)</u>	<u>53,154</u>
NONOPERATING REVENUES (EXPENSES)		
Property taxes	1,505,783	-
Federal financial aid	4,995,280	-
State FTE reimbursement	6,140,105	-
Investment income	2,374,774	297,637
Transfers to agency funds	(21,808)	-
Interest expense	(815,303)	-
	<u>14,178,831</u>	<u>297,637</u>
Net nonoperating revenues (expenses)		
	<u>14,178,831</u>	<u>297,637</u>
Increase (decrease) in net assets	2,578,552	350,791
NET ASSETS		
Net assets -beginning of the year	<u>5,396,032</u>	<u>2,262,598</u>
Net assets - end of the year	<u>\$ 7,974,584</u>	<u>\$ 2,613,389</u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 5,474,518
Federal grants and contracts	1,308,320
State and local government grants and contracts	1,425,241
Local sources	206,519
Payments to suppliers for goods and services	(11,352,753)
Payments to employees	(10,715,859)
Payments for student financial aid and other scholarships	(584,602)
Other cash receipts	<u>2,660,859</u>
Net cash used in operating activities	<u>(11,577,757)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	1,508,578
Federal student financial aid grants	4,995,280
State full time equivalent reimbursement	4,674,844
Net cash provided by noncapital financing activities	<u>11,178,702</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(3,202,656)
Principal paid on long-term debt	(564,759)
Interest paid on long-term debt	<u>(837,999)</u>
Net cash provided by capital financing activities	<u>(4,605,414)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	2,302,246
Less increase in prepaid retirement contribution non- cash	(2,206,657)
Proceeds from sales of investments	
Net cash provided by investing activities	<u>95,589</u>
NET INCREASE (DECREASE) IN CASH	(4,908,880)
Cash and cash equivalents - beginning of the year	<u>5,589,497</u>
Cash and cash equivalents - end of year	<u>\$ 680,617</u>
 Operating loss	
	\$ (11,600,279)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense all funds	316,030
Decrease in accounts receivable, not including state support	330,561
Increase in inventory	(10,730)
Increase in prepaid assets	(2,207)
Increase in salaries payable	65,401
Decrease in accounts payable and payroll tax liabilities	(555,155)
Increase in deferred revenue	(121,378)
Decrease in due to student groups	-
Net cash used in operating activities	<u><u>\$ (11,577,757)</u></u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discrete Component Units

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

B. Basis of Presentation

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

Invested in capital assets, net of related debt

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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

Restricted net assets

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

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

Unrestricted net assets

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

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

C. Measurement Focus and Basis of Accounting

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

D. Use of Estimates

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

E. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition. The LGIP is stated at cost, which approximates fair value.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

F. Receivables

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real property and for personal property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if amounts due are received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes, including delinquent amounts, are considered substantially collectable or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Malheur and Baker Counties collect and allocate all property taxes to the college. Property taxes are recognized as revenues when levied.

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 26% of the total due. The Caldwell Center estimates 2% 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, 2007. The special revenue funds reflect amounts receivable from grants and state fees due to the college at June 30, 2007.

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

G. Capital Assets

Capital assets include land and land improvements, buildings and building improvements, equipment and machinery, works of art and historical treasures, infrastructure, which includes utility systems, leasehold improvements, and construction in progress. The college's capitalization threshold is \$5,000. 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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

H. Compensated Absences

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

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

I. Long-term Debt

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

J. Operating and Non Operating Revenues and Expenses

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

K. Federal Financial Assistance Programs

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

L. Budgetary Information

Budgetary information is reported in the required supplementary information.

M. Inventories

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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

Note 2. Negative Retained Earnings

Negative retained earnings of auxiliary funds at June 30, 2007, were as follows:

	Amount
Caldwell Center	\$ 217,369

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, 2007 is as follows:

	General Fund	Special Revenue Fund	Capital Project Fund	Proprietary Funds	Agency Funds	(memo only) Total
Due From:	<u>\$ 542,106</u>	<u>\$ 354,385</u>	<u>\$ -</u>	<u>\$ 97,421</u>	<u>\$ -</u>	<u>\$ 993,912</u>
Due to:						
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue		812,473				812,473
Capital Project						-
Proprietary				-		-
Agency					181,438	181,438
	<u>\$ -</u>	<u>\$ 812,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,438</u>	<u>\$ 993,912</u>

Note 4. Accounts Receivable

Receivables at the government-wide level at June 30, 2007, were as follows:

	General	Special Revenue	Proprietary	Financial Aid	Total
Property tax	\$ 99,473	\$ -	\$ -	\$ -	\$ 99,473
Tuition and fee related	832,944	-	-	-	832,944
Due from other governmental units	1,483,165		-	59,925	1,543,090
Other receivables	39,400	340,383	10,263	162,288	552,335
Sub total	2,454,981	340,383	10,263	222,214	3,027,841
Allowance for uncollectible	(240,630)			(61,915)	(302,545)
Total	<u>\$ 2,214,351</u>	<u>\$ 340,383</u>	<u>\$ 10,263</u>	<u>\$ 160,299</u>	<u>\$ 2,725,296</u>

The following is an aging of tuition and fees receivables within the General Fund. As of June 30, 2007 the college has also recorded an allowance for doubtful accounts related to tuition and fees receivable of \$240,630.

	0-90	91-180	181-360	Greater than 1 year	Total
Amount	\$ 299,403	\$ 82,502	\$ 135,032	\$ 316,007	\$ 832,944
Percentage of total	36%	10%	16%	38%	100%

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

Note 5. Changes in Fixed Assets

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

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Capital assets not being depreciated				
Land	\$ 399,782	\$ -	\$ -	\$ 399,782
Construction in progress	3,492,164	5,333	(3,492,164)	5,333
Total capital assets not being depreciated	<u>3,891,946</u>	<u>5,333</u>	<u>(3,492,164)</u>	<u>405,115</u>
Capital assets being depreciated				
Buildings	5,717,661	5,996,082	-	11,713,743
Improvements	699,453	613,116	-	1,312,569
Vehicles and equipment	3,010,521	80,290	-	3,090,811
Total capital assets being depreciated	<u>9,427,635</u>	<u>6,689,488</u>	<u>-</u>	<u>16,117,123</u>
Less accumulated depreciation for				
Buildings	4,168,795	185,293	-	4,354,088
Improvements	253,453	60,634	-	314,087
Vehicles and equipment	2,181,696	164,124	-	2,345,820
Total accumulated depreciation	<u>6,603,944</u>	<u>410,051</u>	<u>-</u>	<u>7,013,995</u>
Total capital assets being depreciated, net	<u>2,823,691</u>	<u>6,279,437</u>	<u>-</u>	<u>9,103,128</u>
Total capital assets, net	<u>\$ 6,715,637</u>	<u>\$ 6,284,770</u>	<u>\$ (3,492,164)</u>	<u>\$ 9,508,243</u>

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

Note 6. Leases

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

Changes in long-term capital leases are as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
General Fund	\$ 16,536	\$ -	\$ 16,536	\$ -
Total long-term leases	<u>\$ 16,536</u>	<u>\$ -</u>	<u>\$ 16,536</u>	<u>\$ -</u>

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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

The following is a schedule of the future minimum operating lease payments under the leases as of June 30, 2007:

Year ending June 30	
2008	\$ 21,658
2009	21,658
2010	16,423
Total minimum lease payments	<u>\$ 59,739</u>

Note 7. Pension Plan

Public Employees Retirement System (PERS)

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

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

Funding Policy - Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The college is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2007 were 3.02% and 8.04% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost - The college's contribution to PERS for the years ending June 30, 2005, 2006, and 2007 were \$160,760, \$91,683, and \$256,653 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). PERS UAL Bond debt service was \$586,144.

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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

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, 2006 of \$15,764,973. The following reflects the activity during the year reported by the actuarial valuations.

Balance - December 31, 2005	\$ 14,605,298
Investment income	2,281,347
Administrative expenses	(1,000)
Contribution to cost sharing plan	(1,120,672)
Balance - December 31, 2006	<u>\$ 15,764,973</u>

Note 8. Cash and Investments

Cash includes bank balances that at June 30, 2007 were entirely insured or collateralized with the Federal Deposit Insurance Corporation and certificates of participation with US Bank, N.A.

As of June 30, 2007, the college had the following cash and investments:

<u>Cash or investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Cash		\$ 486,153
Local Government Investment Pool	50% less than 90-day, no more than 25% over one year, and no investment over three years	194,464
Total Cash and Investments		<u>\$ 680,617</u>

The Oregon Local Government Investment Pool, certificates of deposit, and some repurchase agreements are unrated. The college invests the majority of its funds in the Local Government Investment Pool (LGIP), which has regulatory oversight from the Oregon Short Term Fund Board and the Oregon Short Term Investment Council and is not required to be categorized by risk. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control, of any fund. The LGIP is commingled with the state's short term funds. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations.

Interest Rate Risk

The college has an investment policy that requires 20% of the investment portfolio to be invested in highly liquid investments which can be exchanged for cash within one day's notice. The investment policy also states that the LGIP, through its investment mechanisms, is considered appropriate diversification. The investments held at June 30, 2007 meet the college's investment policy restrictions.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

Concentration Credit Risk

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

Note 9. 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, 2007.

Note 10. 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 2007 and settlements have not exceeded the college's coverage in the past three years.

Note 11. 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.

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.

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

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

In August 2001, the college issued \$1,760,000 full faith and credit certificates of obligation to provide

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2007

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.,

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.

The annual debt requirements are as follows:

Fiscal year	2000 Series A Bonds		Johnson Control Capital Project		PERS UAL Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007-08	\$ 110,000	\$ 56,870	\$ 108,680	\$ 60,140	\$ 247,926	\$ 373,219
2008-09	115,000	51,750	118,502	54,258	255,951	395,193
2009-10	120,000	46,345	129,052	47,848	265,844	420,300
2010-11	130,000	40,530	140,390	40,870	275,995	450,149
2011-12	135,000	34,235	152,538	33,282	281,037	480,108
2012-17	610,000	64,680	539,611	47,549	1,456,643	2,994,079
2017-22					1,448,099	4,242,624
2022-27					5,285,823	1,923,673
2027-32					690,000	38,640
2032-35						
	<u>\$ 1,220,000</u>	<u>\$ 294,410</u>	<u>\$ 1,188,773</u>	<u>\$ 283,947</u>	<u>\$ 10,207,318</u>	<u>\$ 11,317,985</u>

Fiscal year	City of Ontario				Housing Series 2005 Bonds	
	LID Lot 500		LID Lot 100		Principal	Interest
2007-08	\$ 4,560	\$ 3,665	\$ 9,988	\$ 8,027	\$ 110,000	\$ 230,008
2008-09	4,817	3,408	10,551	7,465	120,000	226,158
2009-10	5,070	3,155	11,106	6,910	120,000	221,958
2010-11	5,343	2,882	11,703	6,312	130,000	217,458
2011-12	5,626	2,599	12,323	5,692	130,000	212,258
2012-17	33,036	8,088	72,360	17,717	725,000	977,688
2017-22	12,868	625	28,188	1,382	915,000	800,163
2022-27	-	-	-	-	1,015,000	578,853
2027-32	-	-	-	-	1,075,000	353,125
2032-35					775,000	78,750
	<u>\$ 71,320</u>	<u>\$ 24,422</u>	<u>\$ 156,219</u>	<u>\$ 53,505</u>	<u>\$ 5,115,000</u>	<u>\$ 3,896,419</u>

Fiscal year	Housing Series 2006 Bonds		Nebraska Book Company Point-of-Sale Package		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2007-08	\$ 20,000	\$ 77,700	\$ 7,110	\$ 1,479	\$ 618,264	\$ 811,108
2008-09	20,000	76,900	7,572	1,016	652,393	816,148
2009-10	20,000	76,100	8,065	524	679,137	823,140
2010-11	20,000	75,300	-	-	713,431	833,501
2011-12	35,000	74,500			751,524	842,674
2012-17	200,000	349,900			3,636,650	4,459,701
2017-22	255,000	297,000			2,659,155	5,341,794
2022-27	320,000	226,750			6,620,823	2,729,276
2027-32	410,000	138,250			2,175,000	530,015
2032-35	300,000	30,500			1,075,000	109,250
	<u>\$ 1,600,000</u>	<u>\$ 1,422,900</u>	<u>\$ 22,747</u>	<u>\$ 3,019</u>	<u>\$ 19,581,377</u>	<u>\$ 17,296,607</u>

REQUIRED SUPPLEMENTARY INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 1,960,713	\$ 1,960,713	\$ 2,004,238	\$ 43,525
State sources	5,654,487	5,654,487	5,720,596	66,109
Tuition and fees	4,433,873	4,433,873	4,243,007	(190,866)
Total revenues	<u>12,049,073</u>	<u>12,049,073</u>	<u>11,967,841</u>	<u>(81,232)</u>
EXPENDITURES				
Instruction	5,037,189	4,992,189	4,723,769	268,420
Instruction support	407,422	407,422	374,188	33,234
Student services	1,711,485	1,731,485	1,715,364	16,121
College support services	2,317,984	2,277,984	2,144,863	133,121
Plant operation and maintenance	1,343,227	1,408,227	1,384,373	23,854
Plant additions	135,500	135,500	134,488	1,012
Debt service	1,385,523	1,385,523	1,385,252	271
Financial aid	614,243	614,243	414,269	199,974
Operating contingency	710,000	710,000	-	710,000
Total expenditures	<u>13,662,573</u>	<u>13,662,573</u>	<u>12,276,566</u>	<u>1,386,007</u>
Excess of revenues over (under) expenditures	(1,613,500)	(1,613,500)	(308,725)	1,304,775
Other financing sources (uses)				
Transfers out	(142,500)	(142,500)	(142,500)	-
Transfer in	1,046,000	1,046,000	646,000	(400,000)
Institutional contribution	-	-	(77,604)	(77,604)
Proceeds from long term debt	-	-	-	-
Total other financing sources (uses)	<u>903,500</u>	<u>903,500</u>	<u>425,896</u>	<u>(477,604)</u>
Excess of revenues, other financing sources over (under) expenditures, other financing (uses)	(710,000)	(710,000)	117,171	827,171
Available fund balance, July 1	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,162,813</u>	<u>152,813</u>
Available fund balance, June 30	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,279,984</u>	<u>\$ 979,984</u>

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

For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 200,000	\$ 200,000	\$ 63,541	\$ (136,459)
State sources	1,700,000	1,700,000	1,669,770	(30,230)
Federal sources	850,000	850,000	1,308,320	458,320
Tuition and fees	50,000	50,000	36,896	(13,104)
Total revenues	<u>2,800,000</u>	<u>2,800,000</u>	<u>3,078,527</u>	<u>278,527</u>
EXPENDITURES				
Instruction	2,350,000	2,350,000	2,551,386	(201,386)
Supporting services	500,000	500,000	553,907	(53,907)
Total expenditures	<u>2,850,000</u>	<u>2,850,000</u>	<u>3,105,293</u>	<u>(255,293)</u>
Excess of revenues over (under) expenditures	(50,000)	(50,000)	(26,766)	23,234
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(50,000)	(50,000)	(26,766)	23,234
Available fund balance, July 1	<u>200,000</u>	<u>200,000</u>	<u>197,504</u>	<u>(2,496)</u>
Available fund balance, June 30	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 170,738</u>	<u>\$ 20,738</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
STUDENT FINANCIAL AID FUND
For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	190,000	190,000	174,983	(15,017)
Federal sources	6,150,000	6,150,000	4,995,279	(1,154,721)
Total revenues	6,340,000	6,340,000	5,170,262	(1,169,738)
EXPENDITURES				
Supporting services	6,400,000	6,400,000	5,206,109	1,193,891
Total expenditures	6,400,000	6,400,000	5,206,109	1,193,891
Excess of revenues over (under) expenditures	(60,000)	(60,000)	(35,847)	24,153
Other financing sources (uses)				
Transfer in	3,260,000	3,260,000	2,048,450	(1,211,550)
Transfer out	(3,200,000)	(3,200,000)	(2,012,603)	1,187,397
Returned to grantor	-	-	-	-
Total other financing sources (uses)	60,000	60,000	35,847	(24,153)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

TREASURE VALLEY COMMUNITY COLLEGE
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 PERKINS LOAN FUND**
 For the Year Ended
 June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ 2,985	\$ 2,985
Total revenues	-	-	2,985	2,985
EXPENDITURES				
Supporting services	100,000	100,000	37,090	62,910
Total expenditures	100,000	100,000	37,090	62,910
Excess of revenues over (under) expenditures	(100,000)	(100,000)	(34,105)	65,895
Other financing sources (uses)				
Transfer in	100,000	100,000	-	(100,000)
Total other financing sources (uses)	100,000	100,000	-	100,000
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(34,105)	(34,105)
Available fund balance, July 1	-	-	210,047	210,047
Available fund balance, June 30	\$ -	\$ -	\$ 175,942	\$ 175,942

TREASURE VALLEY COMMUNITY COLLEGE
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CAPITAL PROJECT FUND**
 For the Year Ended
 June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 100,000	\$ 100,000	\$ 36,661	\$ (63,339)
Total revenues	100,000	100,000	36,661	(63,339)
EXPENDITURES				
Facilities and acquisitions	3,500,000	3,500,000	2,830,437	669,563
Total capital outlay	3,500,000	3,500,000	2,830,437	669,563
Excess of revenues over (under) expenditures	(3,400,000)	(3,400,000)	(2,793,776)	606,224
Other financing sources (uses)				
Transfer to other funds	(100,000)	(100,000)	-	100,000
Total other financing sources (uses)	(100,000)	(100,000)	-	100,000
Excess of revenues and other sources over (under) expenditures and other uses	(3,500,000)	(3,500,000)	(2,793,776)	706,224
Available fund balance, July 1	3,500,000	3,500,000	2,793,776	(706,224)
Available fund balance, June 30	\$ -	\$ -	\$ -	\$ -

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (BUDGETARY BASIS)
RESERVE FUND
For the Year Ended
June 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
REVENUES				
Local sources	\$ 100,000	\$ 100,000	\$ 141,022	\$ 41,022
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>141,022</u>	<u>41,022</u>
EXPENDITURES				
Support services	150,000	150,000	110,278	39,722
Facilities acquisitions and construction	450,000	450,000	379,114	70,886
Other uses- debt service	-	-	-	-
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>489,392</u>	<u>110,608</u>
Excess of revenues over (under) expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(348,370)</u>	<u>151,630</u>
Other financing sources (uses)				
Transfer from Other Funds	200,000	200,000	103,115	(96,885)
Transfer to General Fund	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>103,115</u>	<u>3,115</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(400,000)</u>	<u>(400,000)</u>	<u>(245,255)</u>	<u>154,745</u>
Available fund balance, July 1	<u>500,000</u>	<u>500,000</u>	<u>949,755</u>	<u>449,755</u>
Available fund balance, June 30	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 704,500</u>	<u>\$ 604,500</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
BOOKSTORE FUND
For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 1,030,000	\$ 1,030,000	\$ 830,560	\$ (199,440)
Sale of school supplies	-	-	101,992	101,992
Miscellaneous income	-	-	15,391	15,391
Total operating revenues	<u>1,030,000</u>	<u>1,030,000</u>	<u>947,943</u>	<u>(82,057)</u>
Operating expense				
Salaries and benefits	100,000	100,000	97,264	2,736
Cost of goods sold	970,000	970,000	676,844	293,156
Outside services	-	-	7,014	(7,014)
Depreciation	-	-	10,190	(10,190)
Other expense	-	-	450	(450)
Total operating expenses	<u>1,070,000</u>	<u>1,070,000</u>	<u>791,762</u>	<u>278,238</u>
Operating income	(40,000)	(40,000)	156,181	196,181
Other sources and (uses)				
Transfer to other funds	-	-	(105,000)	(105,000)
Excess of operating revenues and other sources over (under) operating expenses and other uses	(40,000)	(40,000)	51,181	(91,181)
Net assets, July 1	40,000	40,000	220,007	(180,007)
Net assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,188</u>	<u>\$ 271,188</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Food and catering sales	\$ 350,000	\$ 350,000	\$ 444,146	\$ 94,146
Total operating revenues	350,000	350,000	444,146	94,146
Operating expense				
Materials and supplies	-	-	15,951	(15,951)
Outside services	5,000	5,000	409,468	(404,468)
Other expense	360,000	360,000	7,057	352,943
Repairs and maintenance	-	-	3,319	(3,319)
Depreciation	-	-	2,726	(2,726)
Total operating expenses	365,000	365,000	438,521	(73,521)
Operating income	(15,000)	(15,000)	5,625	20,625
Other financing sources(uses)				
Transfer from other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of operating revenues and other sources over (under) operating expenses and other uses	(15,000)	(15,000)	5,625	20,625
Net assets, beginning	15,000	15,000	10,423	(4,577)
Net assets, ending	\$ -	\$ -	\$ 16,048	\$ 16,048

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING FUND
For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Dormitory receipts	\$ 270,000	\$ 270,000	\$ 455,569	\$ 185,569
Miscellaneous income	-	-	1,324	1,324
Total operating revenues	<u>270,000</u>	<u>270,000</u>	<u>456,893</u>	<u>186,893</u>
Operating expense				
Salaries	100,000	100,000	56,093	43,907
Materials and services	95,000	95,000	55,932	39,068
Outside services	-	-	31,516	(31,516)
Other expense	-	-	1,192	(1,192)
Repairs and maintenance	-	-	-	-
Depreciation	-	-	94,021	(94,021)
Total operating expenses	<u>195,000</u>	<u>195,000</u>	<u>238,754</u>	<u>(43,754)</u>
Operating income	75,000	75,000	218,139	143,139
Other financing sources(uses)				
Transfer from other funds	-	-	(301,000)	(301,000)
Contributed capital	-	-	5,939,895	5,939,895
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,638,895</u>	<u>5,638,895</u>
Excess of operating revenues and other sources over (under) operating expenses and other u	75,000	75,000	5,857,034	5,782,034
Net assets, July 1	<u>25,000</u>	<u>25,000</u>	<u>(117,194)</u>	<u>(142,194)</u>
Net assets, June 30	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 5,739,840</u>	<u>\$ 5,639,840</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
PRINTING FUND
For the Year Ended
June 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
Operating revenues				
Printing income	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 147,483</u>	<u>\$ (2,517)</u>
Total operating revenues	<u>150,000</u>	<u>150,000</u>	<u>147,483</u>	<u>(2,517)</u>
Operating expense				
Salaries	40,000	40,000	39,888	112
Travel	-	-	77	(77)
Materials and supplies	130,000	130,000	74,187	55,813
Outside services	-	-	9,295	(9,295)
Capital outlay	-	-	-	-
Other expense	-	-	38	(38)
Repairs and maintenance	-	-	194	(194)
Other debt service	-	-	-	-
Total operating expenses	<u>170,000</u>	<u>170,000</u>	<u>123,679</u>	<u>46,321</u>
Operating income (loss)	(20,000)	(20,000)	23,804	43,804
Other financing sources(uses)				
Transfer from other funds	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>20,000</u>
Excess of operating revenues and other sources over (under) operating expenses and other uses	(20,000)	(20,000)	3,804	63,804
Net assets, July 1	<u>20,000</u>	<u>20,000</u>	<u>71,678</u>	<u>51,678</u>
Net assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,482</u>	<u>\$ 75,482</u>

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

For the Year Ended
June 30, 2007

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 200,000	\$ 200,000	\$ 197,366	\$ (2,634)
Tuition and fees	1,100,000	1,100,000	1,073,237	(26,763)
Miscellaneous income	-	-	3,906	3,906
Total operating revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,274,509</u>	<u>(25,491)</u>
Operating expense				
Salaries and benefits	700,000	700,000	667,586	32,414
Travel	-	-	12,747	(12,747)
Textbooks	-	-	167,302	(167,302)
Materials and supplies	600,000	600,000	68,079	531,921
Outside services	-	-	5,475	(5,475)
Capital outlay	-	-	4,199	(4,199)
Other expense	-	-	3,668	(3,668)
Rent	-	-	101,802	(101,802)
Depreciation	-	-	2,423	(2,423)
Bad debt	-	-	1,763	(1,763)
Total operating expenses	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,035,044</u>	<u>264,956</u>
Operating income (loss)	-	-	239,465	239,465
Other financing sources(uses)				
Transfer to General Fund	-	-	(273,053)	(273,053)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(273,053)</u>	<u>(273,053)</u>
Excess of operating revenues and other sources over (under) operating expenses and other uses	-	-	(33,588)	(33,588)
Net assets, July 1	-	-	(183,781)	(183,781)
Net assets, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (217,369)</u>	<u>\$ (217,369)</u>

TREASURE VALLEY COMMUNITY COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2007

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

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

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

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OTHER SUPPLEMENTAL FINANCIAL INFORMATION

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING BALANCE SHEET
PROPRIETARY FUND TYPES- AUXILIARY
For the Year Ended
June 30, 2007

ASSETS	Bookstore	Food Service	Housing
Cash and cash items	\$ 540	\$ -	\$ -
Interfund receivable	46,013	7,798	-
Receivables			
Accounts	10,178	85	-
Inventory	219,032	-	-
Prepaid expenses	-	-	-
Fixed assets (net of accumulated depreciation)	18,172	8,165	5,885,885
Total assets	<u>\$ 293,935</u>	<u>\$ 16,048</u>	<u>\$ 5,885,885</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Deposits payable	\$ -	\$ -	\$ 39,513
Deferred revenue	-	-	-
Interfund payable	-	-	106,532
Current portion of long term lease payable	-	-	-
Lease payable long term	22,747	-	-
Total liabilities	<u>22,747</u>	<u>-</u>	<u>146,045</u>
Net assets			
Invested in capital assets, net of related debt	18,172	-	5,885,885
Unrestricted	253,016	16,048	(146,045)
Total fund equity	<u>271,188</u>	<u>16,048</u>	<u>5,739,840</u>
Total liabilities and fund equity	<u>\$ 293,935</u>	<u>\$ 16,048</u>	<u>\$ 5,885,885</u>

See accompanying independent auditor's report.

<u>Printing</u>	<u>Caldwell Center</u>	<u>Totals June 30, 2007</u>
\$ -	\$ -	\$ 540
75,482	-	129,293
-	-	10,263
-	6,374	225,406
-	-	-
-	8,189	5,920,411
<u>\$ 75,482</u>	<u>\$ 14,563</u>	<u>\$ 6,285,913</u>

-

\$ -	\$ -	\$ 39,513
-	111,750	111,750
-	120,182	226,714
-	-	-
-	-	22,747
<u>-</u>	<u>231,932</u>	<u>400,724</u>

-	8,189	5,912,246
75,482	(225,558)	(27,057)
<u>75,482</u>	<u>(217,369)</u>	<u>5,885,189</u>
<u>\$ 75,482</u>	<u>\$ 14,563</u>	<u>\$ 6,285,913</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - ALL PROPRIETARY FUND TYPES
For the Year Ended
June 30, 2007

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2007
Operating revenues						
Sale of textbooks and school supplies	\$ 932,552	\$ -	\$ -	\$ -	\$ 197,366	\$ 1,129,918
Food sales	-	444,146	-	-	-	444,146
Dormitory receipts	-	-	455,569	-	-	455,569
Printing income	-	-	-	147,483	-	147,483
Miscellaneous income	15,391	-	1,324	-	3,906	20,621
Tuition and fees	-	-	-	-	1,073,237	1,073,237
Total operating revenues	947,943	444,146	456,893	147,483	1,274,509	3,270,974
Operating expenses						
Salaries and benefits	97,264	-	56,093	39,888	667,586	860,831
Cost of goods sold	676,844	-	-	-	167,302	844,146
Travel	-	-	-	77	12,747	12,824
Materials and supplies	-	15,951	55,932	74,187	72,278	218,348
Outside services	7,014	409,468	31,516	9,295	5,475	462,768
Other expense	450	7,057	1,192	38	3,668	12,405
Repairs and maintenance	-	3,319	-	194	101,802	105,315
Depreciation	10,190	2,726	94,021	-	2,423	109,360
Bad debts	-	-	-	-	1,763	1,763
Total operating expenses	791,762	438,521	238,754	123,679	1,035,044	2,627,760
Operating income	156,181	5,625	218,139	23,804	239,465	643,214
Other financing sources (uses)						
Transfer to other funds	(105,000)	-	(301,000)	(20,000)	(273,053)	(699,053)
Contributed capital	-	-	5,939,895	-	-	5,939,895
Transfer from other funds	-	-	-	-	-	-
Total other financing sources (uses)	(105,000)	-	5,638,895	(20,000)	(273,053)	5,240,842
Net assets - beginning	220,007	10,423	(117,194)	71,678	(183,781)	1,133
Net assets - ending	\$ 271,188	\$ 16,048	\$ 5,739,840	\$ 75,482	\$ (217,369)	\$ 5,885,189

**TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES-AUXILIARY**
For the Year Ended
June 30, 2007

	Bookstore	Food Service	Housing	Printing	Caldwell Center	Totals June 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 960,378	\$ 444,991	\$ 440,744	\$ 147,483	\$ 1,101,958	\$ 3,095,554
Payments to employees	(76,957)	(409,468)	(41,130)	(32,199)	(667,586)	(1,227,340)
Payments to suppliers	(43,786)	(26,326)	(103,604)	(91,480)	(367,594)	(632,790)
Payments to suppliers for items for resale	(673,120)				4,350	(668,770)
Other cash receipts		-	40,020		201,041	241,061
Net cash provided by (used by) operating activities	<u>166,515</u>	<u>9,197</u>	<u>336,030</u>	<u>23,804</u>	<u>272,169</u>	<u>807,715</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Increase (decrease) in interfund receivable/payable	(54,830)	(9,197)	(28,320)	(3,804)	884	(95,267)
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	(105,000)	-	(301,000)	(20,000)	(273,053)	(699,053)
Net cash used in non-capital financing activities	<u>(159,830)</u>	<u>(9,197)</u>	<u>(329,320)</u>	<u>(23,804)</u>	<u>(272,169)</u>	<u>(794,320)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from issuance of debt	-	-	-	-	-	-
Principal paid on long term debt	(6,676)	-	-	-	-	(6,676)
Interest paid on long-term debt	-	-	-	-	-	-
Net cash used in financing activities	<u>(6,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,676)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Capital assets purchased	-	-	(5,946,605)	-	-	(5,946,605)
Contributed capital	-	-	5,939,895	-	-	5,939,895
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>(6,710)</u>	<u>-</u>	<u>-</u>	<u>(6,710)</u>
NET INCREASE (DECREASE) IN CASH	9	-	-	-	-	9
CASH BALANCE (DEFICIT) JUNE 30, 2006	<u>531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>531</u>
CASH BALANCE (DEFICIT) JUNE 30, 2007	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	\$ 156,181	\$ 5,625	\$ 218,139	\$ 23,804	\$ 239,464	\$ 643,213
Adjustments to reconcile net income to net cash						
Depreciation	10,190	2,726	94,021	-	2,424	109,361
(Increase) decrease in accounts receivable (net)	12,435	(85)	-	-	-	12,350
(Increase) decrease in inventory	(12,291)	-	-	-	1,561	(10,730)
Increase (decrease) in deposits payable	-	-	23,870	-	-	23,870
Increase (decrease) in deferred revenues	-	931	-	-	28,720	29,651
Net cash provided (used) by operating activities	<u>\$ 166,515</u>	<u>\$ 9,197</u>	<u>\$ 336,030</u>	<u>\$ 23,804</u>	<u>\$ 272,169</u>	<u>\$ 807,715</u>

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OTHER FINANCIAL SCHEDULES

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENT OF AGENCY FUND TRANSACTIONS
For the year ended
June 30, 2007

	Beginning Balance 6/30/2006	Increase	Decrease	Ending Balance 6/30/2007
3700 Small business training	\$ 37,729	\$ 32,107	\$ 23,526	\$ 46,310
3715 Student government/Caldwell	(7,360)	49,284	27,204	14,720
3717 Student government	15,991	197,867	201,157	12,701
3720 Student body special account	-	2,879	625	2,254
3790 Welding club	1,697	8,574	9,149	1,122
3810 Women's basketball	2,223	11,038	11,403	1,858
3850 Vending account	-	16,808	13,717	3,091
4010 Mentors	1,352	-	1,352	-
4030 Art guild	873	997	161	1,709
4050 Athletic programs	1,210	54,683	55,893	-
4100 Instrumental club	127	823	255	695
4110 Baseball club	(6,089)	28,241	-	22,152
4111 Baseball Orange sales	(40)	50,546	50,506	-
4113 Baseball club/Salaries	-	7,764	7,764	-
4115 Softball club	649	7,081	8,499	(769)
4116 Outdoor club	274	7,726	4,592	3,408
4120 Baseball marathon	4,543	22,653	27,196	-
4130 Chukar basketball	1,392	6,171	5,724	1,839
4136 Caldwell Hardship scholar/fundraised	-	90	-	90
4140 Chorale club	2,433	883	1,543	1,773
4142 TVCC chorale	571	-	-	571
4143 Youth orchestra	1,510	3,112	1,203	3,419
4144 Treasure Valley Symphony	1,011	6,002	8,667	(1,654)
4145 Children's chorus	354	740	1,003	91
4146 Musical jubilee	1	-	1	-
4147 Summer MAD camp	5,670	8,508	8,812	5,366
4148 Little stars	100	75	50	125
4150 Vocal jazz ensemble	218	70	-	288
4151 Jazz band	98	3,078	2,043	1,133
4152 Performing arts retreat	427	411	718	120
4210 Development education student support	3,135	-	-	3,135
4220 Dorn social/leadership and improvement	(260)	8,697	-	8,437
4221 RA Club Account	3,250	-	3,250	-
4230 Drama club	6,464	10,689	11,282	5,871
4240 Cinco de Mayo	1,176	107	-	1,283
4241 BESO Club	107	-	107	-
4245 Entrepreneurship Club	-	35	-	35
4250 English department travel	4,110	1,247	2,107	3,250
4253 The Education Club	202	595	-	797
4270 AAWCC	486	940	423	1,003
4350 Graduation	3,361	4,373	8,088	(354)
4385 TVCC Herd/Cattle Account	-	3,009	3,000	9
4440 Insurance claim account	4,947	-	4,947	-
4460 Malheur County alcohol recovery	80	-	80	-
4485 WINGS club	1,191	185	606	770
4540 Nursing club	722	136	-	858
4542 Nursing background	515	45	-	560
4545 Nursing mobility tests	361	7,818	8,187	(8)
4550 Nyssa pop machine	24	-	24	-
4561 Bus Office Student Service	1,000	-	1,000	-
4565 Support staff funds	145	-	145	-
4620 Bill White fund	15	-	15	-
4625 Campus Christian Fellowship	89	594	-	683
4630 Phi Theta Kappa	1,154	4,952	5,616	490
4660 Rodeo club	(328)	12,215	8,869	3,018
4662 AG ambassadors	1,941	3,367	2,986	2,322
4663 Ultrasound club	684	500	684	500
4664 Livestock judging club	66	1,075	408	733
4670 Volleyball club	(892)	9,180	3,204	5,084
4680 Science field trip	2,893	3,452	-	6,345
4691 Campus Security	180	472	652	-
4692 Cross country club	344	128	-	472
4693 Golf	2,976	3,000	2,968	3,008
4694 Soccer club	7,141	3,050	6,093	4,098
4695 Track and field club	(315)	515	427	(427)
4696 Tennis	1,308	482	225	1,565
4697 Foundation	281	-	282	(1)
4700 Women's soccer club	-	7,287	1,493	5,794
Total	\$ 115,318	\$ 616,356	\$ 549,931	\$ 181,743

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENTS OF CASH, CASH ITEMS AND INVESTMENTS - ALL FUNDS
June 30, 2007

US Bank	
Cash in checking	\$ 482,297
 Oregon State Treasury Local Government Investment Pool	
Cash invested	194,463
 Wells Fargo	1
 Cash on hand	<u>3,856</u>
Total cash, cash items and investments governmental funds	<u>\$ 680,617</u>

STATEMENT OF COLLATERAL SECURITY
June 30, 2007

US Bank	
Federal Home Loan Bank of Seattle Certificate of Participation No. 42812	\$ 3,000,000
Federal Deposit Insurance Corporation - demand	<u>100,000</u>
Total US Bank	<u>\$ 3,100,000</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF PROPERTY TAX TRANSACTIONS
For the Year Ended
June 30, 2007

Tax Year	Uncollected		(Abatement)				Total	Uncollected
Special Levy	Taxes	2006-07	and	Rebates		Taxes	Amount	Taxes
All Counties	June 30, 2006	Assessment	Adjustments	Allowed	Interest	Collected	Collected	June 30, 2007
2006-07		\$ 1,611,861	\$ (1,008)	\$ (40,134)	\$ 632	\$ 1,519,021	\$ 1,519,653	\$ 51,698
2005-06	\$ 51,305		(50)	-	1,169	25,195	26,364	26,060
2004-05	26,870		(94)	-	1,365	12,122	13,487	14,654
2003-04	15,992		(57)	-	1,696	9,761	11,457	6,174
2002-03	6,347		(26)	-	1,222	5,861	7,083	460
2001-02	663		(25)		1,119	452	1,571	186
2000-01	584		(115)		125	376	501	93
Prior	506		(359)				-	147
TOTAL	\$ 102,267	\$ 1,611,861	\$ (1,734)	\$ (40,134)	\$ 7,328	\$ 1,572,787	\$ 1,580,115	\$ 99,473

COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2007

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

Accounting Systems and Control Structure

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

Indebtedness

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

Budgets

Our audit of the 2006-07 and 2007-08 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 2006-07 budgets. However, we noted instances of over expenditure as follows:

Auxiliary Funds	Other uses	\$729,053
Special Revenue Funds	Instruction	201,386
	Instruction support	53,907

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, 2007 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, 2007 provide adequate coverage. We recommend that coverages be reviewed periodically with the college's agent of record.

Programs Funded From Outside Sources

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

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2007

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, 2007, were entirely insured or collateralized with Federal Deposit Insurance Corporation or certificate of participation with the Federal Home Loan Bank of Seattle.

Financial Reporting Requirements

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

Other

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

- Average daily membership
- Oregon tax on motor vehicle fuels

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

Name of Municipal Corporation Treasure Valley Community College

Address 650 College Blvd. Ontario OR 97914
STREET / P O BOX CITY STATE ZIP

Period Covered by Audit/Review Report From July 2006 To June 2007

Total Revenues and/or Receipts – (Government-wide + Fiduciary Funds)		\$26,483,150
Less:		
Revenues of Component Units included in report of primary government		600,934
Taxes, assessments and other collections to be distributed to other governmental units		
Net Revenues and/or Receipts		\$25,882,216
Total Expenditures and/or Disbursements – (Government-wide + Fiduciary Funds)		\$23,553,806
Less:		
Expenditures of Component Units included in report of primary government		250,142
Turnovers to other municipal corporations:		
Taxes and Assessments		
Other Distributions		
Net Expenditures and/or Disbursements		\$23,303,664

The above information is based upon the revenues and expenditures/expenses for government-wide and fiduciary activities 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)
0	\$ 50,000	\$ 20	...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. (Net Expenditures and/or Disbursements)
\$ 50,000	150,000	40	
150,000	500,000	150	
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	

Within 30 days after delivering 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 Audits Division

Account Code Firm Code Filing Fee

SINGLE AUDIT SECTION

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TREASURE VALLEY COMMUNITY COLLEGE

SINGLE AUDIT

For the Year Ended June 30, 2007

TREASURE VALLEY COMMUNITY COLLEGE
SINGLE AUDIT
June 30, 2007

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TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended
June 30, 2007

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. Department of Education			
Direct program			
Student Financial Assistance Cluster			
PELL Grant Program	84.063	\$ 1,774,825	\$ 1,774,825
SEOG Program	84.007	124,023	124,023
College Work Study Program	84.033	107,540	107,540
Direct Loan Program	84.268	2,982,677	2,982,677
Academic Competitiveness Grant	84.375	6,416	6,416
		<u>4,995,481</u>	<u>4,995,481</u>
High School Equivalency Program	84.141A	261,601	261,601
Strengthening Institutions Programs (Development)	84.031A	314,527	314,527
English Acquisition Program/National Professional Development Program	84.195N	267,485	267,485
Total direct programs		<u>5,839,094</u>	<u>5,839,094</u>
Passed through Oregon State Department of Education			
Adult Education - Basic Grants to State			
ABE - Tuition	84.002	60,000	60,000
ABE - EL Civics Grant	84.002	10,000	10,000
ABE - Set Aside	84.002	20,326	20,326
ABE- Harney County	84.002	7,226	7,226
ABE - Program Improvements	84.002	35,759	35,759
		<u>133,311</u>	<u>133,311</u>
Vocational Education - Basic Grant			
Perkins - PTE Program Areas	84.048A	296,158	296,158
		<u>296,158</u>	<u>296,158</u>
Total passed through Oregon Department of Education		<u>429,469</u>	<u>429,469</u>
Total Department of Education		<u>6,268,563</u>	<u>6,268,563</u>
U.S. Small Business Administration			
Passed through Oregon State SBA Director			
SBA Federal 2006	59.037	21,388	21,388
SBA Federal 2005	59.037	23,851	23,851
Total Small Business Administration		<u>45,239</u>	<u>45,239</u>
Total		<u>\$ 6,313,802</u>	<u>\$ 6,313,802</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
June 30, 2007

Note 1. Basis of Presentation

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

Note 2. Sub Recipients

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

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2007

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

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2007

Findings and Questioned Costs For Major Federal Award Program Audit

Current Year Findings

The audit for the year ended June 30, 2007 reported no findings and questioned costs regarding the federal awards tested.

Prior Year Findings

The audit for the year ended June 30, 2006 reported findings and questioned costs regarding the federal awards tested.

06-01 Cash Management Student Financial Aid Cluster CFDA No 84.063

Status – Corrective action taken.

Final audit determination per the U.S. Department of Education review June 18, 2007, this finding is considered closed.

Certified Public Accountants, PC

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Treasure Valley Community College, as of and for the year ended June 30, 2007, which collectively comprise the Treasure Valley Community College's basic financial statements and have issued our report thereon dated December 2, 2007. 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 opinion 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 the 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 the 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, in a separate letter dated December 20, 2007.

This report is intended solely for the information and use of management, board of directors, 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
December 20, 2007

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

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

Compliance

We have audited the compliance of Treasure Valley Community College, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. 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, 2007. The results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

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

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

This report is intended solely for the information and use of management, the board of directors, 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
December 20, 2007