

TREASURE VALLEY COMMUNITY COLLEGE
Ontario, Oregon

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

For the Year Ended June 30, 2003

TREASURE VALLEY COMMUNITY COLLEGE
June 30, 2003

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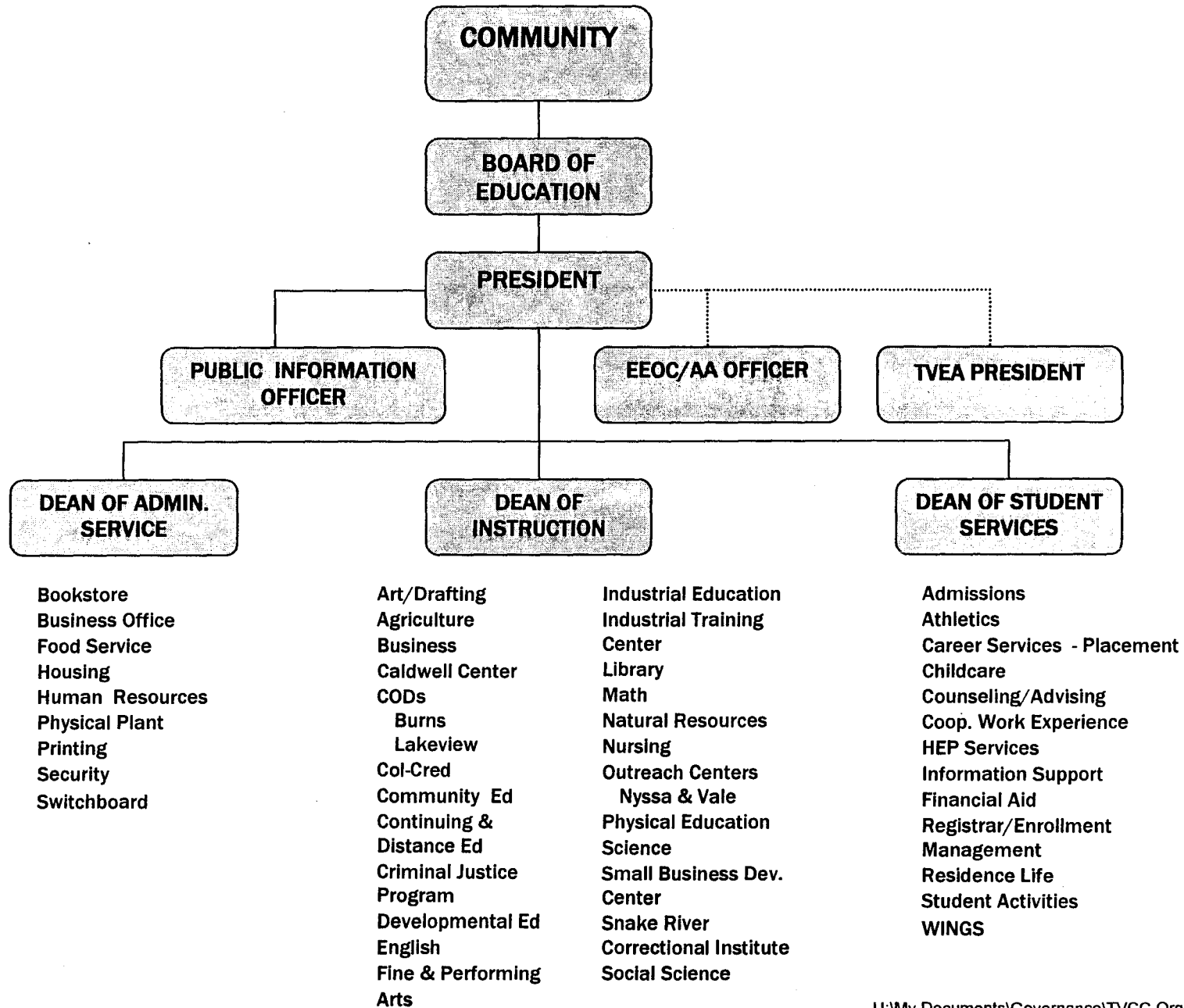
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INTRODUCTORY SECTION

**TREASURE VALLEY COMMUNITY COLLEGE
2002 - 2003 Organizational Chart**



TREASURE VALLEY COMMUNITY COLLEGE
June 30, 2003

<u>Board of Education</u>	<u>Address</u>	<u>Position</u>
Peter Lawson	Ontario	Director
David Carlson	Vale	Director
John Forsyth	Ontario	Director
Scott Wilson	Ontario	Chairperson
David Sullivan	Ontario	Director
Ron Pressley	Vale	Director
Patricia Morinaka	Nyssa	Vice-Chairperson

Administrators

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

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FINANCIAL SECTION

Certified Public Accountants, PC

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Treasure Valley Community College as of and for the year ended June 30, 2003, which collectively comprise the district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Treasure Valley Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Treasure Valley Community College, as of June 30, 2003, 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.

As described in Note 9, the district has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 35, *Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities*, as of June 30, 2003.

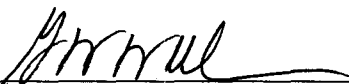
The management's discussion and analysis and budgetary comparison information on pages 3 through 28 and 43, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2003, 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.

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. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 16, 2003

**TREASURE VALLEY COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

The following discussion and analysis is intended to provide an overview of the financial position and operations of Treasure Valley Community College (the College) for the year ended June 30, 2003. This discussion has been prepared by the management of the College and should be read in conjunction with the financial statements and notes that follow.

Using the Financial Statements

The College prepared the financial statements in accordance with Government Accounting Standards Board (GASB) principles. During 2003, 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. 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. Previously, financial statements focused on the accountability of individual fund groups rather than on the College as a whole.

There are three financial statements presented: The Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. The emphasis of the discussion about the financial statements is on the current year data. The financial statements differ in both the form and accounting principles utilized in comparison with the financial statements of prior years. No comparative information is being provided, as this is the first year of GASB Statement No. 35 implementation. In future years, this comparative information will be provided.

Statement of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the College at the end of the fiscal year. The purpose of the Statement of Net Assets is to present a snapshot of the financial condition of the College. Total net assets, which is the difference between total assets and total liabilities, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between current and noncurrent. The difference is that current assets and liabilities mature or become payable within the normal 12 month accounting/operating cycle versus noncurrent which mature or become payable after 12 months. For example, at June 30, 2003, the College's current assets consist primarily of cash, short-term investments, and accounts receivables which noncurrent assets consist primarily of capital assets. Capital assets are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

Net assets are presented in three major categories. The first is invested in capital assets net of related debt, which represents the College's

equity in its property, plant and equipment. The second category is restricted, while the third is unrestricted.

Restricted net assets are funds that are limited in terms of the purpose and time for which the funds can be spent.

Unrestricted net assets are available to the College for any lawful purpose. The following chart of the College's net assets at June 30, 2003, shows the unrestricted portion at \$4.8 million.

Summary of Net Assets

Assets	
Current Assets	\$ 3,313,862
Noncurrent Assets	<u>16,224,154</u>
Total Assets	<u>\$19,538,016</u>
Liabilities	
Current Liabilities	\$ 1,475,478
Noncurrent Liabilities	<u>13,738,833</u>
Total Liabilities	<u>15,214,311</u>
Net Assets	
Invested in Capital Assets	2,478,793
Restricted	216,186
Unrestricted	<u>1,628,726</u>
Total Net Assets	<u>4,323,705</u>
Total Liabilities & Net Assets	<u>\$19,538,016</u>

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets present the College's financial results for the fiscal year. The statement includes the College's revenues and expenses, both operating and nonoperating, with operating revenues primarily coming from tuition and fees, grants, and contracts. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenues, this statement presents an operating loss for the year, although overall net assets remain positive.

In June, 2003, the College issued \$10,701,480 in limited tax pension obligation bonds to reduce the unfunded actuarial liability with the Public Employees Retirement System (PERS). The estimated unfunded actuarial liability as of May, 2003, was approximately \$10.5 million.

The following is a summarized version of the College's revenues, expenses, and changes in net assets for the fiscal year ended June 30, 2003.

Summary of Cash Flows

**Summary of Revenues, Expenses,
and Changes in Net Assets**

Operating Revenues	
Student Tuition and Fees	\$ 3,846,338
Sale of Program Supplies	1,295,100
Federal and State Grants	5,757,766
Other Revenue	<u>488,538</u>
Total Operating Revenues	<u>11,387,742</u>
Operating Expenses	
Educational & General	6,642,371
Student Services	5,299,573
Administrative & Plant	4,760,540
Auxiliary Enterprises	1,324,871
Depreciation Expense	526,011
Other Support Services	<u>768,727</u>
Total Operating Expenses	<u>19,322,093</u>
Operating Loss	<u>(7,934,351)</u>
Nonoperating Revenues	
Local Property Taxes	1,423,790
State FTE Reimbursement	4,953,915
Federal Sources	53,614
Interest Income	36,890
Interest Expense	<u>(121,814)</u>
Total Nonoperating Revenues	<u>6,346,395</u>
Increase (Decrease) in Net Assets	(1,587,956)
Net Assets, beginning, as restated	<u>9,115,809</u>
Net Assets, ending	<u>\$7,527,853</u>

Cash provided (used):	
Cash received from operations	\$11,663,361
Cash expended for operations	<u>(18,913,602)</u>
Net cash used in operating activities	(7,250,241)
Noncapital financial activities	
Capital and related financial activities	11,477,890
Investing activities	<u>36,890</u>
Net increase (decrease) in cash	(1,299,239)
Cash & equivalents, beginning	<u>1,978,116</u>
Cash & equivalents, ending	<u>\$ 678,877</u>

Major sources of funds included in the operating activities are student tuition and fees, federal, state, and local grants, and miscellaneous income. The largest payments in this group were compensation to employees followed by payments to suppliers.

The largest inflows of cash in the noncapital financial activities include local property taxes and the State of Oregon appropriation.

In maintaining and improving high quality educational and technological programs, the College must invest in equipment for normal classroom needs as well as its varied technology labs. Capital additions for 2003 totaled \$502,498.

Factors Impacting the Future

The State of Oregon, as most other state governments, experienced budget shortfalls during the 2001-2003 biennium. As a result, the State of Oregon reduced its funding to public colleges and universities during fiscal year 2003. Additionally, the formula used to distribute funds to the various community college was altered, leaving Treasure Valley Community College in a less desirable position than many of the other community colleges in the state with regard to the actual funding received.

Even though the College had its state FTE appropriation reduced by approximately 23%, or more than \$1.3 million over the last two fiscal years, the College has maintained its strong financial condition. Among the reasons for this are its financial strength in its net assets positions, and in attempting to diversify its revenue stream by opening a new training center in Caldwell, Idaho.

Because of the general economic slowdown that the state of Oregon and the nation is experiencing, it is anticipated that more adults will be seeking training offered by the College. This, together with the opening of the Caldwell Center in neighboring Idaho, and other attempts to create a more diverse revenue stream, allows for the expectation of increased enrollment.

Statement of Cash Flows

The statement of cash flows provides another informational perspective of the College's financial operating results, in addition to the statement of revenues, expenses and changes in fund net assets, by reporting the relevant information about cash receipts and cash payments made during 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. It also can be an indicator of the need for additional financial resources. The following is a summary of the statement of cash flows for the year ended June 30, 2003.

Effective with the fall quarter of 2003, the College has increased its tuition charged from \$50 per credit to \$60 per credit. The increase in tuition together with an anticipated increase in enrollment is expected to increase revenues.

Management will continue to maintain a close watch over its resources and expenses to ensure its ability to plan and react to future internal and external issues.

Requests for Information

This financial report is designed to provide a general overview of Treasure Valley Community College's finances. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Business Office at TVCC, 650 College Blvd., Ontario, Oregon

BASIC FINANCIAL STATEMENTS

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF NET ASSETS
June 30, 2003

ASSETS

Current assets:

Cash and cash equivalents	\$	678,877
Receivables		
Taxes		125,119
Accounts		2,389,948
Allowance for doubtful interest		(2,360)
Allowance for doubtful loans		(34,754)
Prepaid assets		8,256
Inventory		148,776
		<u>148,776</u>

Total current assets		<u>3,313,862</u>
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Noncurrent assets:

Long-term investments		-
Capital assets		11,770,082
Less accumulated depreciation		(6,082,178)
Prepaid pension contribution		10,536,250
		<u>10,536,250</u>

Total noncurrent assets		<u>16,224,154</u>
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TOTAL ASSETS		<u><u>\$ 19,538,016</u></u>
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LIABILITIES

Current liabilities

Accounts payable		410,493
Payroll liabilities		62,420
Compensated absences		70,501
Deferred revenue		577,007
Due to student groups		144,265
Other current liabilities		20,829
Current portion of long-term debt		171,758
Lease purchase payables		18,205
		<u>18,205</u>

Total current liabilities		<u>1,475,478</u>
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See notes to basic financial statements

Noncurrent liabilities	
PERS Bonds payable	10,701,480
Capital leases payable	73,026
Notes payable	3,136,085
Less current portion of long-term debt	<u>(171,758)</u>
Total noncurrent liabilities	<u>13,738,833</u>
 TOTAL LIABILITIES	 <u>15,214,311</u>
 NET ASSETS	
Net assets invested in capital assets	5,687,904
Less: Related debt	(3,209,111)
 Investment in capital assets, net	 2,478,793
Restricted - expendable:	
Student financial aid grants and loans	216,186
Unrestricted	<u>1,628,726</u>
Total net assets	<u>4,323,705</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 19,538,016</u></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, 2003

OPERATING REVENUES	
Tuition and fees	\$3,846,338
Federal sources	4,434,277
State sources	1,323,489
Auxiliary enterprises:	
Bookstore	765,386
Food services	216,461
Housing	175,997
Printing	123,024
Caldwell Center	14,232
Other operating revenues	<u>488,538</u>
Total operating revenues	<u>11,387,742</u>
OPERATING EXPENSES	
Educational and general	6,642,371
Other support services	.
Student activities	5,299,573
College support	3,362,717
Plant operations	1,397,823
Financial aid	322,470
Other	446,257
Auxiliary enterprises	
Bookstore	696,741
Food services	208,051
Housing	148,363
Printing	133,904
Caldwell Center	137,812
Depreciation expense	<u>526,011</u>
Total operating expenses	<u>19,322,093</u>
Operating loss	<u>(7,934,351)</u>

See notes to basic financial statements

NONOPERATING REVENUES (EXPENSES)	
Property taxes	1,423,790
Federal sources	53,614
State FTE reimbursement	4,953,915
Investment income	36,890
Interest expense	<u>(121,814)</u>
Net nonoperating revenues (expenses)	<u>6,346,395</u>
Decrease in net assets	(1,587,956)
NET ASSETS	
Net assets - beginning of the year, as restated	<u>5,911,661</u>
Net assets - end of the year	<u><u>\$ 4,323,705</u></u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
STATEMENT OF CASH FLOWS
For the Year Ended
June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	4,103,513
Federal student financial aid grants	3,725,434
Federal grants and contracts	762,457
State and local government grants and contracts	1,240,363
Payments to suppliers for goods and services	(7,654,067)
Payments to employees	(6,987,540)
Payments for student financial aid and other scholarships	(3,663,803)
Auxillary enterprises:	
Cash received from customers	
Bookstore	753,871
Food services	216,461
Housing	187,274
Printing	123,024
Caldwell center	124,506
Paid to suppliers for resale materials - Bookstore	(608,192)
Other cash receipts	<u>426,458</u>
Net cash used in operating activities	<u>(7,250,241)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	1,399,447
Cash received from state full time equivalent reimbursement	3,573,025
Cash payment for prepaid pension contribution	(10,536,250)
	<u>(5,563,778)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from general obligation bonds	10,701,480
Proceeds from other long term debt	1,496,017
Purchase of capital assets	(502,498)
Principal paid on long-term debt	(95,295)
Interest paid on long-term debt	<u>(121,814)</u>
Net cash provided by capital financing activities	<u>11,477,890</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	36,890
Net cash used in investing activities	<u>36,890</u>
NET DECREASE IN CASH	<u>(1,299,239)</u>
Cash and cash equivalents - beginning of the year	<u>1,978,116</u>
Cash and cash equivalents - end of year	<u><u>\$ 678,877</u></u>

See notes to basic financial statements

STATEMENT OF CASH FLOWS -continued
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES

Operating loss	\$ (7,934,351)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	526,011
Increase in receivables, net	
Accounts	(124,104)
Increase in inventory	(23,791)
Decrease in prepaid assets	2,196
Increase in salaries payable	13,098
Increase in accounts payable and payroll tax liabilities	6,930
Increase in deferred revenue	190,143
Increase in due to student groups	27,906
Increase in deposit payable	12,944
Increase in current portion long term debt	52,777
	<hr/>
Net cash used in operating activities	<u><u>\$ (7,250,241)</u></u>

See notes to basic financial statements

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003

Note 1. Significant Accounting Policies

A. The College

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. However, since the college is not financially accountable for any of these entities, they do not qualify as a component unit of the college, and therefore are not included in the basic financial statements.

B. Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis of Public College and Universities*, issued in June and November, 1999. The college now 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. Basis of Accounting

The basic financial statements are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. 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, 2003

F. Receivables

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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

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

G. Capital Assets

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

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

H. Compensated Absences

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

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

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003

I. Long-term Debt

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

J. Operating Revenues and Expenses

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

K. Federal Financial Assistance Programs

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

L. Net Assets

GASB Statement No. 35 reports equity as "Net Assets" rather than "fund balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of college obligations. Expendable restricted net assets represent funds held in federal loan programs.

The unrestricted net asset balance is \$ 1,628,726 at June 30, 2003.

M. Budgetary Information

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

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

N. 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, 2003

O. Accounting Change

In connection with the implementation of GASB Statements No. 34 and 35, capital assets decreased from amounts reported in fiscal year 2002, as a result of an increase in the capitalization threshold of land and land improvements, buildings and improvements, infrastructure, leasehold improvements, equipment and machinery. This change was applied retroactively to all capital assets and resulted in a net reduction of \$8,543,955 of capital assets and net assets as of July 1, 2002. As part of this implementation \$6,082,178 was also recorded at July 1, 2002.

Note 2. Negative Retained Earnings

Negative retained earnings of proprietary funds at June 30, 2003, were as follows:

	Amount
Food Service Fund	\$ 83,998
Caldwell Center	56,147
Housing Fund	<u>53,104</u>
Total	<u>\$ 193,249</u>

Note 3. Interfund balances and activity

Summary of balances due from other funds reported in fund financial statements:

Due from other funds, Balance Sheet – Governmental Funds	\$264,577
Due from other funds, Statement of Agency Fund Transactions	<u>144,265</u>
Total	<u>\$408,842</u>

Receivables at June 30, 2003 consists of the following:

	General	Special Revenue	Proprietary	Capital Projects	Total
Property Taxes	\$ 125,119	\$ -	\$ -	\$ -	\$ 125,119
Accounts	1,469,658	630,299	25,414	-	2,125,371
Amount due from other funds	233,952	30,625			264,577
Loans to students		<u>231,086</u>			<u>231,086</u>
Gross receivables	<u>1,828,729</u>	895,006	25,414		2,746,153
Less allowance for uncollectible		<u>(37,114)</u>			<u>(37,114)</u>
Net receivables	<u>\$1,828,729</u>	<u>\$ 857,892</u>	<u>\$ 25,414</u>	<u>\$ -</u>	<u>\$ 2,709,039</u>

TREASURE VALLEY COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2003

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

General fund and proprietary funds student accounts receivable consists of tuition, fees, housing, and food service revenues for the period ended June 30, 2003. The special revenue funds reflect amounts receivable from grants and state fees due to the college at June 30, 2003.

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

Note 4. Interfund Assets and Liabilities

Interfund balances at June 30, 2003, consisted of the following:

Due From:	General Fund	Special Revenue Fund	Capital Project Fund	Proprietary Fund	Fiduciary Fund	(memo only) Total
Due to:						
General	\$ 301,422	\$175,209	\$ -	\$ 301,692	\$ -	\$ 778,323
Special Revenue						
Capital Project	634,058					634,059
Proprietary						
Fiduciary	144,265					144,265
Totals	<u>\$ 778,323</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778,323</u>

These balances are due to the college accounting systems use of one operational cash account for all funds.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003

Note 5. Changes in Fixed Assets

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

	Balance July 1, 2002	Increases	Decreases	Balance June 30, 2003
Capital assets not being depreciated				
Land	\$ 399,782	\$ -	\$ -	\$ 399,782
Total capital assets not being depreciated	<u>399,782</u>	<u>-</u>	<u>-</u>	<u>399,782</u>
Capital assets being depreciated				
Buildings	5,225,714	36,926	93,634	5,169,006
Improvements	296,881	78,927		375,808
Vehicles and equipment	5,562,874	522,957	260,344	5,825,487
Total capital assets being depreciated	<u>11,085,469</u>	<u>638,810</u>	<u>353,978</u>	<u>11,370,301</u>
Less accumulated depreciation for				
Buildings	3,092,326	124,581		3,216,907
Improvements	105,886	13,461		119,347
Vehicles and equipment	2,357,954	387,969		2,745,923
Total accumulated depreciation	<u>5,556,166</u>	<u>526,011</u>	<u>-</u>	<u>6,082,177</u>
Total capital assets being depreciated, net	<u>5,529,303</u>	<u>112,799</u>	<u>353,978</u>	<u>5,288,124</u>
Total capital assets, net	<u>\$ 5,929,085</u>	<u>\$ 112,799</u>	<u>\$ 353,978</u>	<u>\$ 5,687,906</u>

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.

The following is a schedule of the future minimum lease payments under the leases and the present value of the net minimum lease payments as of June 30, 2003:

Year ending June 30	
2004	\$29,827
2005	29,827
2006	30,267
2007	11,535
2008	5,767
Total minimum lease payments	<u>107,361</u>
Less amount representing interest	<u>(11,168)</u>
Present value of minimum lease payments	<u>\$ 96,193</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003

Changes in general long-term leases are as follows:

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Proprietary Fund	\$ 28,131	\$ -	\$ 4,963	\$ 23,168
General Long-Term Debt	51,421	50,000	28,396	73,025
Total long-term leases	<u>\$ 79,552</u>	<u>\$ 50,000</u>	<u>\$ 33,359</u>	<u>\$ 96,193</u>

Note 7. Pension Plan

Treasure Valley Community College contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost sharing multiple employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post employment health care benefits annual cost of living adjustments, and death benefits to plan members and beneficiaries.

PERS is administered under Oregon Revised Statutes (ORS) Chapter 238. ORS 238.620 established the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report, which can be obtained by writing to PERS, P.O. Box 23700, Tigard, Oregon 97281-3700 or by calling 503-598-7377.

Members of PERS are required to contribute 6% of their salary covered under the plan. Treasure Valley Community College is required to contribute at an actuarially determined rate. The current rate for Treasure Valley Community college at June 30, 2003, is .73% of salary covered under the plan. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Total PERS expense for the current fiscal year was \$10,952,286, and \$524,397 and \$591,905 for the prior two years respectively. The current year expense reflects a payment of bonded funds for the unfunded actuarial liability of approximately \$10,500,000.

TREASURE VALLEY COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2003

Note 8. Cash and Investments

Cash and investments include bank balances that at June 30, 2003 were entirely insured or collateralized with the Federal Deposit Insurance Corporation and certificates of participation with Washington Mutual.

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

There are three categories of credit risk that apply to the college's cash and investments:

- (1) Insured or registered, or for which the securities are held by the college or the college's agent in the college's name.
- (2) Uninsured and unregistered for which the securities are held by the counterparty's trust department or the college's agent in the college's name.
- (3) Uninsured and unregistered for which the securities are held by the counterparty or by its trust department or agent but not in the college's name.

At June 30, 2003, the college's investment balances were as follows (in thousands):

	Category			Carrying amount	Fair value
	1	2	3		
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	\$ 0	\$ 0
Investments not subject to categorization					
Local Government Investment Pool				599	599
Total investments				<u>\$ 599</u>	<u>\$ 599</u>

At June 30, 2003 the carrying amount of the college's deposits was \$79,927 and the bank balance was \$455,546. The entire bank balance was collateralized with securities held by the college or by its agent in the college's name. Cash deposits held at financial institutions can be categorized according to three levels of risk. These levels of risk are as follows:

- (1) Deposits which are insured or collateralized with securities held by the college or by its agent in the college's name.
- (2) Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the college's name.
- (3) Deposits which are not collateralized or insured.

Based on the three levels of risk, all of the college's cash deposits are generally classified as category one.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2003

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, 2003.

Note 10. Risk Management

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

Note 11. Long Term Debt

Pursuant to a resolution by the board of education authorizing the college to borrow money to provide financing for the costs of various capital projects not to exceed \$5,000,000. Treasure Valley Community College has issued \$1,760,000 full faith and credit certificates of obligation. These certificates of obligation are direct obligations and pledge the full faith and credit of the college. The purpose of this debt is to provide facilities for the conduct of educational operations including the acquisition and installation of new software for the college's computer network, together with necessary wiring in all campus buildings, various improvements for safety and security of the campus and to purchase, modify or construct a facility for educational purposes. Terms call for the bonds to be repaid in annual payments of approximately \$170,000 for fifteen years including interest at 4.5 and 5.15 percent per annum.

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%. Payments are made quarterly.

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2003

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
2003-04	\$ 95,000	\$ 75,433	\$ 46,931	\$ 97,125	\$ -	\$ 380,913
2004-05	100,000	71,045	72,857	74,043	47,830	323,315
2005-06	105,000	66,433	79,807	70,093	215,549	340,595
2006-07	105,000	61,708	99,550	65,530	230,783	355,361
2007-08	110,000	56,870	108,680	60,140	247,926	373,219
2008-13	640,000	200,460	706,041	201,299	1,365,349	2,260,373
2013-18	470,000	37,080	374,052	22,508	1,463,295	3,217,428
2018-23					1,440,748	4,529,974
2023-28					5,690,000	936,991
	<u>\$ 1,625,000</u>	<u>\$ 569,028</u>	<u>\$ 1,487,917</u>	<u>\$ 590,739</u>	<u>\$ 10,701,480</u>	<u>\$ 12,718,168</u>

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COMBINING STATEMENTS AND SUPPLEMENTAL SCHEDULES

TREASURE VALLEY COMMUNITY COLLEGE
ONTARIO, OREGON
COMBINING BALANCE SHEET
June 30, 2003

ASSETS	General	Special Revenue	Capital Project
Cash and cash items	\$ 61,843	\$ 17,571	\$ -
Investments	409,749	189,201	-
Receivables			
Property taxes	125,119	-	-
Accounts	1,469,658	630,299	-
Net amount due from other funds	233,952	30,625	-
Allowance for doubtful interest (deduction)	-	(2,360)	-
Allowance for doubtful loans (deduction)	-	(34,754)	-
Interfund receivable	-		634,059
Prepaid expenses	8,256	-	-
Inventory	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Total assets	\$ 2,308,577	\$ 830,582	\$ 634,059
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 358,823	\$ 30,886	\$ -
Salaries payable	20,784	-	-
Payroll benefits payable	62,420	-	-
Interfund payable	301,422	175,209	-
Accrued compensated absences	70,501	-	-
Deposits payable	220	-	-
Due to student groups	-	-	-
Deferred property tax revenue	100,775	-	-
Deferred tuition and other revenue	345,685	73,476	-
Current portion of long term liabilities	-	-	-
Lease purchases payable	-	-	-
Long term debt	-	-	-
Total liabilities	1,260,630	279,571	-
Fund equity			
Investment in general fixed assets	-	-	-
Retained earnings			
Contributed capital	-	-	-
Unreserved	-	-	-
Fund balances			
Reserved for student loans	-	497,709	-
Reserved for debt service	-	-	-
Designated for construction	-	-	203,555
Designated for equipment replacement	-	-	295,804
Designated for early retirement	-	-	134,700
Undesignated	1,047,947	53,302	-
Total fund equity	1,047,947	551,011	634,059
Total liabilities and fund equity	\$ 2,308,577	\$ 830,582	\$ 634,059

See notes to basic financial statements.

Proprietary	Agency	Totals June 30, 2003
\$ 513	\$ -	\$ 79,927
-	-	598,950
-	-	125,119
25,414	-	2,125,371
-	-	264,577
-	-	(2,360)
-	-	(34,754)
-	144,265	778,324
-	-	8,256
148,776	-	148,776
291,321	-	291,321
<u>\$ 466,024</u>	<u>\$ 144,265</u>	<u>\$ 4,383,507</u>

\$ -	\$ -	\$ 389,709
-	-	20,784
-	-	62,420
301,692	-	778,323
-	-	70,501
20,609	-	20,829
-	144,265	144,265
-	-	100,775
57,072	-	476,233
4,963	-	4,963
18,205	-	18,205
-	-	-
<u>402,541</u>	<u>144,265</u>	<u>2,087,007</u>

-	-	-
51,685	-	51,685
11,798	-	11,798
-	-	497,709
-	-	-
-	-	203,555
-	-	295,804
-	-	134,700
-	-	1,101,249
<u>63,483</u>	<u>-</u>	<u>2,296,500</u>
<u>\$ 466,024</u>	<u>\$ 144,265</u>	<u>\$ 4,383,507</u>

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

For the Year Ended
June 30, 2003

	General	Special Revenue	Capital Project	Totals June 30, 2003
Revenues				
Local sources				
Earnings on investments	\$ 29,666	\$ 7,224	\$ -	\$ 36,890
Taxes	1,423,790	-	-	1,423,790
Other local revenue	198,069	25,991	59,696	283,756
Admin costs and reimbursements	204,782	-	-	204,782
State sources	4,953,915	1,323,489	-	6,277,404
Federal sources	46,906	4,434,277	-	4,481,183
Tuition and fees	3,739,678	39,227	-	3,778,905
Total revenues	<u>10,596,806</u>	<u>5,830,208</u>	<u>59,696</u>	<u>16,486,710</u>
Expenditures				
Instruction	15,284,593	1,537,516	-	16,822,109
Instruction support	390,418	468,591	-	859,009
Student services	1,422,768	3,876,805	-	5,299,573
College support	3,362,717	-	-	3,362,717
Plant operation and maintenance	1,248,497	-	-	1,248,497
Plant additions	149,326	-	-	149,326
Financial aid	322,470	-	-	322,470
Other expenditures and requirements	-	-	446,257	446,257
Debt service				
Capital lease obligations	124,142	-	-	124,142
Principal	-	-	4,362	4,362
Interest	118,993	-	1,405	120,398
Total expenditures	<u>22,423,924</u>	<u>5,882,912</u>	<u>452,024</u>	<u>28,758,860</u>
Revenues over (under) expenditures	(11,827,118)	(52,704)	(392,328)	(12,272,150)
Other financing sources (uses)				
Transfers in	25,000	2,018,160	300,000	2,343,160
Transfers (out)	(329,829)	(1,988,343)	(25,000)	(2,343,172)
Proceeds from long term debt	12,197,497	-	50,000	12,247,497
Federal contribution	-	6,708	-	6,708
Institutional contribution	(2,236)	2,236	-	-
Total other financing sources (uses)	<u>11,890,432</u>	<u>38,761</u>	<u>325,000</u>	<u>12,254,193</u>
Excess of revenues and other sources over (under) expenditures and other uses	63,314	(13,943)	(67,328)	(17,957)
Available fund balance, July 1	984,633	564,954	701,387	2,250,974
Available fund balance, June 30	<u>\$ 1,047,947</u>	<u>\$ 551,011</u>	<u>\$ 634,059</u>	<u>\$ 2,233,017</u>

See notes to basic financial statements.

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TREASURE VALLEY COMMUNITY COLLEGE
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES**

For the Year Ended
 June 30, 2003

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>
Operating revenues			
Sale of textbooks	\$ 731,930	\$ -	\$ -
Food sales	-	216,306	-
Snack bar and miscellaneous	-	155	-
Dormitory receipts	-	-	174,410
Printing income	-	-	-
Miscellaneous income	33,456	-	1,587
Tuition and fees	-	-	-
	<u>765,386</u>	<u>216,461</u>	<u>175,997</u>
Gross profit			
Operating expenses			
Salaries	63,877	-	49,797
Employee benefits	19,490	-	13,282
Travel	300	-	373
Purchase of textbooks	556,861	-	-
Purchase of miscellaneous	6,530	-	-
Materials and supplies	-	1,772	33,624
Postage	-	-	-
Outside services	48,010	198,230	9,411
Interest expense	-	-	-
Postage	-	-	-
Other expense	636	20	32,577
Repairs and maintenance	-	2,727	386
Depreciation	1,037	5,302	8,913
Bad debts	-	-	-
	<u>696,741</u>	<u>208,051</u>	<u>148,363</u>
Total operating expenses			
Operating income	68,645	8,410	27,634
Retained earnings, July 1	128,056	(92,408)	(80,738)
Retained earnings, June 30	<u>\$ 196,701</u>	<u>\$ (83,998)</u>	<u>\$ (53,104)</u>

See the notes to the basic financial statements

Printing	Caldwell Center	Totals June 30, 2003
\$ -	\$ 5,058	\$ 736,988
-	-	216,306
-	-	155
-	-	174,410
123,024	-	123,024
-	9,174	44,217
-	67,433	67,433
123,024	81,665	1,362,533
22,659	58,298	194,631
8,640	-	41,412
-	2,494	3,167
-	9,195	566,056
-	-	6,530
80,626	24,275	140,297
-	-	-
2,792	10,744	269,187
1,416	-	1,416
18	-	18
1,453	31,976	66,662
-	-	3,113
15,722	830	31,804
578	-	578
133,904	137,812	1,324,871
(10,880)	(56,147)	37,662
70,911	-	25,821
\$ 60,031	\$ (56,147)	\$ 63,483

TREASURE VALLEY COMMUNITY COLLEGE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES-AUXILIARY

For the Year Ended
June 30, 2003

	Bookstore	Food Service	Housing
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 753,871	\$ 216,461	\$ 187,274
Payments to employees	(63,877)	(1,695)	(49,798)
Payments to suppliers	(73,096)	(201,054)	(89,652)
Payments to suppliers for items for resale	(582,523)		
Other cash receipts		-	1,587
Net cash provided by (used by) operating activities	34,375	13,712	49,411
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Increase (decrease) in interfund receivable/payable	(34,400)	(11,816)	(49,411)
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
Net cash used in non-capital financing activities	(34,400)	(11,816)	(49,411)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Decrease in long term lease payable	-	-	-
Net cash used in financing activities	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in capital assets		(1,896)	
Net cash used in investing activities	-	(1,896)	-
NET INCREASE (DECREASE) IN CASH	(25)	-	-
CASH BALANCE (DEFICIT) JUNE 30, 2002	538	-	-
CASH BALANCE (DEFICIT) JUNE 30, 2003	\$ 513	\$ -	\$ -

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

OPERATING INCOME	\$ 68,645	\$ 8,410	\$ 27,634
Adjustments to reconcile net			
income to net cash	-	-	-
Depreciation	1,036	5,302	8,913
(Increase) decrease in accounts receivable (net)	(11,515)	-	-
(Increase) decrease in inventory	(23,791)	-	-
Increase (decrease) in deposits payable	-	-	12,864
Increase (decrease) in deferred revenues	-	-	-
NET Net cash provided (used) by operating activities	\$ 34,375	\$ 13,712	\$ 49,411

Printing	Caldwell Center	Totals June 30, 2003
\$ 123,024	\$ 124,506	\$ 1,405,136
(22,659)	(48,189)	(186,218)
(95,523)	(55,356)	(514,681)
	(33,438)	(615,961)
	14,232	15,819
<u>4,842</u>	<u>1,755</u>	<u>104,095</u>
121	51,714	(43,792)
-	-	-
-	-	-
<u>121</u>	<u>51,714</u>	<u>(43,792)</u>
(4,963)		(4,963)
<u>(4,963)</u>	<u>-</u>	<u>(4,963)</u>
	(53,469)	(55,365)
<u>-</u>	<u>(53,469)</u>	<u>(55,365)</u>
-	-	104,070
-	-	538
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 513</u>
<u>\$ (10,880)</u>	<u>\$ (56,147)</u>	<u>\$ 37,662</u>
-	-	-
15,722	830	31,803
-	-	(11,515)
-	-	(23,791)
-	-	12,864
-	57,072	57,072
<u>\$ 4,842</u>	<u>\$ 1,755</u>	<u>\$ 104,095</u>

TREASURE VALLEY COMMUNITY COLLEGE
**RECONCILIATION OF THE COMBINING BALANCE
 SHEET TO STATEMENT OF NET ASSETS**

For the Year Ended
 June 30, 2003

TOTAL FUND BALANCES		\$ 2,296,500
<p>Capital assets are not financial resources and therefore are not reported in the governmental funds:</p>		
Cost	10,820,330	
Accumulated depreciation	<u>(5,423,745)</u>	5,396,585
Other assets not included in governmental funds		10,536,250
<p>Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>		
Capital leases payable		(68,065)
Notes payable		(3,136,085)
Bond payable		<u>(10,701,480)</u>
TOTAL NET ASSETS		<u><u>\$ 4,323,705</u></u>

TREASURE VALLEY COMMUNITY COLLEGE
**RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES EXPENDITURES AND
 CHANGES IN FUND BALANCE TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**
 For the Year Ended
 June 30, 2003

NET CHANGE IN FUND BALANCE	\$	(17,957)
Net income of proprietary fund type		37,662

Amounts reported for governmental activities in the Statement of Revenues, Expenses and Changes in Net Assets are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Revenues, Expenses and Changes in Net Assets the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Expenditures for capital assets	502,498	
Less current year depreciation	<u>(494,207)</u>	8,291

Long-term debt proceeds are reported as other financing sources in governmental funds. In the statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount by which the proceeds exceeded repayments.

Debt issued	(12,247,497)	
Debt used for prepaid pension contribution	10,536,250	
Debt principal repaid	<u>95,295</u>	(1,615,952)

CHANGE IN NET ASSETS	\$	<u>(1,587,956)</u>
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TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended
June 30, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 2,033,700	\$ 2,033,700	\$ 1,856,307	\$ 177,393
State sources	5,348,323	5,348,323	4,953,915	394,408
Federal sources	37,500	37,500	46,906	(9,406)
Tuition and fees	3,910,402	3,910,402	3,739,678	170,724
Total revenues	<u>11,329,925</u>	<u>11,329,925</u>	<u>10,596,806</u>	<u>733,119</u>
EXPENDITURES				
Instruction	4,782,519	15,757,519	15,284,593	472,926
Instruction support	562,436	562,436	390,418	172,018
Student services	1,470,688	1,470,688	1,422,768	47,920
College support services	1,816,037	3,366,037	3,362,717	3,320
Plant operation and maintenance	1,333,641	1,283,641	1,248,497	35,144
Plant additions	151,500	151,500	149,326	2,174
Debt service	226,512	251,512	243,135	8,377
Financial aid	645,092	645,092	322,470	322,622
Operating contingency	640,000	640,000	-	640,000
Total expenditures	<u>11,628,425</u>	<u>24,128,425</u>	<u>22,423,924</u>	<u>1,704,501</u>
Excess of revenues over (under) expenditures	(298,500)	(12,798,500)	(11,827,118)	(971,382)
Other financing sources (uses)				
Transfers out	(416,500)	(416,500)	(329,829)	(86,671)
Transfer in	-	-	25,000	(25,000)
Institutional contribution	-	-	(2,236)	2,236
Proceeds from long term debt	-	12,500,000	12,197,497	302,503
Total other financing sources (use)	<u>(416,500)</u>	<u>12,083,500</u>	<u>11,890,432</u>	<u>(86,671)</u>
Excess of revenues, other financing sources over (under) expenditures, other financing (uses)	(715,000)	(715,000)	63,314	(778,314)
Available fund balance, July 1	<u>1,015,000</u>	<u>1,015,000</u>	<u>984,633</u>	<u>30,367</u>
Available fund balance, June 30	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,047,947</u>	<u>\$ (747,947)</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES-
SPECIAL REVENUE FUNDS

June 30, 2003

ASSETS	Special Projects Fund	Student Financial Aid Fund	Perkins Loan Fund	Totals (Memorandum Only) June 30, 2003
Cash and cash items	\$ -	\$ -	\$ 17,571	\$ 17,571
Investments	189,201	-	-	189,201
Interfund receivable	-	-	-	-
Accounts receivable	323,924	70,385	235,990	630,299
Allowance for doubtful interest (deduction)	-	-	(2,360)	(2,360)
Allowance for doubtful accounts (deduction)	-	-	(34,754)	(34,754)
Net amount due from other funds	-	30,625	-	30,625
Total assets	<u>\$ 513,125</u>	<u>\$ 101,010</u>	<u>\$ 216,447</u>	<u>\$ 830,582</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Interfund payable	\$ 104,824	\$ 70,385	\$ -	\$ 175,209
Deferred revenue	73,476	-	-	73,476
Net amount due other funds	-	30,625	261	30,886
Total liabilities	<u>178,300</u>	<u>101,010</u>	<u>261</u>	<u>279,571</u>
Fund equity				
Fund balances				
Student loan program - federal contribution	-	-	432,044	432,044
Student loan program - institution contribution	-	-	65,665	65,665
Reserved for student loans	-	-	497,709	497,709
Student loan balance	-	-	(281,522)	(281,522)
Special projects	334,825	-	-	334,825
Undesignated	334,825	-	(281,522)	53,303
Total fund equity	<u>334,825</u>	<u>-</u>	<u>216,186</u>	<u>551,011</u>
Total liabilities and fund equity	<u>\$ 513,125</u>	<u>\$ 101,010</u>	<u>\$ 216,447</u>	<u>\$ 830,582</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ALL SPECIAL REVENUE FUNDS

For the Year Ended
 June 30, 2003

	Special Projects Fund	Student Financial Aid Fund	Perkins Loan Fund	Totals (Memorandum Only) June 30, 2003
REVENUES				
Local sources	\$ 28,081	\$ -	\$ 5,134	\$ 33,215
State sources	1,214,955	108,534	-	1,323,489
Federal sources	708,843	3,725,434	-	4,434,277
Tuition and fees	39,227	-	-	39,227
Total revenues	1,991,106	3,833,968	5,134	5,830,208
EXPENDITURES				
Instruction	1,537,516	-	-	1,537,516
Instruction support	468,591	-	-	468,591
Supporting services	-	3,856,742	20,063	3,876,805
Community services	-	-	-	-
College support	-	-	-	-
Total expenditures	2,006,107	3,856,742	20,063	5,882,912
Excess of revenues over (under) expenditures	(15,001)	(22,774)	(14,929)	(52,704)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	2,009,440	8,720	2,018,160
Transfer out	-	(1,986,666)	(1,677)	(1,988,343)
Returned to grantor	-	-	-	-
Federal contribution	-	-	6,708	6,708
Institutional contribution	-	-	2,236	2,236
Total other financing sources (uses)	-	22,774	15,987	38,761
Excess of revenues and other sources over (under) expenditures and other uses	(15,001)	-	1,058	(13,943)
Available fund balance, July 1	349,826	-	215,128	564,954
Available fund balance, June 30	\$ 334,825	\$ -	\$ 216,186	\$ 551,011

TREASURE VALLEY COMMUNITY COLLEGE
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 SPECIAL PROJECTS FUND**
 For the Year Ended
 June 30, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 143,000	\$ 143,000	\$ 28,081	\$ (114,919)
State sources	4,200,000	4,200,000	1,214,955	(2,985,045)
Federal sources	1,432,880	1,432,880	708,843	(724,037)
Tuition and fees	50,000	50,000	39,227	(10,773)
Total revenues	<u>5,825,880</u>	<u>5,825,880</u>	<u>1,991,106</u>	<u>(3,834,774)</u>
EXPENDITURES				
Instruction	3,065,880	3,065,880	1,537,516	1,528,364
Instruction support	2,900,000	2,900,000	468,591	2,431,409
Supporting services	-	-	-	-
Community services	-	-	-	-
Total expenditures	<u>5,965,880</u>	<u>5,965,880</u>	<u>2,006,107</u>	<u>3,959,773</u>
Excess of revenues over (under) expenditures	(140,000)	(140,000)	(15,001)	124,999
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	(140,000)	(140,000)	(15,001)	124,999
Available fund balance, July 1	190,000	190,000	349,826	159,826
Available fund balance, June 30	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 334,825</u>	<u>\$ 284,825</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, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	200,000	200,000	108,534	(91,466)
Federal sources	4,020,000	4,020,000	3,725,434	(294,566)
Total revenues	<u>4,220,000</u>	<u>4,220,000</u>	<u>3,833,968</u>	<u>(386,032)</u>
EXPENDITURES				
Supporting services	4,140,000	4,140,000	3,856,742	283,258
Unappropriated ending balance	-	-	-	-
Total expenditures	<u>4,140,000</u>	<u>4,140,000</u>	<u>3,856,742</u>	<u>283,258</u>
Excess of revenues over (under) expenditures	80,000	80,000	(22,774)	(102,774)
Other financing sources (uses)				
Transfer in	1,920,000	1,920,000	2,009,440	89,440
Transfer out	(2,000,000)	(2,000,000)	(1,986,666)	13,334
Returned to grantor	-	-	-	-
Total other financing sources (uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>22,774</u>	<u>102,774</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Available fund balance, July 1	-	-	-	-
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 15,000	\$ 15,000	\$ 5,134	\$ (9,866)
State sources	-	-	-	-
Federal sources	-	-	-	-
Tuition and fees	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>5,134</u>	<u>(9,866)</u>
EXPENDITURES				
Supporting services	<u>60,000</u>	<u>60,000</u>	<u>20,063</u>	<u>39,937</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>20,063</u>	<u>39,937</u>
Excess of revenues over (under) expenditures	(45,000)	(45,000)	(14,929)	30,071
Other financing sources (uses)				
Transfer in	60,000	60,000	8,720	(51,280)
Transfer out	-	-	(1,677)	(1,677)
Federal contribution	-	-	6,708	(6,708)
Institutional contribution	-	-	2,236	(2,236)
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>15,987</u>	<u>44,013</u>
Excess of revenues and other sources over (under) expenditures and other uses	15,000	15,000	1,058	(13,942)
Available fund balance, July 1	<u>200,000</u>	<u>200,000</u>	<u>215,128</u>	<u>15,128</u>
Available fund balance, June 30	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ 216,186</u>	<u>\$ 1,186</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES-
CAPITAL PROJECT FUNDS
 June 30, 2003

ASSETS	Construction Fund	Reserve Fund	Totals June 30, 2003
Cash and cash items	\$ -	\$ -	\$ -
Investments	-	-	
Interfund receivable	203,555	430,504	634,059
Accounts receivable			
Total assets	<u>\$ 203,555</u>	<u>\$ 430,504</u>	<u>\$ 634,059</u>
 LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Interfund payable	-	-	
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 Fund equity			
Fund balances			
Designated - construction	203,555		203,555
Designated - early retirement		134,700	134,700
Designated - equipment replacement		295,804	295,804
Total fund equity	<u>203,555</u>	<u>430,504</u>	<u>634,059</u>
Total liabilities and fund equity	<u>\$ 203,555</u>	<u>\$ 430,504</u>	<u>\$ 634,059</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECT FUNDS

For the Year Ended
 June 30, 2003

	Construction Fund	Reserve Fund	Totals June 30, 2003
REVENUES			
Local sources	\$ -	\$ 59,696	\$ 59,696
State sources	-	-	-
Total revenues	-	59,696	59,696
EXPENDITURES			
Other expenditures and requirements	25,315	420,942	446,257
Principal	-	4,362	4,362
Interest on debt	-	1,405	1,405
Total expenditures	25,315	426,709	452,024
Excess of revenues over (under) expenditures	(25,315)	(367,013)	(392,328)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	300,000	300,000
Transfers out	-	(25,000)	(25,000)
Proceeds from long-term debt	-	50,000	50,000
Total other financing sources (uses)	-	325,000	325,000
Excess of revenues and other sources over (under) expenditures and other uses	(25,315)	(42,013)	(67,328)
Available fund balance, July 1	228,870	472,517	701,387
Available fund balance, June 30	<u>\$ 203,555</u>	<u>\$ 430,504</u>	<u>\$ 634,059</u>

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

For the Year Ended

June 30, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 315,000	\$ 315,000	\$ -	\$ (315,000)
State sources	100,000	100,000	-	(100,000)
Total revenues	415,000	415,000	-	(415,000)
EXPENDITURES				
Supporting services	515,000	515,000	25,315	489,685
Unappropriated ending balance	200,000	200,000	-	200,000
Total capital outlay	715,000	715,000	25,315	689,685
Excess of revenues over (under) expenditures	(300,000)	(300,000)	(25,315)	274,685
Other financing sources (uses)				
Transfer from General Fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(300,000)	(300,000)	(25,315)	274,685
Available fund balance, July 1	300,000	300,000	228,870	(71,130)
Available fund balance, June 30	\$ -	\$ -	\$ 203,555	\$ 203,555

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

For the Year Ended
June 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
REVENUES				
Local sources	\$ 30,000	\$ 30,000	\$ 59,696	\$ 29,696
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>59,696</u>	<u>29,696</u>
EXPENDITURES				
Other expenditures and requirements	776,500	776,500	420,942	355,558
Principal	-	-	4,362	(4,362)
Interest on debt	-	-	1,405	(1,405)
Unappropriated ending balance	150,000	150,000	-	150,000
Total expenditures	<u>926,500</u>	<u>926,500</u>	<u>426,709</u>	<u>499,791</u>
Excess of revenues over (under) expenditures	<u>(896,500)</u>	<u>(896,500)</u>	<u>(367,013)</u>	<u>529,487</u>
Other financing sources (uses)				
Transfer from General Fund	396,500	396,500	300,000	(96,500)
Transfer to General Fund	-	-	(25,000)	(25,000)
Proceeds from long-term debt	-	-	50,000	50,000
Total other financing sources (uses)	<u>396,500</u>	<u>396,500</u>	<u>325,000</u>	<u>(71,500)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(42,013)</u>	<u>457,987</u>
Available fund balance, July 1	<u>500,000</u>	<u>500,000</u>	<u>472,517</u>	<u>(27,483)</u>
Available fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,504</u>	<u>\$ 430,504</u>

TREASURE VALLEY COMMUNITY COLLEGE
COMBINING BALANCE SHEET
PROPRIETARY FUND TYPES- AUXILIARY
For the Year Ended
June 30, 2003

	<u>Bookstore</u>	<u>Food Service</u>	<u>Housing</u>
ASSETS			
Cash and cash items	\$ 513	\$ -	\$ -
Interfund receivable	15,733	-	-
Receivables			
Accounts	25,414	-	-
Inventory	148,776	-	-
Fixed assets (net of accumulated depreciation)	6,265	12,270	182,624
Total assets	<u>\$ 196,701</u>	<u>\$ 12,270</u>	<u>\$ 182,624</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Deposits payable	\$ -	\$ -	\$ 20,609
Deferred revenue	-	-	-
Interfund payable	-	96,268	215,119
Current portion of long term lease payable	-	-	-
Lease payable long term	-	-	-
Total liabilities	<u>-</u>	<u>96,268</u>	<u>235,728</u>
Fund equity			
Investment in general fixed assets			
Retained earnings			
Contributed capital	2,468	-	-
Unreserved	194,233	(83,998)	(53,104)
Total fund equity	<u>196,701</u>	<u>(83,998)</u>	<u>(53,104)</u>
Total liabilities and fund equity	<u>\$ 196,701</u>	<u>\$ 12,270</u>	<u>\$ 182,624</u>

<u>Printing</u>	<u>Caldwell Center</u>	<u>Totals June 30, 2003</u>
\$ -	\$ -	\$ 513
45,676	-	61,409
-	-	25,414
-	-	148,776
37,523	52,639	291,321
<u>\$ 83,199</u>	<u>\$ 52,639</u>	<u>\$ 527,433</u>

\$ -	\$ -	\$ 20,609
-	57,072	57,072
-	51,714	363,101
4,963	-	4,963
18,205	-	18,205
<u>23,168</u>	<u>108,786</u>	<u>463,950</u>

49,217	-	51,685
10,814	(56,147)	11,798
<u>60,031</u>	<u>(56,147)</u>	<u>63,483</u>
<u>\$ 83,199</u>	<u>\$ 52,639</u>	<u>\$ 527,433</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ 686,500	\$ 686,500	\$ 731,930	\$ 45,430
Miscellaneous income	<u> -</u>	<u> -</u>	<u>33,456</u>	<u>33,456</u>
Total operating revenues	<u>686,500</u>	<u>686,500</u>	<u>765,386</u>	<u>78,886</u>
Operating expense				
Salaries	74,700	74,700	63,877	10,823
Employee benefits	-	-	19,490	(19,490)
Contracted services	-	-	300	(300)
Purchase of textbooks	544,800	544,800	556,861	(12,061)
Purchase of miscellaneous	-	-	6,530	(6,530)
Postage	-	-	-	-
Materials and supplies	-	-	48,010	(48,010)
Other expenses	-	-	636	(636)
Repairs and maintenance	-	-	-	-
Depreciation	2,000	2,000	1,037	963
Bad debts	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total operating expenses	<u>621,500</u>	<u>621,500</u>	<u>696,741</u>	<u>(75,241)</u>
Operating income	65,000	65,000	68,645	3,645
Retained earnings, July 1	<u>65,000</u>	<u>65,000</u>	<u>128,056</u>	<u>193,056</u>
Retained earnings, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,701</u>	<u>\$ 196,701</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, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Food sales	\$ 294,000	\$ 294,000	\$ 216,306	\$ (77,694)
Snack bar and miscellaneous	-	-	155	155
Total operating revenues	<u>294,000</u>	<u>294,000</u>	<u>216,461</u>	<u>(77,539)</u>
 Operating expense				
Materials and supplies	-	-	1,772	(1,772)
Outside services	263,000	263,000	198,230	64,770
Other expense	-	-	20	(20)
Repairs and maintenance	-	-	2,727	(2,727)
Depreciation	-	-	5,302	(5,302)
Total operating expenses	<u>263,000</u>	<u>263,000</u>	<u>208,051</u>	<u>54,949</u>
Operating income	31,000	31,000	8,410	(22,590)
Retained earnings, July 1	<u>(30,000)</u>	<u>(30,000)</u>	<u>(92,408)</u>	<u>(62,408)</u>
Retained earnings, June 30	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ (83,998)</u>	<u>\$ (84,998)</u>

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
HOUSING FUND
For the Year Ended
June 30, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Dormitory receipts	\$ 260,000	\$ 260,000	\$ 174,410	\$ (85,590)
Miscellaneous income	20,000	20,000	1,587	(18,413)
Total operating revenues	<u>280,000</u>	<u>280,000</u>	<u>175,997</u>	<u>(104,003)</u>
Operating expense				
Salaries	65,300	65,300	49,797	15,503
Employee benefits	-	-	13,282	(13,282)
Travel	-	-	373	(373)
Materials and supplies	-	-	33,624	(33,624)
Outside services	154,700	154,700	9,411	145,289
Other expense	-	-	32,577	(32,577)
Repairs and maintenance	-	-	386	(386)
Depreciation	10,000	10,000	8,913	1,087
Bad debts	-	-	-	-
Total operating expenses	<u>230,000</u>	<u>230,000</u>	<u>148,363</u>	<u>81,637</u>
Operating income	50,000	50,000	27,634	(22,366)
Retained earnings, July 1	<u>50,000</u>	<u>50,000</u>	<u>(80,738)</u>	<u>(30,738)</u>
Retained earnings, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (53,104)</u>	<u>\$ (53,104)</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, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
Operating revenues				
Printing income	\$ 151,000	\$ 151,000	\$ 123,024	\$ (27,976)
Miscellaneous income			-	-
Total operating revenues	<u>151,000</u>	<u>151,000</u>	<u>123,024</u>	<u>(27,976)</u>
 Operating expense				
Salaries	15,100	15,100	22,659	(7,559)
Employee benefits	-	-	8,640	(8,640)
Materials and supplies	-	-	80,626	(80,626)
Outside services	124,900	124,900	2,792	122,108
Interest expense	5,000	5,000	1,416	3,584
Postage	-	-	18	(18)
Other expense	-	-	1,453	(1,453)
Repairs and maintenance	-	-	-	-
Depreciation	1,000	1,000	15,722	(14,722)
Bad debt	-	-	578	(578)
Total operating expenses	<u>146,000</u>	<u>146,000</u>	<u>133,904</u>	<u>12,096</u>
 Operating income (loss)	5,000	5,000	(10,880)	(15,880)
 Retained earnings, July 1	<u>5,000</u>	<u>5,000</u>	<u>70,911</u>	<u>65,911</u>
Retained earnings, June 30	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 60,031</u>	<u>\$ 50,031</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, 2003

	Original Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
Operating revenues				
Sale of textbooks	\$ -	\$ -	\$ 5,058	\$ 5,058
Tuition and fees	-	-	67,433	67,433
Miscellaneous income	-	100,000	9,174	(90,826)
Total operating revenues	-	100,000	81,665	(18,335)
 Operating expense				
Salaries	-	30,000	58,298	(28,298)
Travel	-	-	2,494	(2,494)
Textbooks	-	-	9,195	(9,195)
Materials and supplies	-	-	24,275	(24,275)
Outside services	-	50,000	10,744	39,256
Other expense	-	-	31,976	(31,976)
Depreciation	-	20,000	830	19,170
Total operating expenses	-	100,000	137,812	(37,812)
Operating income (loss)	-	-	(56,147)	(56,147)
Retained earnings, July 1	-	-	-	-
Retained earnings, June 30	\$ -	\$ -	\$(56,147)	\$ (56,147)

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENT OF AGENCY FUND TRANSACTIONS

For the year ended
June 30, 2003

	Beginning Balance 6/30/2002	Increase	Decrease	Ending Balance 6/30/2003
3700 Small business training	\$ 19,474	\$ 19,763	\$ 1,351	\$ 37,887
3717 Student government	-	\$ 156,378	\$ 136,002	20,376
3790 Student body special account	1,470	290	-	1,759
3790 Welding club	4,273	6,397	8,232	2,438
3795 Drafting club	(230)	-	(230)	-
3810 Women's basketball	2,648	3,405	4,339	1,714
4010 Mentors	1,352	-	-	1,352
4030 Art guild	4,977	3,084	8,060	0
4050 Athletic programs	34,803	82,497	84,177	33,122
4100 Instrumental club	181	635	459	357
4110 Baseball club	11,679	94,189	108,479	(2,610)
4115 Softball club	1,873	7,692	8,509	1,056
4130 Chukar basketball	845	2,598	3,229	214
4140 Chorale club	583	2,309	2,562	329
4142 TVCC chorale	571	-	-	571
4143 Youth orchestra	741	1,155	1,707	188
4144 Treasure Valley Symphony	(15)	5,584	5,219	350
4145 Children's chorus	(2,809)	12,826	10,016	-
4146 Musical jubilee	4,797	800	5,596	1
4147 Summer MAD camp	(325)	21,010	22,579	(1,894)
4148 Young people's theatre	50	-	-	50
4150 Vocal jazz ensemble	154	5,993	4,363	1,784
4151 Jazz band	838	2,618	2,693	763
4152 Performing arts retreat	4	-	-	4
4210 Development education student support	3,135	-	-	3,135
4220 Dorm social/leadership and improvement	213	3,684	3,592	306
4230 Drama club	8,956	16,446	18,840	6,561
4240 Cinco de Mayo	2,114	320	717	1,717
4241 BESO Club	-	1,160	684	477
4250 English department travel	557	7,115	340	7,332
4251 Endeavor newspaper	3,343	(1,043)	2,300	-
4260 Sunshine children's center	2,548	1,000	-	3,548
4270 AAWCC	-	140	-	140
4350 Graduation	(2,535)	12,285	9,750	-
4460 Malheur County alcohol recovery	80	-	-	80
4485 WINGS club	(3)	900	237	661
4540 Nursing club	458	750	734	473
4542 Nursing background	5	60	-	65
4545 Nursing mobility tests	561	898	628	830
4550 Nyssa pop machine	24	-	-	24
4565 Support staff funds	145	-	-	145
4620 Bill White fund	-	15	-	15
4630 Phi Theta Kappa	1,284	2,442	2,132	1,594
4660 Rodeo club	658	15,875	15,465	1,068
4662 AG ambassadors	1,216	4,350	4,859	707
4664 Livestock judging club	1,161	3,861	2,536	2,487
4670 Volleyball club	3,473	7,557	9,476	1,555
4680 Science field trip	60	2,449	2,311	198
4692 Cross country club	180	140	398	(78)
4693 Golf	-	7,877	6,140	1,736
4694 Soccer club	528	10,094	2,415	8,207
4695 Track and field club	265	-	48	217
4696 Tennis	-	1,030	57	973
4697 Foundation	-	10,000	9,719	281
Total	<u>\$ 116,359</u>	<u>\$ 538,627</u>	<u>\$ 510,721</u>	<u>\$ 144,265</u>

TREASURE VALLEY COMMUNITY COLLEGE
SUMMARY STATEMENTS OF CASH, CASH ITEMS AND INVESTMENTS - ALL FUNDS
 June 30, 2003

Washington Mutual	
Cash in checking	\$ 74,319
Oregon State Treasury Local Government Investment Pool	
Cash invested	598,950
Cash on hand	<u>5,608</u>
Total cash, cash items and investments	<u><u>\$ 678,877</u></u>

STATEMENT OF COLLATERAL SECURITY

June 30, 2003

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

TREASURE VALLEY COMMUNITY COLLEGE
STATEMENT OF PROPERTY TAX TRANSACTIONS
For the Year Ended
June 30, 2003

Tax Year	Uncollected Taxes	2002-03 Assessment	(Abatement) and Adjustments	Rebates Allowed	Interest	Taxes Collected	Total Amount Collected	Uncollected Taxes
Special Levy	June 30, 2002							June 30, 2003
<u>All Counties</u>								
2002-03		\$ 1,429,664	\$ 8,016	\$ 34,420	\$ 1,016	\$ 1,338,117	\$ 1,338,027	\$ 66,249
2001-02	59,274		(190)		2,028	29,508	31,536	31,604
2000-01	31,013		2,491	52	2,332	17,476	19,808	18,308
1999-00	15,582		(27)		2,457	11,118	13,575	6,894
1998-99	6,764		35		2,059	8,218	10,277	640
1997-98	681		(186)		42	134	176	403
1996-97	666		(195)		11	35	46	447
1995-96	49				1	7	8	43
1994-95	-						-	-
1993-94	82						-	82
1992-93	106						-	106
1991-92	100						-	100
1989-90	79						-	79
1988-89	84						-	84
Prior	81						-	81
TOTAL	\$ 114,560	\$ 1,429,664	\$ 9,944	\$ 34,472	\$ 9,946	\$ 1,404,613	\$ 1,413,453	\$ 125,119

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AUDIT SECTION

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2003

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 2002-03 and 2003-04 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 complied with Oregon local budget law during the execution of the 2002-03 budget.

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, 2003 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, 2003 provide adequate coverage. We recommend that coverages be reviewed periodically with the college's agent of record.

Programs Funded From Outside Sources

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

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

TREASURE VALLEY COMMUNITY COLLEGE
COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON
June 30, 2003

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, 2003, were entirely insured or collateralized with Federal Deposit Insurance Corporation or certificate of participation with the Federal Home Loan Bank of Seattle.

Financial Reporting Requirements

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

Other

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

- Average daily membership
- Highway funds

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

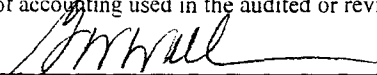
Name of Municipal Corporation Treasure Valley Community College

Address Ontario, Oregon 97914

Period Covered by Audit Report: From June 30, 2002 to June 30, 2003

Total Revenues and/or Receipts - All Funds		<u>\$20,192.403</u>
Less:		
Interfund loans and transfers	<u>\$ 2,343.160</u>	
Receipts from short-term loans	<u> </u>	
Taxes, assessments and other collections to be distributed to other governmental units	<u> </u>	<u>2,343.160</u>
Net Revenues and/or Receipts		<u>\$17,849.243</u>
Total Expenditures and/or Disbursements - All Funds		<u>\$32,426.903</u>
Less:		
Interfund loans and transfers	<u>\$ 2,343.172</u>	
Principal Payments - short-term loans	<u> </u>	
Principal Payments - bonded or other long-term debt	<u> </u>	
Principal Payments - warrants issued during prior years	<u> </u>	
Turnovers to other municipal corporations	<u> </u>	
Taxes and Assessments	<u> </u>	
Other Distributions	<u> </u>	
Other Trust Moneys	<u> </u>	<u>2,343.172</u>
Net Expenditures and/or Disbursements		<u>\$30,083.731</u>

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

Auditor/Firm Signature 

PLEASE ENCLOSE PAYMENT WITH SUMMARY

Over	Not Over	Fee	ORS 297.485 (1)
	\$ 50,000	\$ 20	
\$ 50,000	150,000	40	
150,000	500,000	150	
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	
			...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.
			<i>(Net Expenditures and/or Disbursements)</i>

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

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 basic financial statements of Treasure Valley Community College, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 16, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Treasure Valley Community College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 16, 2003

Certified Public Accountants, PC

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

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

Compliance

We have audited the compliance of Treasure Valley Community College, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major programs for the year ended June 30, 2003. 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, 2003.

Internal Control Over Compliance

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

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

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

Oster Professional Group, CPA's, PC

By 

Burns, Oregon
October 16, 2003

**TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended

June 30, 2003

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Receipts	Expenditures
<u>U.S. Department of Education</u>			
Direct program			
Student Financial Assistance Cluster			
PELL Grant Program	84.063	\$ 1,886,483	\$ 1,886,483
SEOG Program	84.007	32,922	32,922
Perkins Loan Program	84.038	15,428	15,428
College Work Study Program	84.033	59,041	59,041
Direct Loan Program	84.268	1,738,268	1,738,268
		<u>3,732,142</u>	<u>3,732,142</u>
High School Equivalency Program	84.141A	177,910	177,910
English Acquisition Program: National Professional Development Program	84.195A	151,389	151,389
Total direct programs		<u>4,061,441</u>	<u>4,061,441</u>
Passed through Oregon State Department of Education			
Adult Education - Basic Grants to State			
ABE - Tuition	84.002	46,906	46,906
ABE - EL Civics Grant	84.002	35,000	35,000
ABE - Set Aside	84.002	10,000	10,000
ABE - Harney County	84.002	10,000	10,000
ABE - Program Improvements	84.002	6,500	6,500
ABE - Accountability	84.002	15,000	15,000
ABE - Tutoring	84.002	11,000	11,000
		<u>134,406</u>	<u>134,406</u>
Family Literacy Project			
Even Start 2001-02	84.213	13,953	11,695
Even Start 2002-03	84.213	116,300	116,300
		<u>130,253</u>	<u>127,995</u>
Vocational Education - Basic Grant			
Perkins - PTE Program Areas	84.048	123,153	123,153
Perkins - PTE Program Areas	84.048	5,000	5,000
		<u>128,153</u>	<u>128,153</u>
Total passed through Oregon Department of Education		<u>392,812</u>	<u>390,554</u>
Total Department of Education		<u>4,454,253</u>	<u>4,451,995</u>
<u>U.S. Small Business Administration</u>			
Passed through Oregon State SBA Director			
SBA Federal 2001-02	59.037	5,977	5,977
SBA Federal 2002	59.037	26,587	26,587
Total Small Business Administration		<u>32,564</u>	<u>32,564</u>
<u>U.S. Department of Agriculture</u>			
Direct program			
Fund for Rural America-Ultrasound Research and Education Project	10.224	1,074	1,074
Total U.S. Department of Agriculture		<u>1,074</u>	<u>1,074</u>
Total		<u>\$ 4,487,891</u>	<u>\$ 4,485,633</u>

TREASURE VALLEY COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
June 30, 2003

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 general purpose 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, 2003

SUMMARY OF AUDITOR'S RESULTS

Type of Report Issued

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

Reportable Conditions in Internal Control

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

Noncompliance Material to Financial Statements

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

Reportable Conditions in Internal Control Over Major Programs

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

Type of Report Issued on Compliance for Major Programs

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

Audit Findings

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

Identification of Major Programs

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

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

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

Risk Classification of Auditee

We have determined that Treasure Valley Community College does not qualify as a low risk auditee.

Findings In Accordance With *Government Auditing Standards*

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

TREASURE VALLEY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2003

Findings and Questioned Costs For Federal Awards

Current Year Findings

Our audit did not disclose any findings and questioned costs as defined by OMB Circular A-133 for the year ended June 30, 2003, regarding federal awards tested.

Prior Year Findings

The audit for the year ended June 30, 2002 reported no findings and questioned costs regarding the federal awards tested.

TREASURE VALLEY COMMUNITY COLLEGE
 Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the year Ended
 June 30, 2003

2002-03 Assessed valuation of taxable property \$ 1,207,731,074

Tax rate (dollars per \$1,000 assessed value) 1.22%

Ratio of annual debt service requirements for bonded debt to total General Fund expenditures and transfers

	<u>Principal</u>	<u>Interest</u>	<u>Total Bonded Debt Services</u>	<u>General Fund Expenditures and Transfers</u>	<u>Ratio of Debt Service to General Fund Expenditures and transfers</u>
2002-03	\$ 101,389	120,398	\$ 221,787	\$ 22,728,753	0.98%

Ratio of net bonded debt to assessed value:

	<u>Assessed Valuation</u>	<u>Net Bonded Debt (1)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2002-03	\$ 1,207,731,074	\$ 12,326,480	1.02%

(1) Computed as gross bonded debt less amount available for retirement of debt in Debt Service Fund

Principal taxpayers in Malheur County, Oregon

	<u>Assessed Valuation</u>	<u>Percent of Total County Value</u>
<u>Private enterprises</u>		
H J Heinz Company, LP	\$ 112,751,514	9.16%
Amalgamated Sugar Co. LLC	19,307,102	1.57%
Oregon Warehouse Partners	10,211,436	0.83%
Union Pacific Railroad Co	7,376,003	0.60%
Wal-Mart Real Estate Business Trs.	7,682,294	0.62%
Alscott Real Estate, LLC	6,730,844	0.55%
Murakami Farms, Inc.	6,725,634	0.55%
Dominican Sisters of Ontario, Inc.	4,792,560	0.39%
<u>Public utilities</u>		
Idaho Power Co.	51,843,964	4.21%
Malheur Home Telephone Co.	19,082,415	1.55%
Pacificorp (PP&L)	9,758,988	0.79%
Cascade Natural Gas Corp.	4,830,992	0.39%
<u>All other taxpayers</u>	970,175,820	78.79%
	<u>\$ 1,231,269,566</u>	100.00%

TREASURE VALLEY COMMUNITY COLLEGE
 Ontario, Malheur County, Oregon
CONTINUING DISCLOSURE REQUIREMENTS FOR BONDED DEBT
 For the year Ended
 June 30, 2003

Summary of General Fund Oregon State Revenue:

	State Sources	State Sources as % of Total Revenues	Total Revenues
2002-03	\$ 6,122,952	34.29%	\$ 17,855,951

Computation of legal debt margin:

Real market value	\$ 1,697,594,790
Allowable proportion	0.015
Debt limit: 1.5% of real market value (1)	<u>25,463,922</u>
 Amount of debt applicable to debt limit	
Bonded debt	12,326,480
Less: amount available in debt service funds	-
Amount of debt applicable to debt limit	<u>12,326,480</u>
 Legal debt margin	<u>\$ 13,137,442</u>

(1) ORS 341.675 establishes a parameter of bonded indebtedness for community college districts. The aggregate amount of such district bonded indebtedness shall not exceed one and one-half percent (.015) of the real market value of all taxable property within the district, computed in accordance with ORS 308.207.