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INDEPENDENT AUDITOR'S REPORT

UNQUALIFIED OPINION ON THE BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION - SINGLE AUDIT-
GOVERNMENTAL ENTITY

The Board of Trustees
Trinity Valley Community College
100 Cardinal Drive
Athens, Texas 75751

Members of the Board of Trustees:

We have audited the accompanying financial statements of Trinity Valley Community College, a special purpose government engaged only in business - type activities, as of and for the year ended August 31, 2005, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Trinity Valley Community College's administration. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the related compliance supplement; and State of Texas Single Audit Circular. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business - type activities, of Trinity Valley Community College as of August 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying "Management's Discussion and Analysis" is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required 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 our report dated November 11, 2005 on our consideration of Trinity 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 Trinity Valley Community College's basic financial statements. The accompanying schedule of expenditures of federal awards and expenditures of state awards are 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 State of Texas Single Audit Circular, and are not required parts of the basic financial statements. Other schedules as listed in the table of contents are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for Statistical Supplements marked UNAUDITED and on which we express no opinion, 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.

Smith, Lambright & Associates, P.C.

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Certified Public Accountants

November 18, 2005