

**BELMONT TECHNICAL COLLEGE**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2001**





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Board of Trustees  
Belmont Technical College

We have reviewed the Independent Auditor's Report of the Belmont Technical College, Belmont County, prepared by Rea & Associates, Inc. for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Belmont Technical College is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

December 21, 2001

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**BELMONT TECHNICAL COLLEGE  
ST CLAIRSVILLE, OHIO**

**TABLE OF CONTENTS**

<i><b>TITLE</b></i>	<i><b>PAGE</b></i>
Independent Auditor's Report .....	1
Balance Sheet .....	2-3
Statement of Changes in Fund Balances .....	4-6
Statement of Current Fund's Revenue, Expenditures and Other Changes .....	7-8
Notes to the Financial Statements .....	9-20
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	21
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	22-23
Schedule of Expenditures of Federal Awards .....	24
Schedule of Findings and Questioned Costs .....	25
Schedule of Prior Audit Findings.....	26

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 28, 2001

The Board of Trustees  
Belmont Technical College  
120 Fox-Shannon Place  
St. Clairsville, Ohio 43950

## **Independent Auditor's Report**

We have audited the accompanying Balance Sheet of Belmont Technical College (the College), Belmont County, Ohio, as of and for the year ended June 30, 2001, and the related statements of Changes in Fund Balances and Current Funds' Revenue, Expenditures and Other Changes, as listed in the table of contents. These financial statements are the responsibility of the College's 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Belmont Technical College as of June 30, 2001, and the Changes in Fund Balances and its Current Funds' Revenue, Expenditures and Other Changes for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 30, 2001 on our consideration of Belmont Technical 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.

*Rea & Associates, Inc.*

**BELMONT TECHNICAL COLLEGE**  
**Belmont County**  
**Balance Sheet**  
**As of June 30, 2001**

**CURRENT FUNDS**

	<b>Unrestricted Educational and General</b>	<b>Unrestricted Auxiliary</b>	<b>Total Unrestricted</b>	<b>Restricted</b>	<b>Total Current</b>
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 500,024	\$ 65,072	\$ 565,096	\$ 500	\$ 565,596
Investments	3,412,034	0	3,412,034	28,004	3,440,038
Accounts Receivable (Net)	897,535	0	897,535	41,771	939,306
Accounts Receivable - Vendors	0	48,778	48,778	0	48,778
EDPS Funds Receivable	0	0	0	9,554	9,554
Inventory Held for Resale	0	136,625	136,625	0	136,625
Prepaid Expenses	2,218	0	2,218	0	2,218
Receivable from Current Restricted Fund	500	0	500	0	500
Receivable from Current Unrestricted Fund	0	671,850	671,850	310,313	982,163
Receivable from Unexpended Plant Fund	0	0	0	0	0
Interest Receivable	0	0	0	0	0
<b>Fixed Assets:</b>					
Improvements	0	0	0	0	0
Buildings	0	0	0	0	0
Land	0	0	0	0	0
Equipment and Furniture	0	0	0	0	0
<b>Total Assets</b>	<b>4,812,311</b>	<b>922,325</b>	<b>5,734,636</b>	<b>390,142</b>	<b>6,124,778</b>
<b>Liabilities:</b>					
Accrued Liabilities	259,452	6,308	265,760	0	265,760
Compensated Absences Payable	259,277	2,193	261,470	0	261,470
Deferred Income	627,174	0	627,174	0	627,174
Payable to Auxiliary Fund	671,850	0	671,850	0	671,850
Payable to Current Unrestricted Fund	0	0	0	500	500
Payable to Current Restricted Fund	310,313	0	310,313	0	310,313
Payable to Plant Repair and Replacement Fund	302,117	0	302,117	0	302,117
<b>Total Liabilities</b>	<b>2,430,183</b>	<b>8,501</b>	<b>2,438,684</b>	<b>500</b>	<b>2,439,184</b>
<b>Fund Equity:</b>					
<b>Fund Balance:</b>					
Appropriated	451,092	654	451,746	6,905	458,651
Unappropriated	1,931,036	913,170	2,844,206	382,737	3,226,943
<b>Total Fund Equity</b>	<b>2,382,128</b>	<b>913,824</b>	<b>3,295,952</b>	<b>389,642</b>	<b>3,685,594</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 4,812,311</b>	<b>\$ 922,325</b>	<b>\$ 5,734,636</b>	<b>\$ 390,142</b>	<b>\$ 6,124,778</b>

The notes to the financial statements are an integral part of this statement.

**PLANT FUNDS**

<b>Endowment Fund</b>	<b>Unexpended Plant</b>	<b>Investment in Plant</b>	<b>Renewal &amp; Replacement</b>	<b>Total Plant</b>	<b>Totals (Memorandum Only)</b>
\$ 1,447	\$ 8,522	\$ 0	\$ 0	\$ 8,522	\$ 575,565
111,686	351,955	0	0	351,955	3,903,679
0	0	0	0	0	939,306
0	0	0	0	0	48,778
0	0	0	0	0	9,554
0	0	0	0	0	136,625
0	0	0	0	0	2,218
0	0	0	0	0	500
0	0	0	302,117	302,117	1,284,280
0	0	0	1,356	1,356	1,356
1,168	375	0	0	375	1,543
0	0	1,049,300	0	1,049,300	1,049,300
0	0	5,394,726	0	5,394,726	5,394,726
0	0	276,000	0	276,000	276,000
0	0	3,558,979	0	3,558,979	3,558,979
<u>114,301</u>	<u>360,852</u>	<u>10,279,005</u>	<u>303,473</u>	<u>10,943,330</u>	<u>17,182,409</u>
0	0	0	0	0	265,760
0	0	0	0	0	261,470
0	0	0	0	0	627,174
0	0	0	0	0	671,850
0	0	0	0	0	500
0	0	0	0	0	310,313
0	1,356	0	0	1,356	303,473
<u>0</u>	<u>1,356</u>	<u>0</u>	<u>0</u>	<u>1,356</u>	<u>2,440,540</u>
0	0	0	0	0	458,651
<u>114,301</u>	<u>359,496</u>	<u>10,279,005</u>	<u>303,473</u>	<u>10,941,974</u>	<u>14,283,218</u>
<u>114,301</u>	<u>359,496</u>	<u>10,279,005</u>	<u>303,473</u>	<u>10,941,974</u>	<u>14,741,869</u>
<u>\$ 114,301</u>	<u>\$ 360,852</u>	<u>\$ 10,279,005</u>	<u>\$ 303,473</u>	<u>\$ 10,943,330</u>	<u>\$ 17,182,409</u>

**BELMONT TECHNICAL COLLEGE**  
**Belmont County**  
*Statement of Changes in Fund Balances*  
**For the Fiscal Year Ending June 30, 2001**

	<b>Current Funds</b>			
	<b>Current Unrestricted Fund</b>			
	<b>Educational and General</b>		<b>Auxiliary Enterprises</b>	
	<b>Unappropriated</b>	<b>Appropriated</b>	<b>Unappropriated</b>	<b>Appropriated</b>
<b>Revenue and Other Additions:</b>				
Unrestricted Revenue	\$ 8,510,610	\$ 0	\$ 717,467	\$ 0
Federal Grants and Contracts	0	0	0	0
State Appropriations	0	0	0	0
State Grants and Contracts	0	0	0	0
Private Gifts, Grants, and Contracts	0	0	0	0
Investment Income	0	0	0	0
Expended for Plant Facilities (including \$45,352 charged to Current Fund Expenditures)	0	0	0	0
<b>Total Revenue and Other Additions</b>	<b>8,510,610</b>	<b>0</b>	<b>717,467</b>	<b>0</b>
<b>Expenditures and Other Deductions:</b>				
Educational and General Expenditures	7,711,442	94,973	0	0
Auxiliary Enterprises Expenditures	0	0	590,992	0
<b>Total Expenditures and Other Deductions</b>	<b>7,711,442</b>	<b>94,973</b>	<b>590,992</b>	<b>0</b>
<b>Nonmandatory Transfers and Other</b>				
<b>Additions (Deductions):</b>				
Reserve for Encumbrances	(112,670)	112,670	(654)	654
Board Appropriations Start Up Fund	(12,000)	12,000	0	0
Board Appropriations Capital Equipment	(210,928)	210,928	0	0
<b>Total Nonmandatory Transfers</b>	<b>(335,598)</b>	<b>335,598</b>	<b>(654)</b>	<b>654</b>
<b>Net Increase (Decrease) for the Year</b>	<b>463,570</b>	<b>240,625</b>	<b>125,821</b>	<b>654</b>
<b>Fund Balance at Beginning of Year - Restated</b>	<b>1,467,466</b>	<b>210,467</b>	<b>787,349</b>	<b>0</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,931,036</b>	<b>\$ 451,092</b>	<b>\$ 913,170</b>	<b>\$ 654</b>

The notes to the financial statements are an integral part of this statement.

**Current Funds**

<b>Total Unrestricted</b>	<b>Current Restricted Fund</b>		<b>Total Restricted</b>	<b>Total Current Funds</b>	<b>Endowment Fund</b>
	<b>Unappropriated</b>	<b>Appropriated</b>			
\$ 9,228,077	\$ 0	\$ 0	\$ 0	\$ 9,228,077	\$ 0
0	1,643,649	0	1,643,649	1,643,649	0
0	0	0	0	0	0
0	493,601	0	493,601	493,601	0
0	12,725	0	12,725	12,725	9,419
0	0	0	0	0	4,879
0	0	0	0	0	0
<u>9,228,077</u>	<u>2,149,975</u>	<u>0</u>	<u>2,149,975</u>	<u>11,378,052</u>	<u>14,298</u>
7,806,415	2,158,961	0	2,158,961	9,965,376	24,162
<u>590,992</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>590,992</u>	<u>0</u>
<u>8,397,407</u>	<u>2,158,961</u>	<u>0</u>	<u>2,158,961</u>	<u>10,556,368</u>	<u>24,162</u>
0	(6,905)	6,905	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	(6,905)	6,905	0	0	0
830,670	(15,891)	6,905	(8,986)	821,684	(9,864)
<u>2,465,282</u>	<u>398,628</u>	<u>0</u>	<u>398,628</u>	<u>2,863,910</u>	<u>124,165</u>
<u>\$ 3,295,952</u>	<u>\$ 382,737</u>	<u>\$ 6,905</u>	<u>\$ 389,642</u>	<u>\$ 3,685,594</u>	<u>\$ 114,301</u>

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**BELMONT TECHNICAL COLLEGE**  
**Belmont County**  
*Statement of Changes in Fund Balances (Continued)*  
**For the Fiscal Year Ending June 30, 2000**

	<b>Plant Funds</b>			<b>Total Plant Fund</b>	<b>Total All Funds</b>
	<b>Unexpended</b>	<b>Investment in Plant</b>	<b>Renewals and Replacements</b>		
<b>Revenue and Other Additions:</b>					
Unrestricted Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,228,077
Federal Grants and Contracts	0	0	0	0	1,643,649
State Appropriations	188,775	0	0	188,775	188,775
State Grants and Contracts	0	0	0	0	493,601
Private Gifts, Grants, and Contracts	0	0	0	0	22,144
Investment Income	33,291	0	0	33,291	38,170
Expended for Plant Facilities (including \$65,217 charged to Current Fund Expenditures)	0	340,217	0	340,217	340,217
<b>Total Revenue and Other Additions</b>	<b>222,066</b>	<b>340,217</b>	<b>0</b>	<b>562,283</b>	<b>11,954,633</b>
<b>Expenditures and Other Deductions:</b>					
Educational and General Expenditures	277,356	24,477	10,913	312,746	10,302,284
Auxiliary Enterprises Expenditures	0	0	0	0	590,992
<b>Total Expenditures and Other Deductions</b>	<b>277,356</b>	<b>24,477</b>	<b>10,913</b>	<b>312,746</b>	<b>10,893,276</b>
<b>Nonmandatory Transfers and Other Additions (Deductions):</b>					
Reserve for Encumbrances	0	0	0	0	0
Board Appropriations	0	0	0	0	0
Board Appropriations Start Up Fund	0	0	0	0	0
<b>Total Nonmandatory Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Increase (Decrease) for the Year</b>	<b>(55,290)</b>	<b>315,740</b>	<b>(10,913)</b>	<b>249,537</b>	<b>1,061,357</b>
<b>Fund Balance at Beginning of Year-Restated</b>	<b>414,786</b>	<b>9,963,265</b>	<b>314,386</b>	<b>10,692,437</b>	<b>13,680,512</b>
<b>Fund Balance at End of Year</b>	<b>\$ 359,496</b>	<b>\$ 10,279,005</b>	<b>\$ 303,473</b>	<b>\$ 10,941,974</b>	<b>\$ 14,741,869</b>

**The notes to the financial statements are an integral part of this statement.**

**BELMONT TECHNICAL COLLEGE**

Belmont County

*Statement of Current Fund Revenues, Expenditures, and Other Changes*

For the Fiscal Year Ending June 30, 2001

	Current Unrestricted Fund				Total Unrestricted
	Educational and General		Auxiliary Enterprises		
	Unappropriated	Appropriated	Unappropriated	Appropriated	
<b>Revenue:</b>					
Tuition and Fees	\$ 3,056,884	\$ 0	\$ 0	\$ 0	\$ 3,056,884
State Appropriations	5,152,382	0	0	0	5,152,382
State Grants and Contracts	19,157	0	0	0	19,157
Federal Grants and Contracts	2,592	0	0	0	2,592
Sales and Services	0	0	717,467	0	717,467
Other Sources	279,595	0	0	0	279,595
<i>Total Revenues</i>	<u>8,510,610</u>	<u>0</u>	<u>717,467</u>	<u>0</u>	<u>9,228,077</u>
<b>Expenditures:</b>					
Educational and General					
Instructional	3,162,243	81,449	0	0	3,243,692
Public Service	14,211	0	0	0	14,211
Academic Support	1,104,375	0	0	0	1,104,375
Student Services	1,050,990	0	0	0	1,050,990
Institutional Support	1,204,712	2,170	0	0	1,206,882
Operation and Maintenance of Plant	744,660	11,354	0	0	756,014
Scholarships and Grants	430,251	0	0	0	430,251
<i>Total Educational and General</i>	<u>7,711,442</u>	<u>94,973</u>	<u>0</u>	<u>0</u>	<u>7,806,415</u>
Auxiliary Enterprises					
	<u>0</u>	<u>0</u>	<u>590,992</u>	<u>0</u>	<u>590,992</u>
<i>Total Expenditures</i>	<u>7,711,442</u>	<u>94,973</u>	<u>590,992</u>	<u>0</u>	<u>8,397,407</u>
<b>Nonmandatory Transfers and Other Additions (Deductions):</b>					
Reserve for Encumbrances	(112,670)	112,670	(654)	654	0
Board Appropriations Start Up Fund	(12,000)	12,000	0	0	0
Board Appropriations Capital Equipment	(210,928)	210,928	0	0	0
Excess Transfers from Revenue over Restricted Receipts	0	0	0	0	0
<i>Total Transfers</i>	<u>(335,598)</u>	<u>335,598</u>	<u>(654)</u>	<u>654</u>	<u>0</u>
<b>Net Increase(Decrease) in Fund Balance</b>	<u>\$ 463,570</u>	<u>\$ 240,625</u>	<u>\$ 125,821</u>	<u>\$ 654</u>	<u>\$ 830,670</u>

The notes to the financial statements are an integral part of this statement.

<u>Current Restricted Fund</u>		<u>Total Restricted</u>	<u>Total Current Fund</u>
<u>Unappropriated</u>	<u>Appropriated</u>		
\$ 0	\$ 0	\$ 0	\$ 3,056,884
0	0	0	5,152,382
492,324	0	492,324	511,481
1,633,191	0	1,633,191	1,635,783
0	0	0	717,467
33,445	0	33,445	313,040
<u>2,158,960</u>	<u>0</u>	<u>2,158,960</u>	<u>11,387,037</u>
1,875	0	1,875	3,245,567
201,123	0	201,123	215,334
247,977	0	247,977	1,352,352
137,054	0	137,054	1,188,044
63,942	0	63,942	1,270,824
0	0	0	756,014
1,506,990	0	1,506,990	1,937,241
<u>2,158,961</u>	<u>0</u>	<u>2,158,961</u>	<u>9,965,376</u>
0	0	0	590,992
<u>2,158,961</u>	<u>0</u>	<u>2,158,961</u>	<u>10,556,368</u>
(6,905)	6,905	0	0
0	0	0	0
0	0	0	0
(8,985)	0	(8,985)	(8,985)
<u>(15,890)</u>	<u>6,905</u>	<u>(8,985)</u>	<u>(8,985)</u>
<u>\$ (15,891)</u>	<u>\$ 6,905</u>	<u>\$ (8,986)</u>	<u>\$ 821,684</u>

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY**

Belmont Technical College is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and the laws of the State of Ohio. Belmont Technical College is a technical college as defined by Section 3357.01 of the Ohio Revised Code. The College operates under an appointed Board of Trustees.

Management believes the financial statements included in this report represent all of the funds of the College over which the College has the ability to exercise direct operating control.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting and Presentation**

The financial statements of the College have been prepared on the accrual basis and in accordance with generally accepted accounting principles and the principles of fund accounting for educational institutions. Fund accounting is a concept in which legal and other restraints require the recording of specific receipts and disbursements in separate funds according to those restrictions. For reporting purposes, funds with similar characteristics are combined into fund groups, and financial transactions are recorded and reported by such fund groups.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from internally designated and unrestricted funds. Restricted funds may only be utilized in accordance with the purpose established by the source of such funds. Internally designated funds are restricted funds that, at the discretion of the Board of Trustees, have been designated for specific purposes.

Unrestricted and internally designated funds are accounted for initially in the unrestricted current fund group, and then in the fund group designated by the Board of Trustees. Restricted revenues are accounted for in the appropriate restricted fund and are reported as revenues when utilized for current operating purposes. All gains and losses arising from the sale, collection or other disposition of investments and non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables and the like is accounted for in the fund owning such assets.

To the extent current funds are used to finance long term assets, the amounts so provided are accounted for as expenditures in the case of normal replacement of equipment, library books and furniture.

**B. Fund Groups**

For financial statement presentation purposes, the various funds of the College are grouped into the following generic fund types.

*Current Fund – Unrestricted:* The Unrestricted Current Fund includes resources to be used for the primary operation of the College and have not yet been restricted by the Board of Trustees for other purposes. The fund is used to account for transactions relating to the primary and supporting objectives of the College. Included in this fund group is the Auxiliary Fund, which is used to account for transactions relating to the College's bookstore.

## BELMONT TECHNICAL COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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*Current Fund – Restricted:* The Restricted Current Fund accounts for resources that are available to finance current operations of the College but whose use has been restricted by donors and other external agencies to the specific activity for which they can be expended.

Nonexchange transactions, in which the District receives value without directly giving equal value in return includes grants, entitlements and donations. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements in which the College must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the College on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Pell Grant monies received by the College on behalf of eligible students are used by the students to pay tuition and other educational expenses. When Pell Grant monies are received from the federal government, they are recorded as Educational and General Restricted income. Awarded amounts are then applied against each student's account receivable balance. Amounts in excess of the student's receivable balance are paid directly to the student. Awarded amounts are recorded as expenses of the Restricted Fund.

*Endowment Fund:* The Endowment Fund is used to account for resources with respect to which donors or other outside agencies have stipulated as a condition of the gift or donation, that the principal is to be maintained indefinitely and invested for the purpose of producing income which may either be expended for the stipulated purpose or added to the principal.

*Plant Funds:* The Plant Funds are used to record transactions relating to the College's plant assets. The Plant Fund group is comprised of three self-balancing funds. They are:

- (1) *Renewals and Replacement Fund:* This fund is used to account for resources set aside for renewal and the replacement (improvement) of the College's fixed assets.
- (2) *Investment in Plant Fund:* This fund is used to account for resources expended, and thus invested, in the fixed assets of the College.
- (3) *Unexpended Plant Funds:* This fund is used to account for the Capital Component Subsidy certificate of deposit and related interest earnings.

#### **C. Budgetary Process**

The budget is an annual plan for the financial operations of the College that establishes a basis of control and evaluation of activities financed through the current funds of the College. Formal adoption of the budget into the accounting records is not legally mandated and thus, the College does not integrate the budget into its accounts.

## BELMONT TECHNICAL COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

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#### *Appropriations:*

To provide control over expenditures, a budget is prepared by the Vice President of Administrative Services with input from other administrative deans and presented to the Board of Trustees for their approval near the beginning of the fiscal year. To account for major developments that occur during the first six months, a revised budget may be prepared and presented to the Board for their approval in January of the same fiscal year.

#### *Encumbrances:*

The College utilized an encumbrance system of accounting to record outstanding purchase orders and other commitments for materials or services as a measure of budgetary control over appropriations. At the end of the reporting period, amounts encumbered are reported as appropriated fund balance.

#### **D. Cash and Cash Equivalents**

To improve cash management, cash received by the College is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the College's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

#### **E. Short-Term Investments**

In accordance with the *Policies of the Board of Trustees of Belmont Technical College*, the Vice President of Administrative Services is authorized to invest temporary idle funds of the College in federally insured financial institutions within the College district and in issues of the United States Treasury.

Investments, when purchased, are stated at cost and, if received through gift, at market value at the date of gift if a market value is available.

For financial statement presentation purposes, any investment with a maturity date of greater than six months but less than twenty-four months at acquisition is considered a short-term investment. During fiscal year 2001, the College's investments were limited to certificates of deposit.

#### **F. Inventory**

Inventory balances recorded in the Auxiliary Enterprise Fund are stated at historical cost under the first-in, first-out cost flow assumption method.

#### **G. Property, Plant and Equipment**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in the Current Unrestricted Fund or Plant Fund, and the related assets are reported in the Plant Fund. Property, plant and equipment are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The College maintains a capitalization threshold of two thousand dollars. The College follows the general educational practice of not providing for depreciation.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized.

**H. Allowance for Doubtful Accounts**

The allowance account is determined by a percentage of year-end accounts receivable balance.

**I. Compensated Absences**

The College has adopted GASB No. 16.

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of these conditions are met:

- a. The employee's right to receive compensation is attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability sick leave and other compensated absences with similar characteristics (hereinafter referred to as "sick leave") should be accrued using one of the following termination approaches:

- a. The sick leave liability generally would be an estimate based on governmental entity's past experience of making termination payments for sick leave, adjusted for the effects of changes in its termination payment policy and other current factors. This approach is known as the termination payment method.
- b. The sick leave liability would be an accrual for those employees expected to become eligible in the near future based on assumptions concerning the probability that individual employees or classes or groups of employees will become eligible to receive termination benefits. This accumulation should be reduced to the maximum amount allowed as a termination benefit. This approach is known as the vesting method.

For sick leave liability, the College uses the vesting method. The College posts a liability for any employee within five years of retirement. These accumulations are reduced to the maximum amount allowed as a termination payment.

**J. Financial Statement**

The "Statement of Current Funds Revenues, Expenditures and Other Changes" is a statement of financial activity of current funds related to the current reporting period. This statement is presented in two sections to separately account for unrestricted funds over which the Board has full control as to the use in achieving any of its institutional purposes, in contrast to restricted current funds, whose use is limited to specific activities or objectives. Unrestricted revenues reported in this statement represent funds available for current operating needs, while restricted revenues represent only those funds utilized to meet current year expenditures. Certain other current fund expendable resources received during the year will be reported as revenues when expended in future periods in accordance with their terms.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**K. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**L. Deferred Revenue**

Deferred revenue is tuition revenue received for summer and fall quarters in which the majority of the quarter falls outside the Balance Sheet date.

**M. Total Columns**

Total columns on the financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3: CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENTS**

For fiscal year 2001, the College has implemented GASB Statement No. 33, "Accounting for Financial Reporting for Nonexchange Transactions." The statement established accounting and reporting guidelines for governments' decisions about when (in the fiscal year) to report the results of nonexchange transactions involving cash and other financial and capital resources. The implementation of GASB Statement No. 33 did not have a material effect on fund balance/retained earnings as it was previously reported as of June 30, 2000.

Liabilities in Current Funds were overstated on the Balance Sheet in prior years due to accounting errors, which resulted in beginning fund balances at July 1, 2000 being understated by \$360,546.

To record the affect of the errors in prior years, the beginning balances have been restated as follows:

**Statement of Changes in Fund Balances - Restated Fund Balances**

	Previously Stated Balance <u>6/30/00</u>	<u>Adjustments</u>	Restated Balance <u>7/1/00</u>
Current Funds:			
Unrestricted:			
Unappropriated Educational and General	\$ 1,106,920	\$ 360,546	\$ 1,467,466

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**NOTE 4 – DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the College into three categories.

Active deposits are public deposits necessary to meet current demand on the treasury. Such monies must be maintained either as cash in the College treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Trustees has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation or depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts including passbook accounts.

Protection of the College's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the College, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand:** At year end, the College had \$865 in undeposited cash on hand, which is included in the balance sheet of the College as part of "equity in pooled cash and cash equivalents."

The following information classified deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits.** At year end, the carrying amount of the College's deposits was \$4,478,379 and the bank balance was \$4,861,691. Of the bank balance:

1. \$384,771 was covered by federal depository insurance; and
2. \$4,476,920 was uninsured and uncollateralized. Although the collateral for the securities was held by the pledging financial institutions' trust department in the College's name and all state statutory requirements for the deposit of money had been followed, non-compliance with Federal requirements would potentially subject the College to a successful claim by the Federal Deposit Insurance Corporation.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

A reconciliation between the classifications of cash and cash equivalents and investment on the financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash <u>Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 575,565	\$ 3,903,679
Cash on Hand	(865)	0
Investments:		
Certificates of Deposit	<u>3,903,679</u>	<u>(3,903,679)</u>
Total GASB Statement 3	<u>\$ 4,478,379</u>	<u>\$ 0</u>

**NOTE 5 – STATE SUPPORT**

The College is a state-assisted institution of higher education which receives a student-based subsidy from the State of Ohio. This subsidy is determined annually based on a formula devised by the Ohio Board of Regents.

In addition to the student subsidies, the State of Ohio provides the funding for the construction of major plant facilities on the College's campus. The funding is obtained from the issuance of special obligation bonds issued by the Ohio Public Facilities Commission (OPFC), which proceeds in turn causes the construction of subsequent lease of the facility to the Ohio Board of Regents. Upon completion of a facility, the Board of Regents turns over control to the College, which capitalizes the cost thereof.

Neither the obligation for special obligation bonds issued by OPFC, nor the annual debt service charges for principal and interest on the bonds are reflected in the College's financial statements. These costs are currently being funded through appropriations to the Board of Regents by the General Assembly.

The facilities are not pledged as collateral for the special obligation bonds. Instead, the bonds are supported by a pledge of monies in the Higher Education Bond Service Fund established in the custody of the Treasurer of State. If sufficient monies are not available from this fund, a pledge exists to assess a special student fee uniformly applicable to students in the state-assisted institutions of higher education throughout the state.

- A. Construction in progress for any portion of the facilities being financed by state agencies for use by the College should be recorded on the College's books of account until such time as the facility is completed.
- B. Outstanding debt issued by OPFC is not included on the College's balance sheet. In addition, the appropriations by the General Assembly to the Board of Regents for payment of debt service are not reflected as appropriation revenue received by the College, and the related debt service payments are not recorded in the College's accounts.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE 6 – RECEIVABLES**

Receivables at June 30, 2001 consisted of accounts (student fees), interfund receivables and interest.

**NOTE 7 – FIXED ASSETS**

A summary of the changes in Plant Fund fixed assets during fiscal year 2001 follows:

<b><u>Asset Category</u></b>	<b><u>Balance at 07/01/2000</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance at 06/30/2001</u></b>
Land	\$ 1,000	\$ 275,000	\$ 0	\$ 276,000
Buildings	5,394,726	0	0	5,394,726
Improvements other than buildings	1,151,151	0	(101,851)	1,049,300
Equipment, furniture and library books	<u>3,416,388</u>	<u>142,591</u>	<u>0</u>	<u>3,558,979</u>
Total	<u>\$ 9,963,265</u>	<u>\$ 417,591</u>	<u>\$ (101,851)</u>	<u>\$ 10,279,005</u>

**NOTE 8 – RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the College contracted with Travelers Insurance Company for commercial property insurance. The policy includes a \$1,000 deductible.

Professional and general liability is protected by Travelers Insurance Company with a \$5,000,000 single occurrence limit and no deductible. Vehicles are covered by Travelers Insurance Company and hold a \$100 deductible for comprehensive and a \$100 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

The College pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The College contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the College is required to contribute 14 percent; 10.5 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The College's contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$179,182, \$178,991, and \$170,021, respectively, equal to the required contributions for each year.

**B. State Teachers Retirement System**

The College contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

Plan members are required to contribute 9.3 percent of their annual covered salary and the College is required to contribute 14 percent; 10.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The College's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$461,953, \$478,853, and \$481,222, respectively. 100 percent has been contributed for the fiscal years 2001, 2000 and 1999.

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

The College provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-exempt employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicate premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the College, this amount equaled \$149,739 during the 2001 fiscal year. As of July 1, 2000, eligible benefit recipients totaled \$99,011. For the fiscal year ended June 30, 2000, the most current information available, net health care costs paid by STRS were \$283,137,000 statewide.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service, up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge added to the unallocated portion of the 14 percent employer contribution rate provides for the maintenance of asset target level for the health care fund. For the College, the amount to fund health care benefits, including the surcharge, equaled \$53,883 during the 2001 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 2000, the most current information available, net health care costs paid by SERS were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, the retirement system's net assets available for payment of health care benefits was \$252.3 million.

**NOTE 11 – EMPLOYEE BENEFITS**

**Other Insurance**

The College contracts with a local health management organization, Health Assurance HMO and Health Assurance PPO, for hospitalization and major medical insurance for all employees. The College pays monthly premiums of up to \$663.78 for family coverage and up to \$265.47 for individual coverage. Premiums are paid from the same funds that pay the employees' salaries.

**BELMONT TECHNICAL COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

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**NOTE 12 – INTER-FUND TRANSACTIONS**

As of June 30, 2001, inter-fund receivables/payables that resulted from cash advances to cover negative cash balances for GAAP reporting purposes were as follows:

<u>Fund Type/Fund</u>	<u>Advances Due From Other Funds</u>	<u>Advances Due to Other Funds</u>
Current Unrestricted:		
Educational and General	\$ 500	\$ 1,284,280
Auxiliary	671,850	0
Current restricted	310,313	500
Plant Funds:		
Unexpended	0	1,356
Replacement	<u>303,473</u>	<u>0</u>
Total All Funds	<u>\$ 1,286,136</u>	<u>\$ 1,286,136</u>

**NOTE 13 – CONTINGENCIES**

**A. Grants**

The College received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Current Unrestricted Educational and General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the College at June 30, 2001.

**B. Litigation**

The College is currently not party to any legal proceedings.

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

September 28, 2001

The Board of Trustees  
Belmont Technical College  
St. Clairsville, Ohio 43950

## **Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

We have audited the financial statements of Belmont Technical College as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Belmont Technical College's 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Belmont Technical College in a separate letter dated September 28, 2001.

### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered Belmont Technical College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 the internal control over financial reporting 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 general purpose 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Belmont Technical College in a separate letter dated September 28, 2001.

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

*Rea & Associates, Inc.*

# Rea & Associates, Inc.

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ACCOUNTANTS AND BUSINESS CONSULTANTS

September 28, 2001

The Board of Trustees  
Belmont Technical College  
St. Clairsville, Ohio 43950

**Report on Compliance with Requirements Applicable to Each Major  
Program and Internal Control Over Compliance in  
Accordance with OMB Circular A-133**

## **Compliance**

We have audited the compliance of Belmont Technical College with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. Belmont Technical College's major federal program is 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 Belmont Technical College's management. Our responsibility is to express an opinion on Belmont Technical College's compliance based on our audit.

We conducted our audit of compliance with those requirements 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 Circulars 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 Belmont Technical 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 Belmont Technical College's compliance with those requirements.

In our opinion, Belmont Technical 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, 2001.

### **Internal Control Over Compliance**

The management of Belmont Technical 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 Belmont Technical 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 the 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.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of Belmont Technical College as of and for the year ended June 30, 2001, and have issued our report thereon dated September 28, 2001. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements of Belmont Technical College. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

*Rea & Associates, Inc.*

**BELMONT TECHNICAL COLLEGE**  
*Belmont County*  
**Schedule of Federal Awards Expenditures**  
*for the Fiscal Year Ended June 30, 2001*

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Disbursements</u>
<b><u>U.S. Department of Education</u></b>		
<i>Student Financial Assistance Cluster:</i>		
Federal Family Education Loan Program (See Note A)	84.032	\$ 768,235
Federal Pell Grant Program (See Note B)	84.063	1,484,723
Federal Work Study	84.033	<u>19,649</u>
Total Student Financial Assistance Cluster		2,272,607
<i>Passed through Ohio Department of Education:</i>		
Vocational Education Basic Grant	84.048	<u>74,591</u>
<b>Total U.S. Department of Education</b>		2,347,198
<b><u>U.S. Department of Agriculture</u></b>		
<i>Passed through the Ohio Department of Education:</i>		
Child Care Food Program	10.558	<u>2,592</u>
<b>Total Federal Financial Assistance</b>		<u><u>\$ 2,349,790</u></u>

**Note A - Guaranteed Student Loans**

For the fiscal year 2000 - 2001, the College certified need for \$768,234.91 in Guaranteed Student Loans and Supplemental Loans.

**Note B - Pell Distribution**

Pell Grant money distributed to the College's Unrestricted and Auxiliary Funds for tuition and fees was \$676,049.41 and the balance distributed to students was \$808,673.79.

**Note C - Significant Accounting Policies**

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the College's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**BELMONT TECHNICAL COLLEGE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133, SECTION .505  
JUNE 30, 2001**

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Section .510?	No
(d)(1)(vii)	Major Programs (list):	Student Financial Assistance Cluster: CFDA #84.063, 84.033, 84.032
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

**None.**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None.**

**BELMONT TECHNICAL COLLEGE**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**JUNE 30, 2001**

Finding Number	Finding Summary	Fully Corrected	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
1999-71007-001	Fixed Asset Subsidiary Ledger	Partial	The College hired Valuation Engineers, Inc. to do an appraisal of fixed assets and prepare a fixed asset listing for the College. College officials are in the process of reviewing this information for accuracy and completeness to determine what categories and amounts will require adjustment in FY 2002, the first year of GASB 34 implementation.





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**BELMONT TECHNICAL COLLEGE**

**BELMONT COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 3, 2002**