

Belmont Technical College
Audited Financial Statements

June 30, 2009



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Belmont Technical College, Belmont County, prepared by Rea & Associates, Inc. for the audit period July 1, 2008 through June 30, 2009. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 11, 2010

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**BELMONT TECHNICAL COLLEGE
ST CLAIRSVILLE, OHIO**

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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

December 9, 2009

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

Independent Auditor's Report

We have audited the accompanying financial statements of Belmont Technical College (the College), Belmont County, Ohio, and the discretely presented component unit, as of and for the year ended June 30, 2009, which collectively comprise the College's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express opinions on these basic 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2009 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 grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Board of Trustees
Belmont Technical College
Independent Auditor's Report

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audit 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.

Rea & Associates, Inc.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Belmont Technical College's financial statements provides an overview of the College's financial activities for the year ending June 30, 2009, with comparative information from fiscal year 2008. Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the preparers. The discussion and analysis contains financial activities of Belmont Technical College.

About Belmont Technical College

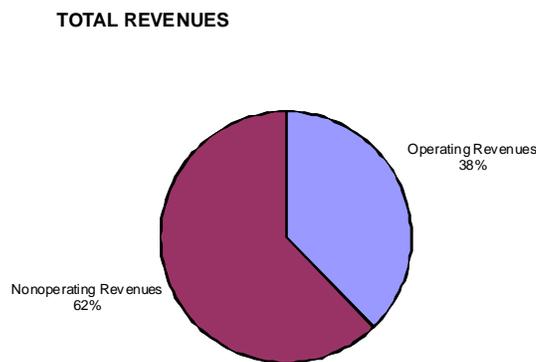
Belmont Technical College is a two year college offering programs in business, engineering, allied health, and public service technologies. The College was chartered in 1971, allowing it to serve the three county areas of Belmont, Harrison, and Monroe Counties.

Belmont Technical College is governed by a board of nine trustees. The Governor of Ohio appoints three members, and six members are elected by a caucus of the boards of education of the school districts in the three counties served by the College.

Financial Highlights

Belmont Technical College's financial position, as a whole, improved during the fiscal year ending June 30, 2009. Its combined net assets increased \$1,080,536 or 6.8% from the previous year.

The following chart provides a graphic breakdown of revenues by category for the fiscal year ending June 30, 2009:



In the fiscal year ending June 30, 2009, revenues and other support exceeded expenses, creating the increase in net assets of \$1,080,536 (compared to a \$931,661 increase last year).

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Using the Annual Report

This annual report consists of three basic financial statements, prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* (GASB 35). The Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, in a format similar to that used by corporations, provide information on the College as a whole and present a long-term view of the College’s finances. The following activities are included in the College’s basic financial statements:

- **Primary Institution (College):** Most of the programs and services generally associated with a university fall into this category, including instruction, research, public service, and support services.
- **Component Unit (Foundation):** The Foundation is a legally separate, tax-exempt organization supporting the College, is considered a component unit of the College, and is discretely presented in the College’s financial statements

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

One of the most important questions asked about the College’s finances is, “Is Belmont Technical College as a whole better off or worse off as a result of the year’s activities?” One key to answering this question is the financial statements of the College. The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information on the College as a whole and on its activities in a way that helps answer this question. When revenues and other support exceed expenses, the result is an increase in net assets. When the reverse occurs, the result is a decrease in net assets. The relationship between revenues and expenses may be thought of as Belmont Technical College’s operating results.

These two statements report Belmont Technical College’s net assets and changes in them. Belmont Technical College’s net asset amount (the difference between assets and liabilities) is one way to measure the College’s financial health, or financial position. Over time, increases or decreases in the College’s net assets are one indicator of whether its financial health is improving. However, several non-financial factors are relevant as well, such as the trend and quality of applicants, freshman class size, student retention, building condition, and campus safety, to assess the overall health of the College.

The Statement of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB 35 requires state appropriations to be classified as nonoperating revenues. Accordingly, the College will generate a net operating loss prior to the addition of nonoperating revenues. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they become due. The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital, financing and investing activities.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Notes to the Financial Statements provide additional details on the numbers in the financial statements. In addition to the Summary of Significant Accounting Policies, the report includes notes on capital assets, long-term debt, and operating expenses by natural classification.

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**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Condensed Financial Information

	<u>Statement of Net Assets</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Assets</u>			
Current Assets	\$ 12,812,028	\$ 11,711,387	\$ 10,459,717
Capital assets, net of accumulated depreciation	5,140,296	5,200,560	5,501,926
Other noncurrent assets	<u>124,594</u>	<u>107,092</u>	<u>103,153</u>
Total assets	<u>\$ 18,076,918</u>	<u>\$ 17,019,039</u>	<u>\$ 16,064,796</u>
<u>Liabilities</u>			
Current Liabilities	\$ 904,851	\$ 859,960	\$ 856,656
Noncurrent Liabilities	<u>137,785</u>	<u>205,334</u>	<u>185,856</u>
Total liabilities	<u>\$ 1,042,637</u>	<u>\$ 1,065,294</u>	<u>\$ 1,042,512</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	\$ 5,140,296	\$ 5,200,560	\$ 5,501,926
Restricted			
Nonexpendable	56,160	56,160	56,160
Expendable	2,792,171	2,283,713	1,768,747
Unrestricted	<u>9,045,654</u>	<u>8,413,312</u>	<u>7,695,451</u>
Total net assets	<u>17,034,281</u>	<u>15,935,745</u>	<u>15,022,284</u>
Total liabilities and net assets	<u>\$ 18,076,918</u>	<u>\$ 17,019,039</u>	<u>\$ 16,064,796</u>

A review of the College's statement of net assets at June 30, 2009 shows that the College continues to build a strong financial foundation.

Assets: As of June 30, 2009, the College's total assets amount to \$18,076,918. Investment in capital assets, net of depreciation, represented the College's largest asset, totaling \$5,140,296, or 28 percent, of total assets. Cash and cash equivalents represented \$356,807, or 2 percent, of total assets. Investments represented \$11,337,822, or 63 percent of the total assets.

Liabilities: At June 30, 2009, the College's liabilities totaled \$1,042,637. Current liabilities, including accounts payable, accrued vacation, sick leave, and deferred revenue, represented \$904,851 or 86 percent of total liabilities.

Net Assets: Net assets at June 30, 2009 totaled \$17,034,281, or 94 percent, of total assets. Net assets invested in capital assets totaled \$5,140,296, or 30 percent, of total net assets. Restricted and unrestricted net assets represented 17 percent and 53 percent of total net assets, respectively.

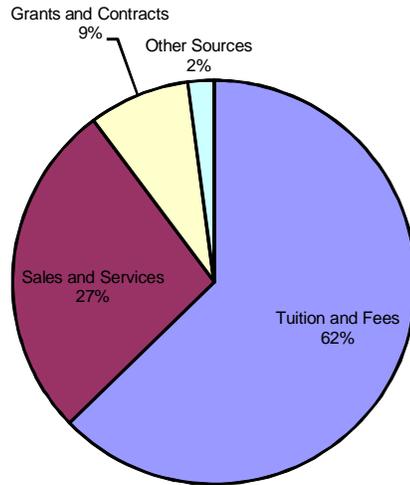
**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Statement of Revenues, Expenses, and Changes in Net Assets

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Operating Revenues:			
Tuition and fees	\$ 3,645,093	\$ 3,655,383	\$ (10,290)
Grants and contracts	513,610	546,199	(32,589)
Auxiliary services	1,570,693	1,329,270	241,423
Other	122,068	120,394	1,674
Total operating revenues	<u>5,851,464</u>	<u>5,651,246</u>	200,218
Operating Expenses:			
Education and General	13,147,856	12,465,748	682,108
Depreciation	357,678	344,325	13,353
Auxiliary enterprises	1,273,560	1,124,608	148,952
Total operating expenses	<u>14,779,094</u>	<u>13,934,681</u>	844,413
Net operating revenues (expenses)	<u>(8,927,630)</u>	<u>(8,283,435)</u>	(644,195)
Nonoperating Revenues:			
State appropriations	5,589,938	5,257,970	331,968
Other nonoperating revenues	3,961,956	3,509,424	452,532
Net nonoperating revenues	<u>9,551,894</u>	<u>8,767,394</u>	784,500
Income before other revenues	624,264	483,959	140,305
Capital appropriations	<u>456,272</u>	<u>447,502</u>	8,770
Increase in net assets	1,080,536	931,461	149,075
NET ASSETS, beginning of year	<u>15,953,745</u>	<u>15,022,284</u>	931,461
NET ASSETS, end of year	<u><u>\$ 17,034,281</u></u>	<u><u>\$ 15,953,745</u></u>	<u><u>\$ 1,080,536</u></u>

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

OPERATING REVENUES - 2008-2009

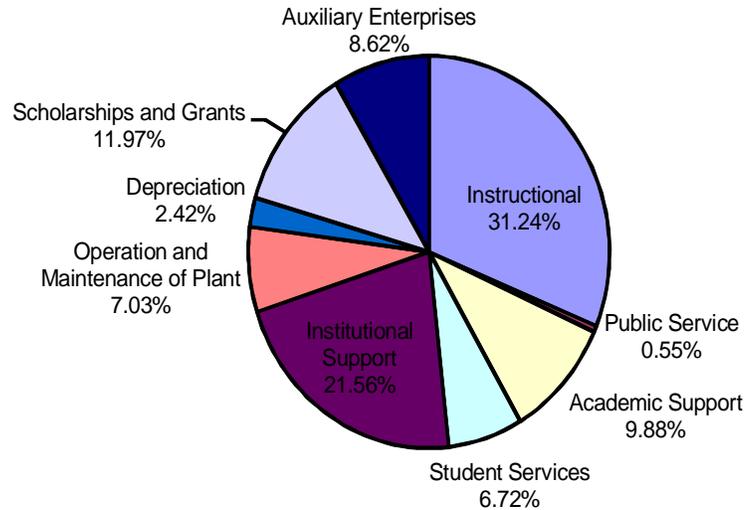


Total operating revenues were \$5,851,464 for the year ended June 30, 2009. The most significant sources of operating revenue for the College are net tuition and fees (62 percent), grants and contracts (9 percent), and auxiliary enterprises, which is the bookstore (27 percent).

There are other significant recurring sources of revenues essential to the operation of the College, including state appropriations, federal Pell grants, and investment income, which are considered nonoperating revenues as defined by GASB 35. The College's state appropriations and Pell grants for the year ended June 30, 2009, amounted to \$5,589,938 and \$3,638,417, respectively.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

OPERATING EXPENSES - 2008-2009



Operating expenses, including \$357,678 of depreciation, totaled \$14,779,094. As depicted in the chart above, the majority of the College's operating funds are expended directly for the primary mission of the College – instruction (31.24 percent), scholarships and grants (11.97 percent), institutional support (21.56 percent), and academic support (9.88 percent). One of the College's core values is to provide students' access to the College with the opportunity to succeed. The College's continued investment in student financial aid programs and student support services reflects this commitment.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

The Statement of Cash Flows

Another way to assess the financial health of an institution is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps user assess:

- an entity's ability to generate future net cash flows
- its ability to meet its obligations as they come due
- its need for external financing

Statement of Cash Flows

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Cash provided (used) by:			
Operating activities	\$ (8,605,969)	\$ (7,439,877)	\$ (1,166,092)
Noncapital financing activities	9,256,588	8,383,155	873,433
Capital and related financing activities	158,856	364,572	(205,716)
Investing activities	<u>(1,632,425)</u>	<u>(1,236,734)</u>	<u>(395,691)</u>
Net increase (decrease) in cash	(822,950)	71,116	(894,066)
			0
Cash, beginning of year	<u>1,179,757</u>	<u>1,107,641</u>	<u>72,116</u>
Cash, end of year	<u><u>\$ 356,807</u></u>	<u><u>\$ 1,178,757</u></u>	<u><u>\$ (821,950)</u></u>

Major cash sources of funds included in operating activities are student tuition and fees of \$3,560,507, grants and contracts of \$541,573 and auxiliary services of \$1,598,786. The largest cash payments for operating activities were to employees, for wages and benefits.

The largest cash receipt in the noncapital financing activities group is the operating appropriation from the State of Ohio.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Capital and Debt Administration

Capital Assets

At June 30, 2009, the College had some \$5,140,296 invested in capital assets, net of accumulated depreciation of \$5,760,449. Depreciation charges totaled \$357,678 for the current fiscal year. Details of these assets for the two years are shown below:

	<u>Capital Assets</u>		
	<u>2009</u>	<u>2008</u>	<u>Change</u>
Land and land improvements	\$ 276,000	\$ 276,000	\$ 0
Buildings and improvements	4,217,023	4,351,283	(134,260)
Machinery and equipment	522,739	437,500	85,239
Vehicles	72,281	84,209	(11,928)
Library books and materials	52,253	51,568	685
Totals	<u>\$ 5,140,296</u>	<u>\$ 5,200,560</u>	<u>\$ (60,264)</u>

More detailed information about the College's capital assets is presented in Note 7 to the financial statements.

Debt

At year-end 2009, the College had no long-term debt outstanding.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

Economic Factors that Will Affect the Future

As a political subdivision of the State of Ohio, Belmont Technical College (BTC) depends on the state for a significant portion of its revenue. Through the Ohio Board of Regents, BTC receives a portion of the state support for higher education usually referred to as state share of instruction. These funds significantly lower the tuition that public institutions of higher education would otherwise charge in order to provide higher education services. The budget for the State of Ohio thus has a significant bearing on the financial condition of Belmont Technical College.

Through the University System of Ohio, all thirty-six public institutions of higher education are participating in a pact with the legislature to improve the economic standing of the state by engaging more of its citizens in the higher education system. The pact has the goal to keep tuition as low as possible to make higher education more affordable to the citizens of Ohio.

For the past two years, Belmont Technical College froze its tuition to keep higher education affordable to residents in the service area. As the College enters a new biennial budget with the state, the intention is to freeze tuition for the first year of the biennium and to take a “wait and see” attitude on the second year. The state budget has a great degree of uncertainty due to a number of questionable revenue items.

As the economy has eroded and more individuals lose their jobs, the two-year college sector is experiencing extraordinary enrollment increases. Belmont Technical College anticipates increased enrollments during the coming biennium due largely from the needs of these individuals as they prepare for new careers and improve their marketability through advanced study.

Belmont Technical College’s current financial position is solid. With no long-term debt and solid cash reserves, the college should be able to withstand short-term challenges in funding from the state. Like all business entities, BTC will need to continue to be vigilant about achieving efficiencies and search for ways to lower operating costs.

The College has the capacity to enroll a significant number of additional students without adding to its fixed cost. Classes usually average less than twenty students. Many classes have ten students or less. The potential to enroll additional students without adding to fixed cost is significant. Enrollment increases though, will push the College toward creating additional facilities to accommodate the needs of a growing student body. The creation of a health sciences building is anticipated in the year 2012 utilizing state capital construction funds.

**BELMONT TECHNICAL COLLEGE
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2009**

The College has had steady growth in its enrollments for a number of years. That growth is anticipated to continue into the next biennium (FY 2010 – 11). With the downturn in the economy, many families will be looking for lower cost alternatives to meet their family's higher education needs. Belmont will indeed see an increase in enrollment due to citizens seeking to curtail the cost of a bachelor's degree by enrolling in a two-year college to complete the lower division courses.

The College has used the strategy of reallocating existing resources and organizational restructuring to facilitate quality of instruction and organizational structure conducive to the expanded college mission. An institutional-wide student retention plan has achieved a 10% increase in student retention rates. In addition, the potential of implementing new programs will create new revenue streams.

While state support for higher education for the next biennium is uncertain at this point, some anticipated mixture of state support and tuition and fee increases will allow the college to meet its cost of operations and maintain a balanced budget with a moderate operating surplus.

The College recently completed a strategic plan that will be implemented starting in July of the fiscal year 2009/2010. The plan includes some bold initiatives to serve more students and to make the College even more attractive to the community as an institution of higher education.

In summary, with its strong financial position and a new strategic plan, Belmont Technical College will solidify its role as a premier public institution of higher education in Ohio.

Contacting the College's Financial Management

This financial report is designed to provide the Ohio Department of Education, our citizens, taxpayers, and investors and creditors with a general overview of the College's finances and to show the College's accountability for the money it received. If you have questions about this report, or need additional financial information, contact John S. Koucoumaris, Vice President of Administrative Affairs, at Belmont Technical College, 120 Fox-Shannon Place, St. Clairsville, Ohio 43950.

**BELMONT TECHNICAL COLLEGE
STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Belmont Technical College	Component Unit Belmont Technical College Foundation
<u>ASSETS</u>		
<i>Current Assets:</i>		
Cash equivalents	\$ 354,337	\$ 127,885
Investments	11,215,698	110,849
Interest receivable	147,993	0
Accounts receivable, net	976,260	0
Pledges receivable	0	3,212
Supplies inventory, at cost	117,740	0
Total current assets	12,812,028	241,947
<i>Noncurrent Assets:</i>		
Restricted cash and cash equivalents	2,470	6,192
Restricted investments	122,124	207,772
Capital assets, net of accumulated depreciation	5,140,296	0
Total noncurrent assets	5,264,890	213,964
TOTAL ASSETS	\$ 18,076,918	\$ 455,910
<u>LIABILITIES</u>		
<i>Current Liabilities:</i>		
Accrued liabilities	\$ 478,005	\$ 0
Accrued vacation/sick leave	320,605	0
Deferred fees income	106,241	0
Total current liabilities	904,851	0
<i>Noncurrent Liabilities:</i>		
Accrued vacation/sick leave	137,786	0
TOTAL LIABILITIES	1,042,637	0
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	5,140,296	0
<i>Restricted:</i>		
<i>Nonexpendable:</i>		
Scholarships	56,160	249,130
<i>Expendable:</i>		
Scholarships	129,392	0
Instructional Department uses	422,738	0
Capital projects	2,240,041	0
Unrestricted	9,045,654	206,780
Total net assets	17,034,281	455,910
TOTAL LIABILITIES AND NET ASSETS	\$ 18,076,918	\$ 455,910

The accompanying notes are in integral part of these financial statements.

BELMONT TECHNICAL COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Belmont Technical College	Component Unit Belmont Technical College Foundation
<u>REVENUE:</u>		
<i>Operating Revenues:</i>		
Student tuition and fees (net of scholarship allowances of \$564,574 & 2,044,729)	\$ 3,645,093	\$ 0
State grants and contracts	269,121	0
Federal grants and contracts	244,489	0
Private gifts and contracts	0	59,085
Sales and services of educational departments	24,754	0
Auxiliary Enterprises:		
Sales and services	1,570,693	0
Other sources	97,314	0
Total revenues	5,851,464	59,085
<u>EXPENSES:</u>		
<i>Operating Expenses:</i>		
<i>Educational and General:</i>		
Instructional	4,617,166	0
Public service	81,967	0
Academic support	1,460,750	0
Student services	992,533	0
Institutional support	3,186,746	5,797
Operation and maintenance of plant	1,039,045	0
Depreciation	357,678	0
Scholarships and grants	1,769,649	14,662
Total Educational and General	13,505,534	20,459
Auxiliary Enterprises	1,273,560	0
Total Expenses	14,779,094	20,459
Operating (Loss) income	(8,927,630)	38,626
<u>NONOPERATING REVENUES (EXPENSES):</u>		
State appropriations	5,589,938	0
Federal Grants & Contracts	3,638,417	0
Gifts	28,233	0
Investment income	295,306	12,479
Unrealized loss on Investments	0	(43,130)
Loss on sale of assets	0	(17,014)
Net nonoperating revenues (expenses)	9,551,894	(47,665)
Income (loss) before other revenues, expenses, gains or losses	624,264	(9,039)
Capital appropriations	456,272	0
Increase (decrease) in Net Assets	1,080,536	(9,039)
Net Assets, Beginning of Year	15,953,745	464,949
Net Assets, End of Year	\$ 17,034,281	\$ 455,910

The accompanying notes are in integral part of these financial statements.

**BELMONT TECHNICAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Belmont Technical College	Component Unit Belmont Technical College Foundation
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash Flows from Operating Activities:		
Tuition and fees	\$ 3,560,507	\$ 0
Grants and contracts	541,573	58,653
Payments to suppliers	(3,384,350)	(5,797)
Payments for utilities	(265,440)	0
Payments to employees	(7,118,497)	0
Payments for benefits	(1,904,207)	0
Payments for scholarships and grants	(1,756,409)	(14,662)
Auxiliary Enterprises:		
Book Store	1,598,786	0
Sales and service of education	24,754	0
Other receipts	97,314	0
Net cash (used) provided by operating activities	(8,605,969)	38,194
Cash Flows from Non-Capital and Related Financing Activities:		
State appropriations	5,589,938	0
Federal Grants (Pell Grant - Non Operating)	3,638,417	0
Gifts and grants	28,233	0
Net cash provided by non-capital and related financing activities	9,256,588	0
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(297,416)	0
Capital appropriations	456,272	0
Net cash provided by capital and related financing activities	158,856	0
Cash Flows from Investing Activities:		
Interest (loss) on investments	330,854	(47,664)
Purchase of investments	(1,963,279)	18,982
Net cash used by noncapital financing activities	(1,632,425)	(28,682)
Net (decrease) increase in cash and cash equivalents	(822,950)	9,512
Cash and Cash Equivalents, beginning of year	1,179,757	124,565
Cash and Cash Equivalents, end of year	\$ 356,807	\$ 134,077
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u>		
Operating (loss) income	\$ (8,927,630)	\$ 38,626
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	357,678	0
Change in Assets and Liabilities:		
Receivables, net	(11,557)	(432)
Inventories	(1,803)	0
Accrued liabilities	(20,582)	0
Compensated absences	14,898	0
Deferred revenue	(16,973)	0
Net cash (used) provided by operating activities	\$ (8,605,969)	\$ 38,194

The accompanying notes are in integral part of these financial statements.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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.

Belmont Technical College Foundation (Foundation) is a legally separate, tax-exempt organization supporting the College. The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the College by donors. Based upon the provisions in *Governmental Accounting Standards Board (GASB) Statement No. 14 – Reporting Entity* and subsequent amendments in GASB Statement No. 39, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – For Public Colleges and Universities* the full scope of the College's activities is considered to be a single business-type activity (BTA) and accordingly, is reported within a single column in the basic financial statements.

B. Basis of Accounting

The financial statements of the College have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the College does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, for proprietary activities, unless the GASB amends its pronouncements to specifically adopt FASB pronouncements issued after that date.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

This classification appears on the Statement of Net Assets and the Statement of Cash Flows and includes petty cash, cash on deposit with private bank accounts and savings accounts.

For purposes of the statement of cash flows and for presentation of the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the College are considered to be cash and cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

D. Investments

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; otherwise, they are stated at an appraisal or nominal value. The College has invested in certificates of deposit during the fiscal year 2009.

E. Receivables

Receivables consist of tuition and fees and charges to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the Federal government, state and local governments, private sources in connections with reimbursements of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.

F. Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined by management based on the College's historical losses, specific student circumstances and general economic conditions. Periodically, management reviews accounts receivable and records an allowance for specific students based on current circumstances and charges off the receivable against the allowance when all attempts to collect the receivable have failed.

G. Inventories

Inventories, consisting of expendable supplies and merchandise for resale, are stated at the lower of cost or market value using the first-in, first-out method.

H. Capital Assets

Capital assets are stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. The College capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of one or more years. Library books are significant in the aggregate and are therefore also capitalized.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 50 years for buildings, 3 to 15 years for equipment, 10 years for vehicles and 5 years for library books and materials.

I. Restricted Assets

Restricted assets represent assets whose use is restricted by external parties or by law through constitutional provisions or enabling legislation.

J. Noncurrent Long-Term Liabilities

Noncurrent long-term liabilities includes compensated absences that will not be paid within the next fiscal year.

K. 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.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Deferred Revenue

In accordance with the State of Ohio policy of recording instructional revenues in the year in which the courses are principally conducted, the College defers certain revenues at June 30 that are applicable to courses conducted subsequent to June 30. As of June 30, 2009, the deferred amount represents the amount paid by students for courses conducted subsequent to June 30.

M. Net Assets

The College's net assets are classified as follows:

Invested in Capital Assets, Net of Related Debt – This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.

Restricted Net Assets – Nonexpendable – Nonexpendable restricted net assets include endowments and similar type assets whose use is limited by donors or other outside sources and as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Assets – Expendable – Expendable restricted net assets include resources in which the College is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external parties.

Unrestricted Net Assets – Unrestricted net assets include resources derived from student tuition and fees, sales and services, unrestricted gifts, and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the College.

N. Scholarship Allowances

Student tuition and fees revenue and certain other revenues from College charges are reported net of scholarship allowances in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. The scholarship allowance is the difference between the actual charge for goods and services provided by the College and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Assets. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the College has recorded a scholarship allowance discount.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Operating Activity

The College defines operating activities, as reported on the statement of revenues, expenses, and changes in net assets, as those that generally results from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the College's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, grants, contracts and investments income, are recorded as non-operating revenues, in accordance with GASB Statement No. 35.

In addition, the GASB Implementation Guide has indicated PELL grants should be considered non-operating revenues beginning in fiscal year 2009.

P. Budgetary Process

Annually, the Business Office develops a balanced budget for the College based on projected expenditures from department directors and anticipated revenue, including tuition and fees and the subsidy from the Ohio Board of Regents. The board of trustees approves the budget.

Q. Income Taxes

Income taxes have not been provided on the general operations of the College because, as a state institution, its income is exempt from Federal income taxes under Section 115 of the Internal Revenue Code.

R. Use of Estimates

Management of the College has made estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 3 – 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, 2009**

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;

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

4. Bond and other obligations of the State of Ohio.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, pass-book accounts;
6. 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;
7. The State Treasurer's investment pool (STAROhio);
8. 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.

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the College's name. During 2009, the College and public depositories complied with the provisions of these statutes.

Cash on Hand:

At year end, the College had \$915 in undeposited cash on hand, which is included in the statement of net assets of the College as part of cash and cash equivalents.

Custodial Credit Risk - Deposits:

Custodial credit risk is the risk that, in the event of a bank failure, the College's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the College.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

At fiscal year-end, the carrying amount of the College’s deposits was \$11,693,715. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures,” as of June 30, 2009, \$11,203,953 of the College’s bank balance of \$11,685,266 was exposed to custodial risk as discussed above, while \$481,313 was covered by Federal Deposit Insurance Corporation.

Investments:

As of June 30, 2009, the College had no investments as defined by GASB Statement No.40.

NOTE 5 - RECEIVABLES

Receivables at June 30, 2009 were as follows:

	<u>Gross Receivables</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Receivables</u>
Current Receivables:			
Students	\$ 886,719	\$ (90,085)	\$ 796,634
Interest	147,992	0	147,992
EDPS Funds	17,139	0	17,139
Other	<u>162,487</u>	<u>0</u>	<u>162,487</u>
 Total Current Receivables	 <u>\$ 1,214,337</u>	 <u>\$ (90,085)</u>	 <u>\$ 1,124,252</u>

NOTE 6 – DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board to authorize for expenditure the new appreciation (realized and unrealized) of the investments of endowment funds. When administering its power to spend net appreciation, the Board is required to consider the College’s “long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions.” Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. All expenditures must be approved by the Board.

At June 30, 2009, there was no net appreciation on donor restricted assets available to be spent.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 7 – CAPITAL ASSETS

A summary of the changes in the capital assets is presented as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2009</u>
Capital Assets, Non Depreciable:				
Land	\$ 276,000	\$ 0	\$ 0	\$ 276,000
Total Non-depreciable	<u>276,000</u>	<u>0</u>	<u>0</u>	<u>276,000</u>
Capital Assets, Depreciable:				
Land Improvements	457,045	0	0	457,045
Buildings and improvements	7,976,587	104,827	0	8,081,414
Machinery and Equipment	1,021,418	173,768	77,375	1,117,811
Motor Vehicles	249,190	0	0	249,190
Library books and materials	692,728	26,557	0	719,285
Total Depreciable	<u>10,396,968</u>	<u>305,152</u>	<u>77,375</u>	<u>10,624,745</u>
Less Accumulated Depreciation:				
Land Improvements	186,597	30,050	0	216,647
Buildings and improvements	3,895,753	209,036	0	4,104,789
Machinery and Equipment	583,917	80,792	69,637	595,072
Motor Vehicles	164,981	11,928	0	176,909
Library books and materials	641,160	25,872	0	667,032
Total Depreciable	<u>5,472,408</u>	<u>357,678</u>	<u>69,637</u>	<u>5,760,449</u>
Total Capital Assets, Depreciable, net	<u>4,924,560</u>	<u>(52,526)</u>	<u>7,738</u>	<u>4,864,296</u>
Capital Assets, net	<u>\$ 5,200,560</u>	<u>\$ (52,526)</u>	<u>\$ 7,738</u>	<u>\$ 5,140,296</u>

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 8 – LONG-TERM LIABILITIES

A summary of changes in long-term liabilities is as follows:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Current</u> <u>Portion</u>
Compensated Absences	\$ 443,493	\$ 40,411	\$ 25,513	\$ 458,391	\$ 320,605
Total Long-Term Liabilities	<u>\$ 443,493</u>	<u>\$ 40,411</u>	<u>\$ 25,513</u>	<u>\$ 458,391</u>	<u>\$ 320,605</u>

NOTE 9 – OPERATING LEASE

The College leases several copiers. The following summarizes the approximate future minimum rental payments required under the operating lease as of June 30, 2009:

<u>Year</u>	<u>Amount</u>
2010	54,862
2011	54,862
2012	54,863
2013	<u>4,572</u>
	\$169,158

NOTE 10 – OPERATING EXPENSES BY FUNCTION AND NATURAL CLASS

	<u>Salaries</u> <u>and</u> <u>Benefits</u>	<u>Scholarships</u> <u>and</u> <u>Fellowships</u>	<u>Utilities</u>	<u>Supplies and</u> <u>Other</u> <u>Services</u>	<u>Depreciation</u>	<u>Total</u>
Instruction & departmental research	\$ 4,292,438	\$ 0	\$ 0	\$ 324,728	\$ 0	\$ 4,617,166
Public service	51,221	0	0	30,746	0	81,967
Academic support	1,213,379	0	0	247,371	0	1,460,750
Student services	918,588	0	0	73,945	0	992,533
Institutional support	1,919,278	0	0	1,267,468	0	3,186,746
Operations and maintenance	517,784	0	265,440	255,821	0	1,039,045
Scholarships & grants	0	1,756,409	0	13,240	0	1,769,649
Auxiliary enterprises	101,203	0	0	1,172,357	0	1,273,560
Depreciation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>357,678</u>	<u>357,678</u>
Totals	<u>\$ 9,013,891</u>	<u>\$ 1,756,409</u>	<u>\$ 265,440</u>	<u>\$ 3,385,676</u>	<u>\$ 357,678</u>	<u>\$ 14,779,094</u>

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 11 – PENSION AND RETIREMENT PLANS

A. School Employees Retirement System

The College contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under **Employers/Audit Resources**.

Plan members are required to contribute 10 percent of their annual covered salary and the College is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The College's required contributions to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$245,499, \$238,785, and \$237,098 respectively; equal to the required contributions for each year.

B. State Teachers Retirement System

The College participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and their faculty members employed in the public schools of Ohio or any school, community school, college, university, instruction or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling toll free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

New members have a choice of three retirement plans options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC of Combined Plan.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 11 – PENSION AND RETIREMENT PLANS (Continued)

DB Plan Benefits - Benefits are established by Chapter 3307 of the Ohio Revised Code. Any member may retire who has (1) five years of service credit and attained age 60, (2) 25 years of service credit and attained age 55, or (3) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest years’ salaries. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual-retirement allowance.

DC Plan Benefits – Benefits are established by Chapter 3307.80 and 3307.89 of the Ohio Revised Code. For members who select the DC plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement begins, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefits payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s year of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio’s public college and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or lump sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65 once employment is terminated.

Benefits are increased annually by the 3 percent of the original base amount for Defined Benefit Plan participants.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 11 – PENSION AND RETIREMENT PLANS (Continued)

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB of Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage of up to \$2,000 can be purchased by members in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14 percent for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009 were 10 percent of covered payroll for members and 14 percent for employers. The College's required contributions for the fiscal years ended June 30, 2009, 2008, and 2007 were \$679,869, \$636,029 and \$559,214 respectively; 100 percent has been contributed for each fiscal year.

NOTE 12 – POST-EMPLOYMENT BENEFITS

The College provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio) and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Both systems are on pay-as-you-go basis.

STRS: Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physician's fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law. The College's contributions to fund health care for fiscal years 2009, 2008 and 2007 were \$48,562, \$45,253 and \$42,515, respectively.

SERS: In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 12 – POST-EMPLOYMENT BENEFITS (Continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium.

The Medicare Part B premium for calendar year 2009 was \$96.40, SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2009, the actuarially required allocation was .75%. The College's contributions for the year ended June 30, 2009 were \$13,152, which equaled the required contributions for the year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2009, the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The College's contributions for the years ended June 30, 2009, 2008 and 2007 were \$98,675, \$90,865, and \$80,466, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at \$35,800.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 12 – POST-EMPLOYMENT BENEFITS (Continued)

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under **Employers/Audit Resources**.

NOTE 13– 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 2009, the College contracted with Netherlands Insurance Company for commercial property insurance. The policy includes a \$5,000 deductible.

Professional and general liability is protected by Netherlands Insurance Company with a \$1,000,000 single occurrence limit, \$2,000,000 annual aggregate limit and no deductible. Vehicles are covered by Netherlands Insurance Company and hold a \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability, with no annual aggregate. A commercial umbrella provides an additional \$5,000,000 in limits over all other liability coverage.

Travel accident insurance for employees and trustees is provided by Hartford Insurance Group.

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.

NOTE 14– CONTRACTUAL COMMITMENTS

The College entered into a contractual agreement with Jenzabar for a new Administrative Information System in Fiscal Year 2005. The amount of the contract was \$991,238, of which, \$722,976 has been paid. The amount remaining is \$268,262. This amount represents the annual support and maintenance fee through January 31, 2015.

NOTE 15– CONTINGENCIES

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 a condition 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 College. 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, 2009.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 16- COMPONENT UNIT DISCLOSURES

Equity in Pooled Cash and Cash Equivalents and Investments:

Deposits - Custodial credit risk is the risk that in the event of a failure of a depository financial institution or counterparty to a transaction, the inability to recover the value of deposits, investments or collateral securities in the possession of an outside party. The Foundation has not established a policy for deposits at this time. At fiscal year-end, the carrying amount of the Foundation's deposits was \$134,077. All of the June 30, 2009 bank balances of \$73,275 are covered by federal depository insurance. The remaining balance of \$60,802 is maintained as cash equivalents in the NatCity Investments accounts and is not collateralized.

Investments – As of June 30, 2009 the Foundation had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			<u>More Than 10 Years</u>
		<u>Less than One Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	
Equity Funds	\$ 121,629	\$ 121,629	\$ 0	\$ 0	\$ 0
Fixed Income Funds	54,678	0	31,065	0	23,613
Mutual Funds	<u>142,313</u>	<u>142,313</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 318,620</u>	<u>\$ 263,942</u>	<u>\$ 31,065</u>	<u>\$ 0</u>	<u>\$ 23,613</u>

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's investment policy limits investments in fixed income securities and corporate issues. Individual marketable bonds, at the time of purchase, must be rated "A" or better, and commercial paper must have a rating of not less than "BBB" by Standard & Poor's.

BELMONT TECHNICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE 16- COMPONENT UNIT DISCLOSURES (Continued)

As of June 30, 2009, the Foundation had the following investments and quality ratings:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>
Fixed Income		
Corporate Bonds	AA+	\$ 31,065
Municipal Bonds	NR	14,696
	AA	8,917
Equity		
Common Stock		121,629
Mutual Funds		142,313
		\$ 318,620
		\$ 318,620

Concentration of Credit Risk - The Foundation places a limit of no more than 30% of the fixed income portion, at cost, can be invested in any one issuer, excluding obligations of the United States government. The following table includes the percentage to total of each investment type held by the Foundation at June 30, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Total</u>
Municipal Bonds	\$ 54,678	17%
Common Stocks	121,629	38%
Mutual Funds	142,313	45%
	\$ 318,620	100%
	\$ 318,620	100%

Pledges Receivable

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. The Foundation's pledges receivable consisted of amounts pledged by employees of the College and are expected to be fully collected by December 31, 2009.

Support Provided to the College

During the year ended June 30, 2009 the Foundation provided \$14,662 to or on behalf of the College for scholarships and other purposes.



Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

December 9, 2009

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

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
with Government Auditing Standards**

We have audited the financial statements of Belmont Technical College and the discretely presented component unit as of and for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009. 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the College in a separate letter dated December 9, 2009.

The Board of Trustees
Belmont Technical College
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
with *Government Auditing Standards*
December 9, 2009
Page 2

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management, 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.

Hea & Associates, Inc.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

December 9, 2009

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

**Independent Auditor's 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, 2009. Belmont Technical 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 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, 2009.

Board of Trustees
Belmont Technical College
December 9, 2009
Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133
Page 2

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 but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Belmont Technical College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

However, we noted one matter involving internal control over cash management of a federal program that does not require inclusion in this report, that we have reported to the management of the College in a separate letter dated December 9, 2009.

This report is intended solely for the information and use 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.

Hea & Associates, Inc.

**BELMONT TECHNICAL COLLEGE
BELMONT COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2009**

<u>Agency</u> <u>Program</u> <u>Grant</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Disbursements</u>
<u>U.S. Department of Education</u>			
<i>Student Financial Assistance Cluster:</i>			
Federal Family Education Loan Program (See Note A)	84.032	\$ 6,376,907	\$ 6,376,907
Federal Pell Grant Program	84.063	3,638,417	3,638,417
Federal Work Study	84.033	37,902	37,902
Academic Competitive Grant	84.375	30,151	30,151
Supplemental Educational Opportunity Grant	84.007	85,715	85,715
Total Student Financial Assistance Cluster		<u>10,169,092</u>	<u>10,169,092</u>
<i>Passed through Ohio Department of Education:</i>			
Vocational Education Basic Grant	84.048	<u>98,183</u>	<u>98,183</u>
Total U.S. Department of Education		<u>10,267,275</u>	<u>10,267,275</u>
Total Federal Financial Assistance		<u>\$ 10,267,275</u>	<u>\$ 10,267,275</u>

Note A - Guaranteed Student Loans

For the fiscal year 2008 - 2009, the College certified need for \$6,376,907 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 \$2,044,729.02 and the balance distributed to students was \$1,593,687.98.

Note C - Significant Accounting Policies

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

Federal receipts are not required to be included in the schedule, however, the Ohio Department of Education requests receipts be included.

**BELMONT TECHNICAL COLLEGE
BELMONT COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, SECTION .505
JUNE 30, 2009**

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)(ii)	Were there any other internal control deficiencies 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)	Was there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other internal control deficiencies 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 #84.007, 84.032, 84.033, 84.063, 84.375
(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
BELMONT COUNTY
APPOINTED OFFICIALS
JUNE 30, 2009**

Board of Trustees:

<u>Title/Name</u>	<u>Appointment</u>	<u>Term Expires</u>
Chairperson/ Elizabeth Gates	(1)	2010
Vice-Chairperson/ Marshall Piccin	(1)	2009
<u>Members</u>		
Marcia Bedway	(1)	2011
Terry Carson	(1)	2011
William Hunkler	(1)	2009
Charles Jobe	(1)	2010
Suzanne Pollock		2009
Dr. Lorrinda Saxby		2010
Pandora Neuhart		2011

(1) School Board Caucus

**BELMONT TECHNICAL COLLEGE
BELMONT COUNTY
ADMINISTRATIVE PERSONNEL
JUNE 30, 2009**

<u>Name and Address</u>	<u>Title</u>	<u>Surety</u>	<u>Amount of Coverage</u>
Dr. Joseph Bukowski	President Belmont Technical College	(1)	\$1 million
Mr. John Koucoumaris	Vice President of Administrative Services	(1)	\$1 million
Dr. Becki Kurtz	Vice President of Learning & Student Success	(1)	\$1 million

- (1) Netherlands Insurance Company, McBane Insurance Agency of Ohio.
The College also has a \$5 million umbrella insurance policy with Netherlands Insurance Company.



Mary Taylor, CPA
Auditor of State

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 21, 2010**