

***BELMONT COLLEGE***  
***(Formerly Belmont Technical College)***  
***BELMONT COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEAR ENDED JUNE 30, 2012***

***Charles E. Harris and Associates, Inc.***  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

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

We have reviewed the *Report of Independent Accountants* of the Belmont College, Belmont County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2011 through June 30, 2012. 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. Belmont College is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

January 3, 2013

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**BELMONT COLLEGE  
BELMONT COUNTY, OHIO  
Audit Report  
For the Year Ended June 30, 2012**

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***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Belmont College  
Belmont County  
120 Fox-Shannon Place  
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements and the discretely presented component unit of Belmont College (the College), Belmont County, Ohio as of and for the year ended June 30, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position and the discretely presented component unit of Belmont College, Belmont County, Ohio as of June 30, 2012, and the respective changes in financial position and cash flows, thereof 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 our report dated November 30, 2012 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We conducted our audit to opine on the financial statements that collectively comprise the College's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Charles E. Harris & Associates*

**Charles E. Harris & Associates, Inc.**

November 30, 2012

**Belmont College  
Management Discussion and Analysis  
For the Year Ended June 30, 2012**

The discussion and analysis of Belmont College's financial statements provides an overview of the College's financial activities for the year ending June 30, 2012, with comparative information from fiscal year 2011. 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 College.

**About Belmont College**

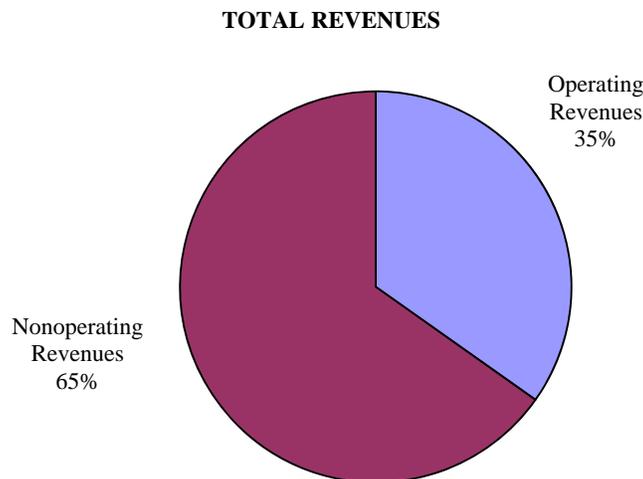
Belmont College (formerly known as Belmont Technical College) is a two year college offering programs in business, engineering, allied health, and public service technologies. The College was chartered in 1971, allowing it to serve the three county areas of Belmont, Harrison, and Monroe Counties.

Belmont 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 College's financial position, as a whole, improved during the fiscal year ending June 30, 2012. Its combined net assets increased \$369,923 or 1.9%, including the Foundation from the previous year.

The following chart provides a graphic breakdown of revenues by category for the fiscal year ending June 30, 2012:



In the fiscal year ending June 30, 2012, revenues and other support exceeded expenses, creating the increase in net assets of \$369,923 (compared to a \$892,544 increase last year).

**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

## **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 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 College’s operating results.

These two statements report Belmont College’s net assets and changes in them. Belmont 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 College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

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.

**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

**Condensed Financial Information**

**Statement of Net Assets**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Assets</u></b>			
Current Assets	\$ 15,028,517	\$ 14,757,252	\$ 14,132,856
Capital assets, net of accumulated depreciation	5,385,573	5,468,016	5,190,089
Other noncurrent assets	<u>148,954</u>	<u>141,761</u>	<u>132,173</u>
Total assets	<u>\$ 20,563,044</u>	<u>\$ 20,367,029</u>	<u>\$ 19,455,582</u>
<b><u>Liabilities</u></b>			
Current Liabilities	\$ 918,490	\$ 1,048,395	\$ 911,739
Noncurrent Liabilities	<u>189,167</u>	<u>162,461</u>	<u>160,060</u>
Total liabilities	\$ 1,107,657	\$ 1,210,856	\$ 1,071,799
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	\$ 5,385,573	\$ 5,468,016	\$ 5,190,089
Restricted			
Nonexpendable	56,510	56,510	56,510
Expendable	3,710,720	3,395,705	3,372,380
Unrestricted	<u>10,302,584</u>	<u>10,235,942</u>	<u>9,764,804</u>
Total net assets	<u>\$ 19,455,387</u>	<u>\$ 19,156,173</u>	<u>\$ 18,383,783</u>
Total liabilities and net assets	<u>\$ 20,563,044</u>	<u>\$ 20,367,029</u>	<u>\$ 19,455,582</u>

A review of the College's statement of net assets at June 30, 2012 shows that the College continues to build a strong financial foundation.

**Assets:** As of June 30, 2012, the College's total assets amount to \$20,563,044. Investment in capital assets, net of depreciation, represented the College's largest asset, totaling \$5,385,573, or 26 percent, of total assets. Cash and cash equivalents represented \$1,300,445, or 6 percent, of total assets. Investments represented \$12,272,610, or 60 percent of the total assets.

**Liabilities:** At June 30, 2012, the College's liabilities totaled \$1,107,657. Current liabilities, including accounts payable, accrued vacation, sick leave, and deferred revenue, represented \$918,490 or 83 percent of total liabilities.

**Net Assets:** Net assets at June 30, 2012 totaled \$19,455,387, or 95 percent, of total assets. Net assets invested in capital assets totaled \$5,385,573, or 28 percent, of total net assets. Restricted and unrestricted net assets represented 19 percent and 53 percent of total net assets, respectively.

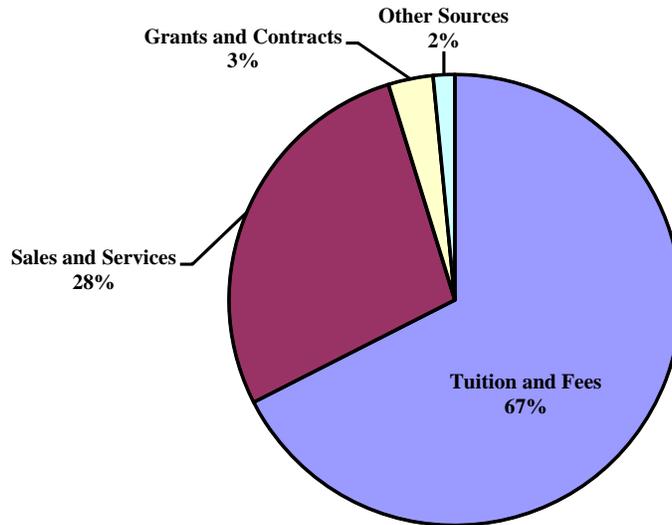
**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

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

	<u>2012</u>	<u>2011</u>	<u>Change</u>
<b>Operating Revenues:</b>			
Tuition and fees	\$ 4,431,595	\$ 4,893,088	\$ (461,493)
Grants and contracts	210,564	291,613	(81,049)
Auxiliary services	1,821,952	2,019,385	(197,433)
Other	<u>101,379</u>	<u>138,889</u>	<u>(37,510)</u>
Total operating revenues	6,565,490	7,342,975	(777,485)
<b>Operating Expenses:</b>			
Education and General	16,787,992	18,744,214	(1,956,222)
Depreciation	463,654	416,772	46,882
Auxiliary enterprises	<u>1,505,631</u>	<u>1,619,478</u>	<u>(113,847)</u>
Total operating expenses	<u>18,757,277</u>	<u>20,780,464</u>	<u>(2,023,187)</u>
Net operating revenues (expenses)	(12,191,787)	(13,437,489)	1,245,702
<b>Nonoperating Revenues:</b>			
State appropriations	5,452,931	5,934,593	(481,662)
Other nonoperating revenues	<u>6,531,309</u>	<u>7,768,525</u>	<u>(1,237,216)</u>
Net nonoperating revenues	<u>11,984,240</u>	<u>13,703,118</u>	<u>(1,718,878)</u>
Income before other revenues	(207,547)	265,629	(473,176)
Capital appropriations	<u>506,761</u>	<u>506,761</u>	<u>0</u>
Increase in net assets	299,214	772,390	(473,176)
<b>NET ASSETS, beginning of year</b>	<u>19,156,173</u>	<u>18,383,783</u>	<u>772,390</u>
<b>NET ASSETS, end of year</b>	<u>\$ 19,455,387</u>	<u>\$ 19,156,173</u>	<u>\$ 299,214</u>

**Belmont College  
Management Discussion and Analysis  
For the Year Ended June 30, 2012**

**OPERATING REVENUES - 2011-2012**

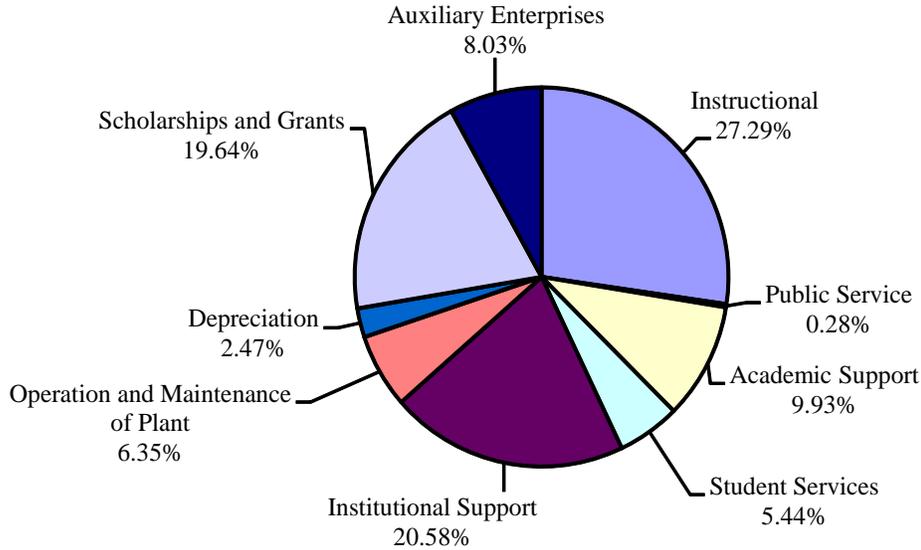


Total operating revenues were \$6,565,490 for the year ended June 30, 2012. The most significant sources of operating revenue for the College are net tuition and fees (67 percent) and auxiliary enterprises, which is the bookstore (28 percent).

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, 2012, amounted to \$5,452,931 and \$6,300,967 respectively.

**Belmont College  
Management Discussion and Analysis  
For the Year Ended June 30, 2012**

**OPERATING EXPENSES - 2011-2012**



Operating expenses, including \$463,654 of depreciation, totaled \$18,757,277. 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 (27.29 percent), scholarships and grants (19.64 percent), institutional support (20.58 percent), and academic support (9.93 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 College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

**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 access:

- 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**

	2012	2011	Change
Cash provided (used) by:			
Operating activities	\$(11,865,129)	\$(13,002,732)	\$ 1,137,603
Noncapital financing activities	11,769,651	13,488,856	(1,719,205)
Capital and related financing activities	125,550	(187,938)	313,488
Investing activities	975,694	(406,655)	1,382,349
Net increase (decrease) in cash	1,005,766	(108,469)	1,114,235
Cash, beginning of year	294,679	403,148	(108,469)
Cash, end of year	\$ 1,300,445	\$ 294,679	\$ 1,005,766

Major cash sources of funds included in operating activities are student tuition and fees of \$4,411,050, grants and contracts of \$215,126 and auxiliary services of \$1,806,665. The largest cash payments for operating activities were to employees, for wages and benefits.

The largest cash receipts in the noncapital financing activities group are federal grants and the operating appropriation from the State of Ohio.

**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

**Capital and Debt Administration**

*Capital Assets*

At June 30, 2012, the College had \$5,385,573 invested in capital assets, net of accumulated depreciation of \$6,720,155. Depreciation charges totaled \$463,653 for the current fiscal year. Details of these assets for the two years are shown below:

**Capital Assets**

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Land	\$ 276,000	\$ 276,000	\$ 0
Buildings and land improvements	4,421,957	4,452,791	(30,834)
Machinery and equipment	571,493	594,258	(22,765)
Vehicles	75,321	92,793	(17,472)
Library books and materials	<u>40,802</u>	<u>52,174</u>	<u>(11,372)</u>
Totals	<u>\$ 5,385,573</u>	<u>\$ 5,468,016</u>	<u>\$ (82,443)</u>

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

*Debt*

At year-end 2012, the College had no debt outstanding.

**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

**Economic Factors that Will Affect the Future**

Belmont College, like most institutions of higher education, has a significant portion of their revenue appropriated by the state of Ohio. In addition, tuition rates are regulated by legislature placing limits on tuition increases. The entire spectrum of higher education is under examination both on state and federal levels. There is a huge call for transformation of the model in which higher education has been based for many years. Pressures from many sectors are causing higher education leaders to reconsider the model on which their institutions are based. Belmont College will respond to these challenges with well thought out strategies to maintain their market share in the region of the state it serves.

A new state funding model for higher education will be implemented in fiscal year 2014. This model begins a phase that is based less on enrollment numbers and more on performance metrics and completion rates. By fiscal year 2015, enrollment will no longer be a factor in the funding model.

Belmont College has experienced a fluctuation in enrollment over the past four years from a huge increase that tested our capacity, to a decline that tested our resources, forcing significant budget reductions. The College is now faced with the challenge of predicting a more normal enrollment and creating a budget that support this enrollment adequately.

In the fall of 2012, the College converted from a quarterly academic calendar to a semester based calendar. This semester conversion was part of an overall ten year strategic plan put forth by the Ohio Board of Regents to standardize the academic calendar for the entire University System of Ohio to provide for a more seamless transfer of academic credit.

Although semester conversion created an initial challenge, the College is stronger because of this two-year project. The conversion project was approached as an opportunity to create innovative programs and adopt best practices. The entire curriculum and schedule were renovated to enhance accessibility and flexibility for our students.

The College has also undergone another important conversion. On July 1, 2012, Belmont Technical College changed its name to Belmont College. Enrollment growth and expansion into broader offerings, including the Associate of Arts (AA) and Associate of Science degrees (AS) fueled the need for the College to adopt a new name that better reflects the current offerings of the institution.

The College is revising its 2009-2014 strategic plan to reflect new realities and challenges. Bold new initiatives are necessary in order to meet the challenges facing higher education and Belmont College in particular. Despite these challenges, Belmont has not only remained strong but has grown even stronger by evolving into a comprehensive community college, which provides students more academic opportunities than ever before.

**Belmont College**  
**Management Discussion and Analysis**  
**For the Year Ended June 30, 2012**

Belmont College is looking forward to even more growth with the addition of the Health Sciences and Child Care Center funded from \$6,000,000 Capital Component Funds as approved through the 2013-2018 Capital Plan and House Bill 482.

The overall financial health of the College is strong and has more than adequate cash flow and reserves. The key to our success is to create more financial discipline and attention to strategic priorities and maintain the attention to detail that has been the hallmark of the College since its inception. Though the nature of higher education is changing, Belmont will transform and adapt to the new paradigms that will be emerging in the years to come.

**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 College, 120 Fox-Shannon Place, St. Clairsville, Ohio 43950.

**BELMONT COLLEGE**  
**STATEMENT OF NET ASSETS**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Belmont College</b>	<b>Component Unit Belmont College Foundation</b>
<b><u>ASSETS</u></b>		
<i>Current Assets:</i>		
Cash equivalents	\$ 1,289,940	\$ 104,054
Investments	12,134,161	368,185
Interest receivable	277,406	-
Accounts receivable, net	1,169,060	-
Pledges receivable	-	4,447
Supplies inventory, at cost	157,950	-
<b>Total current assets</b>	<b>\$ 15,028,517</b>	<b>\$ 476,686</b>
<i>Noncurrent Assets:</i>		
Restricted cash and cash equivalents	\$ 10,505	\$ 28,590
Restricted investments	138,449	229,558
Capital assets, non-depreciable	276,000	-
Capital assets, net of accumulated depreciation	5,109,573	-
<b>Total noncurrent assets</b>	<b>\$ 5,534,527</b>	<b>\$ 258,148</b>
<b>TOTAL ASSETS</b>	<b>\$ 20,563,044</b>	<b>\$ 734,834</b>
<b><u>LIABILITIES</u></b>		
<i>Current Liabilities:</i>		
Accrued liabilities	\$ 494,534	\$ -
Accrued vacation/sick leave	314,414	-
Deferred fees income	109,542	-
<b>Total current liabilities</b>	<b>\$ 918,490</b>	<b>\$ -</b>
<i>Noncurrent Liabilities:</i>		
Accrued vacation/sick leave	\$ 189,167	\$ -
<b>Total noncurrent liabilities</b>	<b>\$ 189,167</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 1,107,657</b>	<b>\$ -</b>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	\$ 5,385,573	\$ -
Restricted:		
Nonexpendable:		
Scholarships	56,510	249,130
Expendable:		
Scholarships	152,739	45,018
Instructional Department uses	447,886	-
Capital projects	3,110,095	-
Unrestricted	10,302,584	440,686
<b>Total net assets</b>	<b>\$ 19,455,387</b>	<b>\$ 734,834</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 20,563,044</b>	<b>\$ 734,834</b>

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

**BELMONT COLLEGE**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Fiscal Year Ended June 30, 2012**

	<u>Belmont College</u>	<u>Component Unit Belmont College Foundation</u>
<b>REVENUE:</b>		
<i>Operating Revenues:</i>		
Student tuition and fees (net of scholarship allowances of \$522,518 & \$2,728,045)	\$ 4,431,595	\$ -
State grants and contracts	65,887	-
Federal grants and contracts	144,677	-
Private gifts and contracts	-	84,295
Sales and services of educational departments	20,275	-
Auxiliary Enterprises:		
Sales and services	1,821,952	-
Other sources	81,104	23,631
Total revenues	<u>\$ 6,565,490</u>	<u>\$ 107,926</u>
<b>EXPENSES:</b>		
<i>Operating Expenses:</i>		
<i>Educational and General:</i>		
Instructional	\$ 5,118,880	\$ -
Public service	53,406	-
Academic support	1,861,986	-
Student services	1,019,867	-
Institutional support	3,860,582	26,123
Operation and maintenance of plant	1,190,246	-
Depreciation	463,654	-
Scholarships and grants	3,683,025	24,576
Total Educational and General	<u>\$ 17,251,646</u>	<u>\$ 50,699</u>
Auxiliary Enterprises	1,505,631	-
Total Expenses	<u>\$ 18,757,277</u>	<u>\$ 50,699</u>
Operating Income/(Loss)	(12,191,787)	57,227
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>		
State appropriations	\$ 5,452,931	\$ -
Federal Grants & Contracts	6,300,967	-
Gifts	15,753	-
Investment income	214,589	23,224
Unrealized gain (loss) on investments	-	(15,112)
Gain on sale of investments	-	5,370
Net nonoperating revenues	<u>\$ 11,984,240</u>	<u>\$ 13,482</u>
Income before other revenues, expenses, gains or losses	(207,547)	70,709
Capital appropriations	506,761	-
<b>Increase in Net Assets</b>	<u>\$ 299,214</u>	<u>\$ 70,709</u>
<b>Net Assets, Beginning of Year</b>	<u>\$ 19,156,173</u>	<u>\$ 664,125</u>
<b>Net Assets, End of Year</b>	<u>\$ 19,455,387</u>	<u>\$ 734,834</u>

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

**BELMONT COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2012**

	<b>Belmont College</b>	<b>Component Unit Belmont College Foundation</b>
<b><u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>		
<i>Cash Flows from Operating Activities:</i>		
Tuition and fees	\$ 4,411,050	\$ -
Grants and contracts	215,126	83,526
Payments to suppliers	(3,517,806)	(26,123)
Payments for utilities	(320,639)	-
Payments to employees	(8,400,061)	-
Payments for benefits	(2,477,818)	-
Payments for scholarships and grants	(3,683,025)	(24,576)
Auxiliary Enterprises:		-
Book Store	1,806,665	-
Sales and service of education	20,275	-
Other receipts	81,104	23,631
<b>Net cash used by operating activities</b>	<b>\$ (11,865,129)</b>	<b>\$ 56,458</b>
<i>Cash Flows from Non-Capital and Related Financing Activities:</i>		
State appropriations	\$ 5,452,931	\$ -
Federal Grants (Pell Grant - Non Operating)	6,300,967	-
Gifts and grants	15,753	-
<b>Net cash provided by non-capital and related financing activities</b>	<b>\$ 11,769,651</b>	<b>\$ -</b>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Purchase of capital assets	\$ (381,211)	\$ -
Capital Appropriations	506,761	-
<b>Net cash used by capital and related financing activities</b>	<b>\$ 125,550</b>	<b>\$ -</b>
<i>Cash Flows from Investing Activities:</i>		
Interest on investments	\$ 92,514	\$ 13,482
Proceeds from sales and maturities of investments	883,180	-
Purchase of investments	-	(56,724)
<b>Net cash used by noncapital financing activities</b>	<b>\$ 975,694</b>	<b>\$ (43,242)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>1,005,766</b>	<b>13,216</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>\$ 294,679</b>	<b>\$ 119,428</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 1,300,445</b>	<b>\$ 132,644</b>
<b><u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>		
Operating loss	\$ (12,191,787)	\$ 57,227
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	463,654	-
Change in Assets and Liabilities:		
Receivables, net	(43,786)	(769)
Inventories	9,989	-
Accrued liabilities	(95,758)	-
Compensated absences	(19,957)	-
Deferred revenue	12,516	-
<b>Net cash used by operating activities</b>	<b>\$ (11,865,129)</b>	<b>\$ 56,458</b>

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

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

Belmont College (formerly known as 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 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 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 incomes 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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.

**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, and 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 include 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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, 2012, 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 precedes 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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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.

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.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook 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);

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

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.

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.

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 2012, 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)**

At fiscal year-end, the carrying amount of the College’s deposits was \$13,572,140. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures,” as of June 30, 2012, none of the College’s bank balance of \$13,672,064 was exposed to custodial risk as discussed above.

**Investments:**

As of June 30, 2012, the College had no investments as defined by GASB Statement No.40.

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2012 were as follows:

	Gross Receivables	Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	\$ 1,156,978	\$ (125,576)	\$ 1,031,402
Interest	277,406	0	277,406
Other	137,658	0	137,658
Total Current Receivables	\$ 1,572,042	\$ (125,576)	\$ 1,446,466

**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, 2012, there was no net appreciation on donor restricted assets available to be spent.

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 7 – CAPITAL ASSETS**

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

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
Capital Assets, Non Depreciable:				
Land	\$ 276,000	\$ 0	\$ 0	\$ 276,000
Total Non-depreciable	276,000	0	0	276,000
Capital Assets, Depreciable:				
Land Improvements	457,045	220,872	0	677,917
Buildings and improvements	8,824,436	46,022	0	8,870,458
Machinery and Equipment	1,170,083	102,418	6,708	1,265,793
Motor Vehicles	232,430	0	0	232,430
Library books and materials	771,232	11,898	0	783,130
Total Depreciable	11,455,226	381,210	6,708	11,829,728
Less Accumulated Depreciation:				
Land Improvements	276,746	57,659	0	334,405
Buildings and improvements	4,551,944	240,069	0	4,792,013
Machinery and Equipment	575,825	125,183	6,708	694,300
Motor Vehicles	139,636	17,473	0	157,109
Library books and materials	719,059	23,269	0	742,328
Total Depreciable	6,263,210	463,653	6,708	6,720,155
Total Capital Assets, Depreciable, net	5,192,016	(83,443)	0	5,109,573
Capital Assets, net	\$ 5,468,016	\$ (83,443)	\$ 0	\$ 5,385,573

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**NOTE 8 – LONG-TERM LIABILITIES**

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Current</u> <u>Portion</u>
Compensated Absences	\$ 523,538	\$ 40,315	\$ 60,272	\$ 503,581	\$ 314,414
Total Long-Term Liabilities	<u>\$ 523,538</u>	<u>\$ 40,315</u>	<u>\$ 60,272</u>	<u>\$ 503,581</u>	<u>\$ 314,414</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, 2012:

<u>Year</u>	<u>Amount</u>
2013	<u>\$ 4,572</u>

**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	\$ 4,847,740	\$ 0	\$ 0	\$ 271,140	\$ 0	\$ 5,118,880
Public service	23,335	0	0	30,071	0	53,406
Academic support	1,616,393	0	0	245,593	0	1,861,986
Student services	962,134	0	0	57,733	0	1,019,867
Institutional support	2,641,213	0	0	1,219,369	0	3,860,582
Operations and maintenance	581,062	0	320,639	288,545	0	1,190,246
Scholarships & grants	0	3,683,025	0	0	0	3,683,025
Auxiliary enterprises	120,359	0	0	1,385,272	0	1,505,631
Depreciation	0	0	0	0	463,654	463,654
Totals	<u>\$ 10,792,236</u>	<u>\$ 3,683,025</u>	<u>\$ 320,639</u>	<u>\$ 3,497,723</u>	<u>\$ 463,654</u>	<u>\$ 18,757,277</u>

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**NOTE 11 – PENSION AND RETIREMENT 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, 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 on SERS' website at [www.ohsers.org](http://www.ohsers.org) under **Employers/Audit Resources**.

Plan members are required to contribute 10% of their annual covered salary and the College is required to contribute at an actuarially determined rate. The current rate is 14% 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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year ending June 30, 2012, the allocation to pension and death benefits is 12.70%. The remaining 1.30% of the 14% employer contribution rate is allocated to the Health Care and Medicare B funds. The College's required contributions to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$280,505, \$274,383, and \$256,133 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 other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution 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 43215-3771 or by calling toll free 1-888-227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://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 among various investment choices. The Combined Plan offers features of 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 DB Plan during their fifth year of membership unless they permanently select the DC of Combined Plan.

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 31<sup>st</sup> 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% of the original base amount for DB Plan participants.

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 or 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% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2012 were 10% of covered payroll for members and 14% for employers. Employer contributions actually paid should be disclosed in both dollar amounts and as a percentage of the employer's covered payroll for the current year and the two preceding years. Member and employer contributions actually made for DC and Combined Plan participants will be provided upon written request. The College's required contributions for the fiscal years ended June 30, 2012, 2011, and 2010 were \$808,600, \$794,090 and \$750,460 respectively; 100% 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, 2012, 2011 and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The College's contributions to fund health care for fiscal years 2012, 2011 and 2010 were \$57,757, \$56,721, and \$53,604 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 COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 2012 was \$96.40 for most participants, but could be as high as \$369.10 per month depending upon their income. 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 2012, the actuarially required allocation is .76%. The College's contributions for the year ended June 30, 2012, 2011, and 2010 were \$15,227, \$14,895, and \$13,904 respectively, which equaled the required contributions each 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 Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). 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. For the year ended June 30, 2012, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. State law provides 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 2012, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The College's contributions assigned to health care for the years ended June 30, 2012, 2011 and 2010 were \$38,496, \$36,771, and \$34,875 respectively.

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 on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**BELMONT COLLEGE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**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 2012, 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, \$876,771 has been paid. The amount remaining is \$114,467. 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, 2012.

**BELMONT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**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 and the bank balance was \$132,644. \$71,274 of the bank balance is covered by federal depository insurance. The remaining balance of \$61,370 is maintained as cash equivalents in the PNC Investments accounts and is not collateralized.

*Investments* - During the fiscal year ending June 30, 2012, the Belmont College Foundation Board made a change in the management of the investment portfolio in which the Board members were handling individual equities and stocks. The investment portfolio is currently professionally managed by Capital Directions to take advantage of investment tools to deliver a managed investment program to benefit long-term asset growth.

*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.

As of June 30, 2012 the Foundation had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less than One Year</u>	<u>More Than One Year</u>
Mutual Funds:			
Equity	\$ 263,423	\$ 263,423	\$ -
Individual Bonds	334,320	334,320	-
Total	<u>\$ 597,743</u>	<u>\$ 597,743</u>	<u>\$ -</u>

*Investment Risk Tolerance* - The Foundation's investment policy does not specifically limit asset allocation, but the Board does hold the position that the investment portfolio is to operate on a moderate investment strategy.

As of June 30, 2012, the Foundation had the following asset allocation-asset type:



**BELMONT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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**NOTE 16- COMPONENT UNIT DISCLOSURES (Continued)**

The following table includes the percentage of total asset allocation categorized by investment objective held by the Foundation at June 30, 2012:

<b><u>Investment Objective</u></b>	<b><u>Fair Value</u></b>	<b><u>Percent of Total</u></b>
Cash & Equivalents	\$ 61,370	9%
High Yield	25,875	4%
Large Cap	163,070	25%
Mid Cap	21,647	3%
Small Cap	10,563	2%
International	51,966	8%
Other Bonds	308,446	47%
Other Equity	16,176	2%
	<b><u>\$ 659,113</u></b>	<b><u>100%</u></b>

**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 June 3, 2013.

**Support Provided to the College**

During the year ended June 30, 2012 the Foundation provided \$24,576 to or on behalf of the College for scholarships and other purposes.

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Belmont College  
Belmont County  
120 Fox-Shannon Place  
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the financial statements and the discretely presented component unit of Belmont College, Belmont County, Ohio (the College), as of and for the year ended June 30, 2012, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 30, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Controls Over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the College's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the College's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the College's financial statements will not be prevented or detected and timely corrected.

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

**Compliance and Other Matters**

As part of reasonably assuring whether the College's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, federal awarding agencies and pass-through entities, and others within the College. We intend it for no one other than these specified parties.

*Charles E. Harris and Associates*

*Charles E. Harris and Associates, Inc.*  
November 30, 2012

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Belmont College  
Belmont County  
120 Fox-Shannon Place  
Belmont, Ohio 43950

To the Board of Trustees:

**Compliance**

We have audited the compliance of Belmont College, Belmont County, Ohio (the College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the College's major federal program for the year ended June 30, 2012. The *summary of auditor's results* section of the accompanying schedule of findings identifies the College's major federal program. The College's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the College's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the College's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with these requirements.

In our opinion, Belmont College, Belmont County, Ohio complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2012.

**Internal Control over Compliance**

The College's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the College's internal control over compliance.

**A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.**

**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 over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.**

**We intend this report solely for the information and use of the audit committee, management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.**

*Charles Harris Associates*

**CHARLES E. HARRIS & ASSOCIATES, INC.**  
November 30, 2012

**BELMONT COLLEGE**  
Schedule of Federal Awards Expenditures  
For The Fiscal Year Ended June 30, 2012

<b>Federal Grantor/Pass Trough Grantor Program Title</b>	<b>CFDA Number</b>	<b>Federal Receipts</b>	<b>Federal Disbursements</b>
<u>U.S. Department of Education</u>			
<i>Student Financial Assistance Cluster:</i>			
Federal Direct Student Loans (See Note A)	84.268	\$ 9,125,506	\$ 9,125,506
Federal Pell Grant Program (See Note B)	84.063	6,338,808	6,338,808
Federal Work Study	84.033	61,479	61,479
Supplemental Educational Opportunity Grant	84.007	15,022	15,022
Total Student Financial Assistance Cluster		15,540,815	15,540,815
<i>Passed Through Ohio Department of Education</i>			
Vocational Education Basic Grant	84.048	68,183	68,183
Total Federal Financial Assistance		\$ 15,608,998	\$ 15,608,998

Note A - Guaranteed Student Loans

For the fiscal year 2011 - 2012, the College certified need for \$9,125,506 in Federal Direct Student Loans and Supplemental Loans.

Note B - Pell Distribution

For the fiscal year 2011 - 2012, the College distributed \$6,338,808 in Federal Pell Grants.

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.

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 SECTION .505**

**BELMONT COLLEGE  
BELMONT COUNTY  
June 30, 2012**

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

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any internal control deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any internal control deficiencies reported at the federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Student Financial Assistance Cluster: CFDA #84.268, #84.063, #84.033, #84.007
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**BELMONT COLLEGE  
BELMONT COUNTY  
JUNE 30, 2012**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the year ending June 30, 2011, reported no material citations or recommendations.



**BELMONT**  
COLLEGE

**BOARD OF TRUSTEES**

<b>Name</b>	<b>Appointment Date</b>	<b>Term Exp. Date</b>
Marcia E. Bedway	(C) 2008	(C) 2014
Cory M. DelGuzzo	(C) 2010	(C) 2013
Elizabeth F. Gates	(C) 2010	(C) 2013
William D. Hunkler	(C) 2009	(C) 2015
Dr. Mark A. Macri	(C) 2011	(C) 2015
Pandora J. Neuhart	(C) 2008	(C) 2014
T. Owen Beetham	(C) 2012	(C) 2014
D. Suzanne Pollock	(G) 2009	(G) 2015
Dr. Lorrinda A. Saxby	(G) 2010	(G) 2013

(G) Governor's appointment; (C) Caucus appointment



# Dave Yost • Auditor of State

**BELMONT 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 15, 2013**