



Dave Yost • Auditor of State

**Bellaire Local School District
Belmont County, Ohio**

Fiscal Emergency Termination

Local Government Services Section

**Bellaire Local School District
Belmont County**

Fiscal Emergency Termination

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CERTIFICATION

Pursuant to a request submitted to the Auditor of State by the Bellaire Local School District Financial Planning and Supervision Commission, the Auditor of State performed an analysis of the Bellaire Local School District to determine whether the Commission and its functions under Chapter 3316 of the Ohio Revised Code should be terminated. Based on our analysis, the Auditor of State certifies that the Bellaire Local School District no longer meets the fiscal emergency conditions set forth in Section 3316.03(B), Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 3316.10 of the Revised Code has been implemented, that the Board of Education has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be non-adverse. Therefore, the existence of the Bellaire Local School District Financial Planning and Supervision Commission and its role in the operation of the Bellaire Local School District is terminated as of April 17, 2017.

Accordingly, this report is hereby submitted to the Bellaire Local School District Board of Education, the Financial Planning and Supervision Commission, John Kasich, Governor, Timothy S. Keen, Director of the Office of Budget and Management, Andrew Sutak, Belmont County Auditor, and Paolo DeMaria, State Superintendent of Public Instruction.

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

DAVE YOST
Auditor of State

April 17, 2017

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Bellaire Local School District – Belmont County

Report on Termination of the Bellaire Local School District Financial Planning and Supervision Commission

At the request of the Financial Planning and Supervision Commission of the Bellaire Local School District (the Commission), Belmont County, Ohio, as provided by Section 3316.16(B) of the Ohio Revised Code, the Auditor of State has performed an analysis to determine whether this Commission and its functions under Chapter 3316 of the Ohio Revised Code should be terminated.

The Declaration of Fiscal Emergency

Effective April 24, 2009, the Department of Education declared the Bellaire Local School District, Belmont County, to be in a state of fiscal caution in accordance with Section 3316.031 of the Ohio Revised Code. The declaration was based on an anticipated deficit for the fiscal year ending June 30, 2009.

The Auditor of State declared the Bellaire Local School District (School District) in fiscal watch on September 10, 2009. This declaration was based upon the failure to submit a written proposal for eliminating the anticipated deficits that prompted the declaration of fiscal caution and preventing the School District from experiencing further fiscal difficulties. Upon review of the Bellaire Local School District's five-year forecast, filed with the Department of Education on May 28, 2009, which included forecasted deficits of \$495,000, and \$1,693,000 for the fiscal years ending June 30, 2009 and 2010 respectively, the Auditor of State found the Department of Education's request that the Bellaire Local School District be placed in fiscal watch to be reasonable.

Section 3316.04, Revised Code, requires that the board of education of a district declared to be in fiscal watch prepare and submit a financial plan to the State Superintendent of Public Instruction that demonstrates the actions the board will take to eliminate the district's current operating deficit and avoid incurring future operating deficits. A school district that fails to submit an acceptable plan within 120 days of the Auditor of State's declaration of fiscal watch is required to be declared in a state of fiscal emergency in accordance with Section 3316.03(B), Revised Code. The Bellaire Local School District Board of Education passed a resolution on December 17, 2009, stating their inability to develop a fiscal watch recovery plan acceptable to the Superintendent of Public Instruction. Accordingly, the Auditor of State declared the School District to be in a state of Fiscal Emergency under Section 3316.03(B)(2) of the Ohio Revised Code on December 31, 2009. A Financial Planning and Supervision Commission was created whose purpose is to direct the School District's return to financial stability.

Termination of Fiscal Emergency

Under Section 3316.16 of the Ohio Revised Code, a school district financial planning and supervision commission, once established, will continue in existence until the Auditor of State, or the commission itself, determines the following:

1. An effective financial accounting and reporting system is in the process of being implemented, and is expected to be completed within two years;
2. All of the fiscal emergency conditions have been corrected or eliminated, and no new emergency conditions have occurred;
3. The objectives of the financial recovery plan are being met; and,

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4. The School District has prepared a financial forecast for a five-year period in accordance with standards issued by the Auditor of State, and such forecast is, in the Auditor's opinion, "nonadverse".

The following are the results of the analysis performed by the Auditor of State to determine if each of these four conditions has been satisfied.

Section 1 – Financial Accounting and Reporting System

When a school district is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the school district's financial accounting and reporting system. The Auditor of State, in accordance with Section 3316.10(A), Revised Code, assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Bellaire Local School District and issued a Report on Accounting Methods, dated February 21, 2012. The report identified areas where the School District's financial accounting and reporting system was not in compliance with Section 117.43, Revised Code, and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Financial Accounting Report. We confirmed whether the actions taken by management were sufficient to correct those issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

Budgetary Process

Auditor of State Comment from Report on Accounting Methods:

- The School District should update its policy manual related to the budgetary process. The policy manual should require the Treasurer to report to the Board as part of the monthly report any occurrences of non-compliance with Ohio Budgetary Law and the corrective action needed or taken and how further occurrences will be avoided.

Implemented:

On November 21, 2016, the Board approved a Treasurer's Office Policies and Procedures Manual (Treasurer's Manual). The Board approved revisions to the Treasurer's Manual on March 7, 2017. The Treasurer's Manual requires the Treasurer to present to the Board, as a part of the monthly report, any occurrences of non-compliance with Ohio Budgetary Law, as well as the corrective action needed or taken and how further occurrences will be avoided.

Auditor of State Comment from Report on Accounting Methods:

- The School District should establish procedures that will ensure compliance with established policies. Such procedures should include provisions for timely review and monitoring of budgetary and cash fund balance information.

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**Report on Termination of the Bellaire Local School District
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Implemented:

The Treasurer's Manual establishes procedures to ensure accurate and timely information is included in monthly financial reports. The Treasurer prepares reconciliations immediately following month-end, and in doing so, provides the most current budgetary and cash fund balance information to the Board for approval at each regular meeting.

Auditor of State Comment from Report on Accounting Methods:

- The School District did not issue 412 certificates for qualifying contracts. As required by Section 5705.412, Revised Code, the School District should issue the certificate; the certificate is to be signed by the Treasurer, Superintendent, President of the Board, and a member of the School District's Financial Planning Supervision Commission who is designated by the Commission for this purpose. The certificate is to be attached to any qualifying contract.

Implemented:

The Treasurer issues the necessary 412 certificates as required by Section 5705.412. The Chairperson of the Commission has signed 412 certificates for qualifying contracts. The Superintendent, Treasurer, and President of the Board of Education are aware of the legal requirements as they pertain to 412 certificates for qualifying contracts, and in turn will comply with the requirement once released from fiscal emergency.

Auditor of State Comment from Report on Accounting Methods:

- The School District should establish an internal control procedure to ensure that all new funds be approved by the Board of Education, with such approval being documented in the official minute record, in accordance with Section 5705.09, Revised Code.

Implemented:

The Treasurer's Manual establishes internal control procedures to ensure that all new fund requests are presented to the Board of Education for approval in accordance with Section 5705.09, Revised Code.

Revenue Activity

Auditor of State Comment from Report on Accounting Methods:

- The School District does not currently have written procedures for the receipt and recording of revenues. The School District should establish procedures for the receipt and recording of revenues to be utilized by all departments involved in the receipt and processing of revenues. These procedures should also ensure that pay-ins are marked with receipt numbers, that appropriate signatures are obtained on the food service receipts and reports. These procedures should be provided to staff charged with such duties, and be filed in the Treasurer's office and reviewed at least annually.

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Implemented:

The Board has approved a Treasurer's Manual, which establishes the procedures for the receipt and recording of revenues for all departments involved in the receipt and processing of revenues. These procedures ensure that pay-ins are marked with receipt numbers, and that appropriate signatures are obtained on the food service receipts and reports. The Treasurer's Manual has been provided to the appropriate staff members and is on file with the Treasurer. The Treasurer meets monthly with the fiscal assistants to discuss the operations of the Treasurer's Office. Board Resolution requires the Treasurer to review changes to the Treasurer's Manual annually.

Auditor of State Comment from Report on Accounting Methods:

- Timely and accurate financial information of the Food Service Fund is critical to the management of the food service program. The transfer of Food Service receipts from the outside account to the general account and the subsequent posting of the receipts to the Food Service Fund occur one month in arrears. Due to the lag in the posting, as well as an additional lag in the financial data provided to the Board of Education, the food service information is reviewed two months in arrears. The School District should post these receipts in a timely manner to eliminate the monthly lag, in order to provide accurate and timely reporting and to provide the most accurate fund balances to the administrators and the Board of Education.

Implemented:

The School District no longer utilizes an outside bank account for the operation of the food service program; daily cafeteria receipts are now deposited into the School District's general checking account, and reconciled to the School District's accounting system on a monthly basis. The current practice allows the Treasurer to present accurate and timely information to the Board of Education at each regular meeting.

Auditor of State Comment from Report on Accounting Methods:

- The Board of Education should revise policies regarding fund raising activity for student activities to include the process for approval, forms to be filed, and how deposits are handled. In addition, written procedures should be developed and monitored by the Treasurer's office.

Implemented:

On August 11, 2014, the Board approved a Student Activities Policies and Guidelines handbook. In conjunction with the Treasurer's Manual, policies and procedures provide for the operation of monitoring of fund raising for student activities.

Purchasing Process

Auditor of State Comment from Report on Accounting Methods:

- The School District does not perform a search of the Auditor of State's Findings for Recovery website when entering into contracts. Section 9.24, Revised Code, prohibits and State agency or political subdivision from awarding a contract for goods, services, or construction, paid for in whole or in part with State funds to any person against whom a finding for recovery has been issued by the Auditor of State, if that finding is unresolved.

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Implemented:

The School District now performs and documents the search of the Auditor of State's Findings for Recovery website when entering into contracts.

Auditor of State Comment from Report on Accounting Methods:

- The School District should implement procedures designed to ensure the proper certification of the availability of funds. The School District should have internal controls designed to ensure that a certificate is signed by the fiscal officer prior to making any contract or ordering any expenditure of money, in accordance with section 5705.41(D)(1), Revised Code. Failure to properly certify the availability of funds can result in overspending of funds and negative cash fund balances. To improve controls over disbursements and to help reduce the possibility of the School District's funds exceeding budgetary spending limitations, the Treasurer should certify that funds are or will be available prior to obligations being incurred by the School District, and when prior certification is not possible, "then and now" certificates should be used.

Implemented:

The Treasurer's Manual establishes internal controls to ensure the proper certification of the availability of funds. Based upon the controls in place, certificates are appropriately signed and when necessary, certificates are stamped "then and now" and signed by the Treasurer.

Auditor of State Comment from Report on Accounting Methods:

- The School District should establish written procedures to ensure the School District officials follow the guidelines established in Board Policy as well as Section 3316.46, Revised Code for proper advertisement for bids in conjunction with qualifying contracts or projects.

Implemented:

Procedures are outlined in the School District's Treasurer's Manual in accordance with Board policies and Revised Code Section 3316.46, for proper advertisement for bids in conjunction with qualifying contracts or projects.

Auditor of State Comment from Report on Accounting Methods:

- The School District should update the Board Policies that address the role of the Budgetary Assistant and the Payroll Assistant. The School District should also implement procedures that address cross-training and processes involved with purchasing.

Implemented:

The Treasurer's Manual outlines the operations of the Treasurer's office, and defines the respective roles of the Budgetary Assistant and the Payroll Assistant. The School District has implemented practices to ensure adequate cross training of staff and has provided the fiscal staff with the Treasurer's Manual.

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**Report on Termination of the Bellaire Local School District
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Cash Disbursement

Auditor of State Comment from Report on Accounting Methods:

- The School District should document the procedures for cash disbursements. The document should include internal control procedures to ensure that all invoices are properly approved for payment by being marked "ok to pay" by appropriate staff, and include procedures for approval of payment of invoices that exceed the purchase order amount, when only partial orders are received, and when a "Then and Now" certificate is to be used.

Implemented:

The Treasurer's Manual outlines the procedures for cash disbursements. These procedures include internal control procedures to ensure that all invoices are properly approved for payment by being marked "ok to pay" by appropriate staff, and include procedures for approval of payment of invoices that exceed the purchase order amount, when only partial orders are received, and when a "Then and Now" certificate is to be used.

Auditor of State Comment from Report on Accounting Methods:

- The School District should document the procedures for the staff positions and their functions. The document should include internal control procedures to ensure that all invoices are properly approved for payment by being marked "okay to pay" by appropriate staff, and include procedures for approval of payment of invoices that exceed the purchase order amount, when only partial orders are received, and when a "Then and Now" certification is to be used. These procedures should also require cross training and the periodic rotation of duties for the entire cash disbursement process.

Implemented:

The Treasurer's Manual outlines the operations of the Treasurer's office, and defines the respective roles of the Budgetary Assistant and the Payroll Assistant. The Treasurer's Manual also outlines the procedures for cash disbursements. These procedures include internal control procedures to ensure that all invoices are properly approved for payment by being marked "ok to pay" by appropriate staff, and include procedures for approval of payment of invoices that exceed the purchase order amount, when only partial orders are received, and when a "Then and Now" certificate is to be used. The School District has implemented practices to ensure adequate cross training of staff, and has provided the fiscal staff with the Treasurer's Manual.

Payroll Processing

Auditor of State Comment from Report on Accounting Methods:

- The School District should adopt a policy to accurately define the duties, process, and segregation of duties involving the payroll process. In addition, written procedures should be developed to address specific reporting requirements required for accurate payroll processing.

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Implemented:

The duties, processes, and segregation of duties involving the payroll process are now clearly defined in the Treasurer's Manual. The Treasurer's Manual also establishes the procedures to address specific reporting requirements required for accurate payroll processing.

Auditor of State Comment from Report on Accounting Methods:

- The School District should develop internal control procedures to ensure School District employees complete the appropriate paperwork required by the School District for Federal Programs, and that such paperwork is approved by the appropriate staff in order to ensure accurate payroll processing.

Implemented:

The Board Policy Manual and the Board-approved Treasurer's Manual collectively establish the necessary policies and procedures to ensure that School District employees complete the appropriate paperwork required by the School District for Federal Programs, and that such paperwork is approved by the appropriate staff in order to ensure accurate payroll processing.

Capital Assets and Supplies Inventory

Auditor of State Comment from Report on Accounting Methods:

- The School District should update its Policies and Procedures Manual regarding its capital assets process and segregation of duties relating to the acquisition of capital assets. In addition, the policy and procedures should specifically address the need to maintain accountability for non-capitalized assets, including the process for the verification of the existence of these assets, at least every two years in order to help prevent theft or loss and to confirm the accuracy of the capital asset records.

Implemented:

The Board of Education has approved revisions to Board Policy as well as the Treasurer's Manual, both of which establish procedures regarding capital assets, and the segregation of duties relating to the acquisition of capital assets. The Board Policy and the Treasurer's Manual specifically address the need to maintain accountability for non-capitalized assets, including the process for the verification of the existence of these assets, at least every two years in order to help prevent theft or loss and to confirm the accuracy of the capital asset records.

Auditor of State Comment from Report on Accounting Methods:

- The School District should adopt a materials and supplies inventory policy to address various aspects of the process involved for materials and supplies, noting frequency of the inventory, items to be inventoried, method to be used, individuals responsible to inventory items and individuals responsible for verifying the count.

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Implemented:

The Board of Education has approved revisions to Board Policy as well as the Treasurer's Manual, both of which establish procedures regarding materials and supplies inventory. Board Policy and the Treasurer's Manual specifically address the process involved for materials and supplies, noting frequency of the inventory, items to be inventoried, method do be used, individuals responsible to inventory items and individuals responsible for verifying the count.

Cash Management and Investing

Auditor of State Comment from Report on Accounting Methods:

- The School District does not have a policy for distribution of interest income. The School District should adopt a policy for the distribution of interest income.

Implemented:

The Treasurer's Manual approved by the Board of Education outlines procedures for the distribution of interest income.

Auditor of State Comment from Report on Accounting Methods:

- The School District should ensure timely reconciliation procedures in order to provide more accurate and timely reporting of cash management and investing activities to the Board of Education, so that the Board of Education is able to make financial decisions based on the most accurate financial information.

Implemented:

The School District has implemented practices to ensure the timely reconciliation, and the Treasurer presents accurate and timely information to the Board of Education as part of the monthly reporting procedures. Because of these practices and procedures, the Board of Education is able to make financial decisions based on the most accurate financial information.

Financial Reporting

Auditor of State Comment from Report on Accounting Methods:

- As addressed in current Board Policy, the School District should implement procedures to ensure that the Board receive and approve timely, monthly financial information.

Implemented:

The Treasurer's Manual includes procedures to ensure that the Board of Education is provided financial reports generated by the accounting system, including fund balance reports, budget versus actual analysis, and list of checks to be approved, as part of the Treasurer's report at each regular Board meeting. The information is reviewed and approved by the Board at each regular meeting.

Bellaire Local School District – Belmont County

**Report on Termination of the Bellaire Local School District
Financial Planning and Supervision Commission**

Auditor of State Comment from Report on Accounting Methods:

- The School District is subject to an annual audit in compliance with Governmental Auditing Standards and Office of Management and Budget (OMB) Circular A-133. The Board of Education should establish a committee to review the audit report and should consider formally accepting the audit report by resolution of the Board of Education, as well as establish internal control procedures to ensure the appropriate filings are made.

Implemented:

The Board of Education has established a committee to review the audit report, and in turn, the committee recommends that the Board formally accept the audit report by resolution. Internal control procedures are in place to ensure the appropriate filings are made.

Recent Audit Report and Compliance and Management Letters

In addition to reviewing the actions taken to address the issues identified in the Report on Accounting Methods and before releasing a school district from fiscal emergency, the Auditor of State reviews the current audit report to determine if there are deficiencies in the school district's financial reporting or any significant failures to comply with the requirements of the Ohio Revised Code.

The Auditor of State released an audit report on the School District's financial statements as of and for the fiscal year ended June 30, 2016, on March 7, 2017. The report expressed an unmodified opinion of the financial statements.

As part of the audit report, the School District receives letters on legal compliance and related internal controls and a management letter. The management letter included noncompliance findings related to public depository designations, and deficit cash fund balances. The management letter also includes recommendations that the School District should develop internal control procedures in accordance with the new Uniform Guidance over federal programs for, cash management, methods of procurement, allowable costs and cost principles, and compensation.

The School District has corrected or is in the process of correcting the issues identified in the management letter; therefore, the Auditor of State has concluded that the issues identified in the management letter do not require that the School District's release from fiscal emergency be delayed.

Section 2 – Fiscal Emergency Conditions

The Auditor of State shall issue an order, under Section 3316.03, Revised Code, declaring a school district to be in a state of fiscal emergency if the Auditor of State determines that a school district meets any of the criteria for fiscal emergency. The criteria are as follows:

1. An operating deficit has been certified for the current fiscal year, and the certified operating deficit exceeds 15 percent of the school district's general fund revenue for the preceding fiscal year and a levy has not been passed by the voters that will raise enough additional revenue to eliminate the first condition in the succeeding fiscal year.

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2. The school district board fails to submit a plan acceptable to the State Superintendent of Public Instruction within 120 days of the declaration of fiscal watch, or an updated plan no later than the anniversary of the date on which the first plan was approved.
3. The Superintendent of Public Instruction has reported to the Auditor of State that the school district is not materially complying with the provision of an original or updated plan as approved by the State Superintendent, and that the State Superintendent has determined a declaration of a state of fiscal emergency is necessary to prevent further fiscal decline, and the Auditor of State finds that the determination of the Superintendent is reasonable.
4. A declaration is made under Section 3316.04 of the Ohio Revised Code for a school district that has restructured or refinanced an emergency operating loan under Section 3316.041 of the Ohio Revised Code; and,
5. The Auditor of State may issue an order declaring a school district to be in a state of fiscal emergency if (1) an operating deficit has been certified for the current fiscal year, and the certified operating deficit exceeds 10 percent, but does not exceed 15 percent, of the school district's general fund revenue for the preceding fiscal year; (2) a levy has not been passed by the voters that will raise enough additional revenue to eliminate the first condition in the succeeding fiscal year; and, (3) the Auditor of State determines that a declaration of fiscal emergency is necessary to correct the school district's fiscal problems and to prevent further fiscal decline.

In order to be released from fiscal emergency, a school district must have corrected or eliminated the fiscal emergency conditions that existed at the time of the emergency declaration and no new emergency conditions may have occurred.

The results of our analysis of the fiscal emergency conditions are as follows:

1. The School District no longer has an operating deficit in the general fund.
2. The State Superintendent of Public Instruction has not reported to the Auditor of State any material noncompliance with the original or amended financial recovery plan.
3. The School District has not restructured or refinanced an emergency operating loan under Section 3316.041 of the Ohio Revised Code.
4. The examination of the School District's five-year forecast includes a non-adverse opinion rendered by the Auditor of State.

Section 3 – Financial Recovery Plan

We obtained and reviewed a copy of the latest financial recovery plan of the School District (dated March 31, 2016). The Treasurer of the School District and the Chairperson of the Financial Planning and Supervision Commission provided us with a summary of the key provisions of the plan and the actions taken to achieve the provisions of the plan, which were confirmed by us. The key provisions of the financial plan are as follows:

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Report on Termination of the Bellaire Local School District Financial Planning and Supervision Commission

1. The School District will continue to develop and maintain a five-year financial forecast that establishes the parameters of expenditures versus revenues for the School District. The forecast will be updated as required to reflect the changes in assumptions and the most likely course of the School District.
2. The Board of Education will contain expenditures within the five-year financial forecast and the Financial Recovery Plan.
3. The School District will review and follow its purchasing procedures and ensure that each transaction is properly authorized, documented and recorded.

Actions taken to achieve the provisions of the plan include the following:

1. The School District prepared monthly reports of receipts, expenditures, and encumbrances, which were monitored by staff from the Fiscal Assistance Section of the Ohio Department of Education.
2. The School District monitored personnel levels, from which the School District reduced 20 classified and 40 certified positions, totaling 60 positions. In addition, the Board of Education eliminated the seven percent pick-up of retirement for new certified staff. As a result of these actions, the School District saved approximately \$5,253,000.
3. The School District has saved approximately \$835,000 in health insurance costs as a result of changing to a new single carrier; increased the employee share of health insurance premiums from two percent to ten percent for classified staff and from ten percent to fifteen percent for certified staff. The School District also realized a ten percent reduction in premiums in fiscal year 2017 as a result of changes to the health care plan.
4. The School District has saved approximately \$250,000 by closely monitoring expenditures related to supplies and contracted services. An additional \$25,000 in savings was also accomplished by changing the telephone provider, and due to energy conservation upgrades.
5. The Food Services Operations have undergone significant changes in overall operations that has resulted in the Food Service Fund balance improving from a \$620,000 deficit fund balance in December 2009, to an operating balance of \$344,000 at June 30, 2016.

Section 4 – Five-Year Forecast

The Auditor of State examined the School District's financial forecast for the fiscal years ending June 30, 2017 through 2021, for the purpose of determining whether the fiscal emergency conditions have been eliminated and whether any new fiscal emergency conditions are expected to occur during the forecast period.

The School District's five-year forecast (see Appendix A) presents a positive unencumbered and unreserved general fund balance for the five-year period ending June 30, 2021. The Auditor of State, in a report dated February 23, 2017, rendered a "non-adverse" opinion on the financial forecast.

Bellaire Local School District – Belmont County

**Report on Termination of the Bellaire Local School District
Financial Planning and Supervision Commission**

Section 5 – Conclusion

Based on our review, the Auditor of State has determined the following:

1. The School District has adopted and implemented an effective accounting and reporting system;
2. The School District has corrected or eliminated all the fiscal emergency conditions, no new conditions have occurred, and it appears that, based on the five-year financial forecast, the School District will remain out of fiscal emergency during the forecast period;
3. The School District has met the major objectives of the Financial Recovery Plan; and,
4. The School District has prepared a financial forecast for a five-year period in accordance with standards issued by the Auditor of State, and the opinion expressed by the Auditor of State is “nonadverse”.

Therefore, the Auditor of State has determined that the Financial Planning and Supervision Commission of the Bellaire Local School District and its functions may be terminated.

DISCLAIMER

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

APPENDIX A

Bellaire Local School District
Belmont County, Ohio

Financial Forecast

For the Fiscal Years Ending June 30, 2017 through June 30, 2021

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Dave Yost • Auditor of State

Board of Education
Bellaire Local School District
340 34th Street
Bellaire, Ohio 43906

Independent Accountant's Report

We have examined the accompanying forecasted statement of revenues, expenditures and changes in fund balance of the general fund of the Bellaire Local School District for the fiscal years ending June 30, 2017 through 2021. The Bellaire Local School District's management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented in conformity with guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for the Board's forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The statement of revenues, expenditures and changes in fund balance arising from cash transactions of the general fund for the fiscal years ended June 30, 2014, 2015, and 2016 were compiled by us and we have not audited or reviewed the accompanying financial statements, and, accordingly, we do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements. Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that no material modifications that should be made to the financial statements. Management has chosen to omit the disclosures associated with the cash basis of accounting.

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

DAVE YOST
Auditor of State

February 23, 2017

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Bellaire Local School District
 Belmont County
 Statement of Revenues, Expenditures and Changes in Fund Balance
 For the Fiscal Years Ended June 30, 2014 Through 2016 Actual;
 For the Fiscal Years Ending June 30, 2017 Through 2021 Forecasted
 General Fund

	Fiscal Year 2014 Actual	Fiscal Year 2015 Actual	Fiscal Year 2016 Actual
Revenues			
General Property Taxes	\$2,172,000	\$2,240,000	\$2,387,000
Unrestricted Grants-in-Aid	9,998,000	8,840,000	9,359,000
Restricted Grants-in-Aid	263,000	254,000	196,000
Property Tax Allocation	344,000	342,000	361,000
All Other Revenues	920,000	1,015,000	1,004,000
<i>Total Revenues</i>	<u>13,697,000</u>	<u>12,691,000</u>	<u>13,307,000</u>
Other Financing Sources			
Sale of Capital Assets	0	11,000	6,000
Advances-In	0	0	0
<i>Total Other Financing Sources</i>	<u>0</u>	<u>11,000</u>	<u>6,000</u>
<i>Total Revenues and Other Financing Sources</i>	<u>13,697,000</u>	<u>12,702,000</u>	<u>13,313,000</u>
Expenditures			
Personal Services	5,137,000	4,954,000	5,030,000
Employees' Retirement/Insurance Benefits	2,664,000	2,818,000	2,816,000
Purchased Services	2,648,000	3,072,000	3,268,000
Supplies and Materials	448,000	372,000	379,000
Capital Outlay	186,000	313,000	201,000
Debt Service:			
Principal-Solvency Assistance Advance	887,000	0	0
Other Objects	134,000	126,000	124,000
<i>Total Expenditures</i>	<u>12,104,000</u>	<u>11,655,000</u>	<u>11,818,000</u>
Other Financing Uses			
Transfers Out	0	0	215,000
Advances Out	0	0	0
<i>Total Other Financing Uses</i>	<u>0</u>	<u>0</u>	<u>215,000</u>
<i>Total Expenditures and Other Financing Uses</i>	<u>12,104,000</u>	<u>11,655,000</u>	<u>12,033,000</u>
<i>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</i>	1,593,000	1,047,000	1,280,000
Cash Balance July 1	381,000	1,974,000	3,021,000
Cash Balance June 30	1,974,000	3,021,000	4,301,000
Actual/Estimated Encumbrances June 30	179,000	48,000	5,000
Restricted for:			
Budget Stabilization	0	0	635,000
Total Encumbrances and Restricted Fund Balance	<u>179,000</u>	<u>48,000</u>	<u>640,000</u>
Unencumbered/Unrestricted Fund Balance June 30	<u>\$1,795,000</u>	<u>\$2,973,000</u>	<u>\$3,661,000</u>

See accompanying summary of significant forecast assumptions and accounting policies
 See independent accountant's report

Fiscal Year 2017 Forecasted	Fiscal Year 2018 Forecasted	Fiscal Year 2019 Forecasted	Fiscal Year 2020 Forecasted	Fiscal Year 2021 Forecasted
\$2,548,000	\$2,586,000	\$2,624,000	\$2,664,000	\$2,703,000
9,424,000	9,239,000	9,237,000	9,054,000	9,052,000
334,000	334,000	331,000	324,000	321,000
375,000	378,000	386,000	386,000	388,000
1,184,000	1,001,000	963,000	969,000	969,000
<u>13,865,000</u>	<u>13,538,000</u>	<u>13,541,000</u>	<u>13,397,000</u>	<u>13,433,000</u>
1,000	0	0	0	0
0	102,000	100,000	100,000	100,000
<u>1,000</u>	<u>102,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
<u>13,866,000</u>	<u>13,640,000</u>	<u>13,641,000</u>	<u>13,497,000</u>	<u>13,533,000</u>
4,945,000	5,114,000	5,140,000	5,140,000	5,140,000
2,710,000	2,919,000	3,076,000	3,261,000	3,465,000
3,518,000	3,490,000	3,528,000	3,576,000	3,603,000
341,000	354,000	356,000	358,000	360,000
66,000	65,000	65,000	65,000	60,000
0	0	0	0	0
140,000	140,000	140,000	135,000	140,000
<u>11,720,000</u>	<u>12,082,000</u>	<u>12,305,000</u>	<u>12,535,000</u>	<u>12,768,000</u>
530,000	473,000	473,000	473,000	473,000
102,000	100,000	100,000	100,000	100,000
<u>632,000</u>	<u>573,000</u>	<u>573,000</u>	<u>573,000</u>	<u>573,000</u>
<u>12,352,000</u>	<u>12,655,000</u>	<u>12,878,000</u>	<u>13,108,000</u>	<u>13,341,000</u>
1,514,000	985,000	763,000	389,000	192,000
<u>4,301,000</u>	<u>5,815,000</u>	<u>6,800,000</u>	<u>7,563,000</u>	<u>7,952,000</u>
<u>5,815,000</u>	<u>6,800,000</u>	<u>7,563,000</u>	<u>7,952,000</u>	<u>8,144,000</u>
75,000	75,000	75,000	75,000	75,000
665,000	693,000	676,000	676,000	669,000
<u>740,000</u>	<u>768,000</u>	<u>751,000</u>	<u>751,000</u>	<u>744,000</u>
<u>\$5,075,000</u>	<u>\$6,032,000</u>	<u>\$6,812,000</u>	<u>\$7,201,000</u>	<u>\$7,400,000</u>

Bellaire Local School District

Belmont County

Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Note 1 – The School District

The Bellaire Local School District (the School District) is located in Belmont County and encompasses all of Pultney Township, areas of Richland Township and the Village of Bellaire. The School District is organized under Article VI, Sections 2 and 3, of the Constitution of the State of Ohio. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms. The School District currently operates one elementary school, one middle school, one high school, one administration building, two maintenance buildings and one bus garage. The School District employs 82 certified employees and 61 classified employees who provide services to 1,303 students and other community members.

On December 31, 2009, the School District was declared to be in a state of “Fiscal Emergency” under Section 3316.03(B)(2) by the Auditor of State. The declaration was due to the School District’s declining financial condition. In accordance with the law, a five-member Financial Planning and Supervision Commission have been established to oversee the financial affairs of the School District. The Commission is comprised of the State Superintendent of Public Instruction and the State Director of Budget and Management or their designees, and three appointed members. The appointments are made by the Governor of the State of Ohio, the State Superintendent of Public Instruction and the Belmont County Auditor. The Commission’s primary charge is to develop, adopt and implement a financial recovery plan. Once the plan has been adopted, the Board of Education’s discretion is limited in that all financial activity of the School District must be in accordance with the plan.

Note 2 – Nature of the Forecast

This financial forecast presents, to the best of the Bellaire Local School District Board of Education's knowledge and belief, the expected revenues, expenditures and operating balance of the general fund. Accordingly, the forecast reflects the Board of Education's judgment of the expected conditions and its expected course of action as of February 23, 2017, the date of this forecast. The assumptions disclosed herein are those that management believes are significant to the forecast. Differences between the forecasted and actual results will usually arise because events and circumstances frequently do not occur as expected, and those differences may be material.

Note 3 – Nature of the Presentation

The forecast presents the revenues, expenditures, and changes in fund balance of the general fund. Under State law, certain general fund revenues received from the State must be spent on specific programs. These resources and the related expenditures have been segregated in the accounting records of the School District to demonstrate compliance. State laws also require the general fund resources pledged for the repayment of debt to be recorded directly in the debt service fund. For presentation in the forecast the general fund supported debt is included in the general fund.

Bellaire Local School District

Belmont County

Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Note 4 – Summary of Significant Accounting Policies

Basis of Accounting

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the required budget basis (non-GAAP) of accounting used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the School District is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of expenditures in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Fund Accounting

The School District maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund – The general fund is the operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specified restricted or committed revenues should be the foundation for a special revenue fund.

Debt Service Fund – Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in the debt service funds.

Capital Projects Funds – Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Permanent Funds – Permanent funds should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. Permanent funds do not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Proprietary Funds

Enterprise Funds – Enterprise funds account for any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

Budget – A budget of estimated cash receipts and disbursements is submitted to the Belmont County Auditor, as secretary of the county budget commission, by January 20 of each year, for the succeeding fiscal year.

Estimated Resources – The county budget commission certifies its actions to the School District by March 1. As part of this certification, the School District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Bellaire Local School District

Belmont County

Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Appropriations – A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire fiscal year. The appropriation measure may be amended or supplemented during the fiscal year as new information becomes available.

Encumbrances – The School District uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve a portion of the applicable appropriation.

Note 5 – General Operating Assumptions

The Bellaire Local School District will continue to operate its instructional program in accordance with its adopted and anticipated school calendars and pay all obligations. The forecast contains those expenditures the Board of Education has determined to be necessary to provide for an adequate educational program.

Note 6 – Significant Assumptions for Revenues and Other Financing Sources

General and Tangible Personal Property Taxes

Property taxes are applied to real property, public utility real and personal property and manufactured homes which are located within the School District. Property taxes are collected for, and distributed to, the School District by the county auditor and treasurer. Settlement dates, on which collections are distributed to the School District, are established by State statute. The School District may request advances from the Belmont County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the School District are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenue.

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. Property tax revenue received during calendar year 2017 (the collection year) for real and public utility property taxes represents collections of 2016 taxes (the tax year). First half calendar year tax collections are received by the School District in the second half of the fiscal year. Second half calendar year tax distributions occur in the first half of the following fiscal year.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for real estate taxes. The State reimburses the School District for all revenues lost due to these exemptions. The amount of the reimbursement is presented in the account "Property Tax Allocation".

Prior to fiscal year end, a school district may request an advance of real property tax collections that ordinarily would be settled in August and used to finance the upcoming fiscal year. The forecast excludes the receipt of any advances against the next fiscal year scheduled property tax settlements. The potential advances have been excluded due to the School District's inability to appropriate this revenue until received and the uncertainty of the timing of any advances. Currently, it is the Board's intent not to appropriate any such advances for fiscal years 2017 through 2021.

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

The property tax revenues for the general fund are generated from several levies. The current levies being collected for the general fund, the year approved, first and last year of collection and the full tax rate are as follows:

<u>Tax Levies</u>	<u>Year Approved/ Renewed</u>	<u>First Calendar Year of Collection</u>	<u>Full Tax Rate (Per \$1,000 of Assessed Valuation)</u>
Inside Ten Mill Limitation (Unvoted)	n/a	n/a	\$4.50
Continuing Operating	1976	1977	23.00
Total Tax Rate			<u>\$27.50</u>

The School District has other levies that total \$7.00 per \$1,000 of assessed value; \$3.50 is for the payment of bonds issued for the construction of school facilities, \$0.50 is for the upkeep of school facilities, and \$3.00 is for permanent improvements. The School District's total tax rate is \$34.50 per \$1,000 of assessed valuation.

Ohio law provides for a reduction in the rates of voted levies to offset increased values resulting from a reappraisal of real property. Reduction factors are applied to voted levies so that each levy yields the same amount of real property tax revenues on carryover property as in the prior year. Reduction factors are also adjusted to generate the same amount of property tax revenue on carryover property when there is a decline in the assessed valuation of property. For all voted levies, except emergency and debt levies, increases in revenues are restricted to amounts generated from new construction. Emergency and debt levies are intended to generate a set revenue amount annually. The revenue generated by emergency and debt levies is not affected by changes in real property valuation. The reduction factors are computed annually and applied separately for residential/agricultural real property and commercial/industrial real property. Reduction factors are not applied to inside millage (an unvoted levy). State law also prohibits the reduction factors from reducing the effective millage of the sum of the general fund current operating levies (excluding emergency levies) plus inside millage used for operating purposes below 20 mills. For the general fund, the effective residential and agricultural real property tax rate is at \$20.00 per \$1,000 of assessed valuation for collection year 2017, and the effective commercial and industrial real property tax rate is \$20.00 per \$1,000 of assessed valuation for collection year 2017.

Public utility real and personal property taxes are collected and settled by the county with real estate taxes and are recorded as general property taxes.

General Property Tax – General property tax revenue includes real estate taxes, public utility property taxes and manufactured home taxes. The amount shown in the revenue section of the forecast schedule represents gross property tax revenue and is based upon current and historical property tax settlements. The School District anticipates an increase in fiscal years 2017 and 2018 due to an increase in current collections as certified by the Belmont County Auditor. Fiscal year 2018 is Belmont County's next reappraisal year and an approximate 1.5 percent increase is anticipated for fiscal years 2019 and 2020. Fiscal year 2021 is expected to increase approximately 1.5 percent based upon current collection trends.

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Unrestricted Grants-in-Aid

In fiscal year 2011, Ohio school districts received their funding under the Ohio Evidence-Based Model (OEBM) that was established in Chapter 3306 of the Ohio Revised Code and linked educational research on academic achievement and successful outcomes with funding components to achieve results. It incorporated real financial data and socioeconomic factors to fund resources and implement proven school programs according to the student need to achieve educational adequacy. The adequacy amount was the sum of service support components for instruction, administrative, operations and maintenance, gifted and enrichment, professional development and an instructional materials factor. These factors were multiplied against the Ohio education challenge factor (a district's wealth factor) and the State-wide base salary for given positions and the number of positions funded. Other factors included in the calculation were student/teacher ratios, organizational units, and average daily membership (ADM). The adequacy amount was offset by the school district share of the adequacy amount (the charge off amount), which was equal to 20 mills for 2014 and thereafter.

Beginning in fiscal year 2012, the administration of Governor John Kasich proposed to move away from the Ohio Evidence Based Model to a new funding method. However, since a new funding mechanism was not formulated at that time, the administration decided to fund school districts in fiscal years 2012 and 2013 based on a transitional approach until a new formula is devised. This transitional approach was referred to as the Bridge formula. The Bridge formula divided the fiscal year 2011 OEBM funding by a calculated ADM to determine the per pupil funding. The per pupil funding was then multiplied by the fiscal year 2012 and 2013 ADM. The adequacy amount was offset by the school district share of the adequacy amount (the charge off amount), which was equal to 21 mills of property taxes for fiscal years 2012 and 2013. In addition to this adjustment, each school district's fiscal year 2012 and 2013 funding was further adjusted so that the district received at least the total funding it received in fiscal year 2011 after subtracting the state fiscal stabilization funds from total funding, as well as to provide financial incentives for high performing districts.

In fiscal year 2014, the State General Assembly adopted a new funding method to replace the Bridge Formula. The new foundation formula includes a base amount of funding per pupil, known as the Opportunity Grant, and also provides additional funding for a number of different services designed to serve the needs of various populations of students. The Opportunity Grant is calculated using a per pupil amount times the Average Daily Membership (ADM). For fiscal year 2014, the ADM count continued to use the current fiscal year count taken during the first full week of October. This amount was then multiplied by the State Share Index, which factored in the property wealth and the income of residents of the school district. These calculations are a multi-step process and are reflected on the School Finance Payment Report (SFPR). School districts were guaranteed the amount received for fiscal year 2013 (including transportation aid and funding for career technical education) and no school district received an increase greater than 6.25 percent for fiscal year 2014 or 10.5 percent for fiscal year 2015. For fiscal years 2016 and 2017, the SFPR continues to be used and the calculation of foundation funding is similar to fiscal year 2015. School districts are guaranteed the amount received for fiscal year 2015 (excluding capacity aid, transportation supplement, graduation bonus, and third grade reading bonus), and limited to an increase of 7.5 percent in each fiscal year. For fiscal year 2017, career-technical education funding has been removed from the guarantee base and exempt from the 7.5 percent increase cap. Based on the most recent foundation settlement, the School District estimates \$9,261,000 in foundation funding for fiscal year 2017. Foundation funding is anticipated to decrease approximately 2 percent in fiscal year 2018, remain steady for fiscal year 2019, decrease approximately 2 percent for fiscal year 2020, and remain at the fiscal year 2020 amount for fiscal year 2021 based on enrollment trends.

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

In addition to the State Foundation revenue, the School District also receives unrestricted grants-in-aid revenue from casino revenue and from the Belmont County Department of Disabilities (BCDD) to assist in providing services to qualifying students. The School District anticipates BCDD revenue in the amount of \$100,000 in fiscal year 2017 and to remain consistent throughout the forecast period. Of the casino revenue collected by the State, 34 percent is distributed to school districts, based on student population. The School District anticipates casino revenue in the amount of \$63,000 for fiscal year 2017 and fiscal year 2018, with small decreases for fiscal years 2019 through 2021 due to anticipated decreases in student enrollment.

The School District’s unrestricted grants-in-aid for fiscal years 2017 through 2021 is as follows:

Revenue Sources	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Foundation	\$9,261,000	\$9,076,000	\$9,076,000	\$8,894,000	\$8,894,000
Casino Revenue	63,000	63,000	61,000	60,000	58,000
Department of Disabilities	100,000	100,000	100,000	100,000	100,000
Total Unrestricted	<u>\$9,424,000</u>	<u>\$9,239,000</u>	<u>\$9,237,000</u>	<u>\$9,054,000</u>	<u>\$9,052,000</u>

Restricted Grants-in-Aid

Restricted grants-in-aid consist of revenue to aid career technologies programs and economically disadvantaged funding. Based on the latest foundation settlement, the School District anticipates \$12,000 in career technologies monies and \$322,000 in economically disadvantaged funding for a total restricted grants-in-aid amount of \$334,000 for fiscal year 2017 and fiscal year 2018. For fiscal years 2019 through 2021 slight decreases of 1 percent, 2 percent, and 1 percent, respectively are expected due to anticipated decreases in economically disadvantaged funding.

Property Tax Allocation

Since 1971, the State has reimbursed local governments for lost tax revenue related to State mandated rollback and homestead exemptions. House Bill 59 signed in 2013 effected these reductions. The new law indicates that the 10 percent and the 2 ½ percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013. In addition, House Bill 59 has adjusted the Homestead Exemption and it will now be a means tested provision only available to those otherwise eligible taxpayers with household incomes that do not exceed \$30,000. These changes reduced reimbursements from the State and increased real property tax revenue. Homestead and rollback revenue is forecast to increase in fiscal year 2017, based on the latest settlement, and increase slightly for fiscal years 2018 and 2019 due to the reappraisal. Fiscal year 2020 is forecast to remain the same as the prior year and a slight increase for fiscal year 2021 is expected for the update year.

All Other Revenues

All other revenues consist of tuition from open enrollment and other sources, transportation fees, interest, rentals, student class fees, Medicaid reimbursements, E-rate funding, and other miscellaneous revenues.

The School District’s other revenues for fiscal years 2017 through 2021 is as follows:

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies For the Fiscal Years Ending June 30, 2017 through June 30, 2021

	Forecasted				
	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
	2017	2018	2019	2020	2021
Open Enrollment Tuition	\$675,000	\$682,000	\$689,000	\$695,000	\$695,000
Other Tuition	166,000	115,000	115,000	115,000	115,000
Transportation	7,000	7,000	7,000	7,000	7,000
Interest	27,000	27,000	27,000	27,000	27,000
Rentals	96,000	7,000	7,000	7,000	7,000
Student Class Fees	13,000	13,000	13,000	13,000	13,000
Medicaid Reimbursements	86,000	131,000	86,000	86,000	86,000
E-rate	33,000	5,000	5,000	5,000	5,000
Other	81,000	14,000	14,000	14,000	14,000
Total	<u>\$1,184,000</u>	<u>\$1,001,000</u>	<u>\$963,000</u>	<u>\$969,000</u>	<u>\$969,000</u>

Open enrollment tuition revenue is expected to increase slightly from fiscal year 2016, based on the latest foundation settlement, and continue to increase for fiscal years 2018 through 2020 based on historical trends. For fiscal year 2021, open enrollment tuition is estimated to remain consistent with the prior fiscal year.

Other tuition revenue primarily includes special education students and is expected to increase significantly for fiscal year 2017 due to a delay in processing excess cost amounts related to claims submitted in fiscal year 2016 that were not received until fiscal year 2017. Forecasted other tuition for fiscal years 2018 through 2021 is based on a historical average.

Interest revenue is expected to increase significantly in fiscal year 2017 due to increased cash balances available for investing and remain flat for the forecast period.

Rental revenue is anticipated to increase significantly for fiscal year 2017 due to receiving \$87,000 in gas and oil lease signing bonus revenue. Rental revenue is expected to return to amounts comparable to previous fiscal years for fiscal years 2018 through 2021.

Medicaid reimbursements are anticipated to decrease for fiscal years 2017 and increase in fiscal year 2018 due to a settlement payment from a prior fiscal year. For fiscal years 2019 through 2021 Medicaid reimbursements are based on a historical average.

E-rate for fiscal year 2017 is expected to be slightly higher than in fiscal year 2016, based on reimbursements already received. For fiscal years 2018 through 2021, E-rate reimbursements are expected to decrease significantly based on lower costs for phone services due to the School District changing to a different telephone service provider late in fiscal year 2016.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Other revenue includes a variety of miscellaneous items, as well as a fiscal charge reimbursement from the Student Services Fund and the Auxiliary Service Fund. At the end of each fiscal year the School District calculates the portion of fiscal charges used by these funds and charges approximately 4 percent of the fiscal year allocation. This amount is then reimbursed to the general fund and is recorded as other revenue in the general fund in the subsequent fiscal year. Forecasted other revenue for fiscal year 2017 is expected to increase significantly based on a \$67,000 rebate from the lighting upgrade project. For fiscal years 2018 through 2021, other revenue is anticipated to decrease due to lower fiscal charge reimbursements.

Other Financing Sources

Sale of Assets - Revenue from the sale of School District assets varies each year and is based upon how many assets the School district is disposing of in a given year. In the prior fiscal year, the School District sold a bus for \$6,000. During fiscal year 2017, the School District sold a bus for \$1,000. The School District does not anticipate the any sale of assets for fiscal years 2018 through 2021.

Advances-In – The School District is not forecasting any advances-in for fiscal year 2017. For fiscal years 2018 through 2021 return of advances are anticipated in the amount of \$102,000, \$100,000, \$100,000 and \$100,000, respectively. Advances-out made in prior fiscal years to cover deficit balances in the federal grant funds until Federal Funds are requested and received.

Note 7 – Significant Assumptions for Expenditures and Other Financing Uses

Personal Services

Personal services expenditures represent the salaries and wages paid to certified employees, classified and administrative staff. In addition to regular salaries, it includes payment for substitutes, supplemental contracts, incentives, overtime, board salaries, and student workers. Prior to fiscal year 2017, personal services expenditures for the general fund included severance pay; effective in fiscal year 2017 severance payments are reported in the Termination Benefits Special Revenue Fund. All employees receive their compensation on a bi-weekly basis. Administrative and non-bargaining unit salaries are set by the Board of Education.

Staffing levels for the last three fiscal years and the current fiscal year are displayed in the following chart. The amounts represent full time equivalents. Staffing levels are anticipated to remain consistent with fiscal year 2017 throughout the forecast period.

	2014	2015	2016	2017
<i>General Fund:</i>				
Certified	58	61	67	69
Classified	43	46	46	44
Total General Fund:	101	107	113	113
<i>Other Funds:</i>				
Certified	13	14	12	13
Classified	22	18	18	17
Total Other Funds:	35	32	30	30
Totals	136	139	143	143

Bellaire Local School District

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Summary of Significant Assumptions and Accounting Policies For the Fiscal Years Ending June 30, 2017 through June 30, 2021

The following table presents a comparison of forecasted salaries and wages for fiscal years 2017 through 2021:

	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Certified Salaries	\$3,421,000	\$3,552,000	\$3,552,000	\$3,552,000	\$3,552,000
Classified Salaries	1,260,000	1,298,000	1,324,000	1,324,000	1,324,000
Substitute Salaries	250,000	250,000	250,000	250,000	250,000
Other Salaries and Wages	14,000	14,000	14,000	14,000	14,000
Totals	\$4,945,000	\$5,114,000	\$5,140,000	\$5,140,000	\$5,140,000

Certified (teaching) staff salaries are based on a negotiated contract effective July 1, 2016 through June 30, 2018. The current certified staff contract includes a 2 percent base salary increase in fiscal year 2017 and a 1 percent base salary increase in fiscal year 2018. Previous negotiated contracts froze step increases, and the current contract continues to freeze step increases, however, the contract allows for up to two step increases for eligible staff members in fiscal year 2017; for fiscal year 2018, eligible staff members are entitled one additional step increase. The current contract also includes provisions for removing the freeze related to educational increases for certified staff. The forecasted effect of these provisions in fiscal year 2017 is offset slightly by savings related to retiring staff members in fiscal year 2016 being replaced by staff members lower on the salary schedule. No base salary increases for certified staff have been included in the forecast for fiscal years 2019 through 2021. Each 1 percent increase in certified salaries would cost the School District approximately \$36,000.

Classified salaries are based on a negotiated contract. The current classified contract covers the period of July 1, 2016 through June 30, 2019. The current classified contract calls for salary and wage increases of 5 percent, 3 percent, and 2 percent for the fiscal years 2017, 2018, and 2019 respectively. No base salary increases for classified staff have been included in the forecast for fiscal years 2020 and 2021. Each 1 percent increase in classified salaries would cost the School District approximately \$13,000.

Substitute salaries are forecasted to remain consistent based on historic trends for the forecast period.

The School District offers severance pay upon retirement to its certified and classified employees who are eligible to retire under the provisions set by STRS or SERS. Beginning in fiscal year 2017, no severance costs are included in the forecasted amounts for personal services due to severance payments being made from a Termination Benefits Special Revenue Fund. See the significant assumptions and accounting policies pertaining to transfers out for details for general fund forecasted contributions to the Termination Benefits Special Revenue Fund.

Other salaries, which consist of board salaries and student worker wages, are forecasted to remain consistent throughout the forecast period.

Employees' Retirement/Insurance Benefits

Employees' retirement and insurance benefits include employer contributions to the State pension systems, health care, Medicare, workers' compensation, and other benefits arising from the negotiated agreements.

Bellaire Local School District

Belmont County

Summary of Significant Assumptions and Accounting Policies For the Fiscal Years Ending June 30, 2017 through June 30, 2021

The following table presents a comparison of employee's retirement/insurance benefits for fiscal years 2017 through 2021:

	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Employer's Retirement	\$979,000	\$1,028,000	\$1,015,000	\$1,015,000	\$1,015,000
Health Care/Life Insurance	1,616,000	1,792,000	1,961,000	2,146,000	2,350,000
Workers' Compensation	45,000	24,000	25,000	25,000	25,000
Medicare	69,000	74,000	74,000	74,000	74,000
Unemployment	1,000	1,000	1,000	1,000	1,000
Totals	<u>\$2,710,000</u>	<u>\$2,919,000</u>	<u>\$3,076,000</u>	<u>\$3,261,000</u>	<u>\$3,465,000</u>

Employer's retirement costs are based on the employers' contribution rate of 14 percent of gross wages for both the STRS and SERS retirement systems. Employer's retirement costs also include portions of the employees' contributions that are paid by the Board of Education. The School District pays 7 percent of the employees' retirement (partial pick up) for teaching employees hired prior to July 1, 2012, 10 percent (full pick up) for administrative employees, and 4 percent (partial pick up) of the classified employees' contributions. The current labor agreement continues the elimination of partial pick up of retirement contributions for all teaching employees hired after July 1, 2012. The forecasted retirement also includes the SERS surcharge to fund health care benefits for employees earning less than \$23,500. Payments for the employers' share of the retirements are made based upon estimated salary and wages for each fiscal year, which are withheld from the bi-monthly State Foundation payments. The School District remits the employees' contributions to the retirement systems following each payroll. An additional SERS true-up payment is included in forecasted employer's retirement in fiscal year 2018, as the fiscal year 2017 SERS salary estimate was submitted prior to the approval of the current negotiated agreement. Employer's retirement is forecasted to remain consistent, relative to forecasted salaries, for fiscal years 2019 through 2021.

In years past, SERS has been paid six months in arrears by Ohio school districts. On March 18, 2010, the SERS board decided to give the school districts two options. Option one was for the school districts to pay the six month arrearage by June 30, 2010, to become current. Option two was for SERS to spread the six month arrearage amount over the next six years adding this to the current payment. The School District chose option two, and had the final arrearage payment of \$27,000 withheld from foundation in fiscal year 2016.

The School District provides medical/surgical, prescription drug, and dental care on a self-insured basis, and provides vision and life benefits through separate insurance carriers. Rates for the self-insured coverage are based on recommended amounts from the School District's third party administrator and adopted by the Board of Education on a yearly basis. Health, prescription drug, and dental rates are effective October 1 each year, with all other insurance rates effective September 1. The medical/surgical and prescription drug premiums effective for the first year of the forecast period are as follows.

Coverage	Effective July 1, 2017	Effective October 1, 2017
Single	\$730.79	\$693.47
Family	1,774.11	1,683.92

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For fiscal year 2017, the School District negotiated a reduction in health and prescription drug insurance premiums. The School District does not anticipate those savings to be sustainable for future periods based upon the information provided to the School District's third party administrator, and as a result the School District is projecting annual increases of 10 percent the fiscal years 2018 through 2021. Dental, vision, and life insurance policies are forecasted to remain consistent, based on prior year costs through the forecast period.

Workers' compensation is based on the School District's assigned rate and the amount of wages paid in a calendar year. In previous years, premiums were paid in the following calendar year. Beginning in calendar year 2016, the Bureau of Worker's Compensation (BWC) transitioned to prospective billing. The bills to be paid in calendar 2016 included payment on calendar year 2015 wages (policy year 2015) and payment on calendar year 2016 estimated wages (policy year 2016). For this transition policy year, the BWC gave a 50 percent credit on the retrospective bill on 2015 wages and a 50 percent credit on the prospective bill on 2016 wages. Workers' Compensation expenditures increased in fiscal year 2017 due to the timing of the prospective billing payments. Worker's compensation expenditures are forecasted to decrease in fiscal year 2018 as the School District makes monthly payments to BWC for policy premiums. Workers' compensation expenditures are forecasted to increase slightly for fiscal year 2018 and remain consistent through the forecast period.

Medicare is based on a percentage of salaries and is estimated to increase relative to the increase in salary and new hires throughout the forecast period.

Unemployment and other benefits are forecasted to stay in line with the prior fiscal year throughout the forecast period.

Purchased Services

The following table presents a comparison of purchased services for fiscal years 2017 through 2021.

	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Professional and Technical Services	\$436,000	\$433,000	\$438,000	\$451,000	\$445,000
Property Services	71,000	73,000	74,000	76,000	77,000
Travel and Meeting Expenses	14,000	15,000	15,000	15,000	15,000
Communication Costs	48,000	44,000	45,000	47,000	48,000
Utility Services	459,000	466,000	472,000	478,000	484,000
Tuition Payments	2,490,000	2,459,000	2,484,000	2,509,000	2,534,000
Totals	<u>\$3,518,000</u>	<u>\$3,490,000</u>	<u>\$3,528,000</u>	<u>\$3,576,000</u>	<u>\$3,603,000</u>

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Professional and technical services are forecasted to increase slightly over the forecast period, with increases for legal service costs during years of contract negotiations. Forecasted amounts for professional and technical services also include annual increases for STEM Director services, and annual increases for speech and management services along with other contracted services with the ESC. Property services are forecasted to increase annually throughout the forecast period primarily due to increases in liability insurance premiums. Travel and meeting expenses are anticipated to remain consistent with prior fiscal years for all forecasted fiscal years. Communication costs reflect slight increases throughout the forecast period and offset by a decrease once the fiscal year 2017 advertising concludes. Forecasted communication costs for fiscal year 2017 reflect savings due to the School District switching telephone service providers. Utility services costs are forecasted to increase over the forecast period and the School District’s recent energy conservation project are anticipated to mitigate the rising costs of utility services. Tuition payments for fiscal year 2017 are forecasted to increase due increasing open enrollment expenditures for resident students being serviced by neighboring school districts. Fiscal year 2017 forecasted tuition payments also include a one-time upfront payment \$80,000 in relation to virtual classroom fees. For the forecasted period of fiscal years 2018 through 2021, tuition payments are forecasted to increase for open enrollment costs, as well as increases in tuition for programs administered by the ESC, including preschool.

Supplies and Materials

Presented below is a comparison of supplies and materials for fiscal years 2017 through 2021.

	Forecasted				
	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
General Supplies	\$143,000	\$152,000	\$152,000	\$152,000	\$152,000
Library Books, Periodicals, and Workbooks	0	2,000	2,000	2,000	2,000
Maintenance and Repair Supplies	52,000	52,000	52,000	52,000	52,000
Transportation Supplies	146,000	148,000	150,000	152,000	154,000
Totals	<u>\$341,000</u>	<u>\$354,000</u>	<u>\$356,000</u>	<u>\$358,000</u>	<u>\$360,000</u>

In total, supplies and materials are forecasted to increase in fiscal year 2018 and remain consistent throughout the forecast. General supplies are forecasted to increase from fiscal year 2017, in line with historical spending trends. Transportation supplies are forecasted to increase slightly throughout the forecast period as the School District has a relatively newer fleet as a result of the purchase of new buses in recent years, resulting in lower maintenance costs, which serves to slightly offset anticipated increases in fuel costs.

Capital Outlay

The costs of property, plant and equipment acquired or constructed for general governmental services are recorded as expenditures. In prior fiscal years, capital outlay expenditures included the purchase of new school buses. Beginning in fiscal year 2017, new school buses will be purchased with a portion of the proceeds from the Qualified Zone Academy Bonds rather than from the general fund. The School District does not anticipate any significant capital outlay expenditures being reported in the general fund. The School District makes necessary upgrades to technology annually with the proceeds of casino revenue, and capital outlay is forecasted to remain consistent throughout the forecast period with a slight decrease in fiscal year 2021.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

Other Objects

Other object expenditures consist of dues, fees, and liability insurance. Other object expenditures are forecasted in the amount of \$140,000 in fiscal years, 2017, 2018, 2019, and 2021. Forecasted other objects are forecasted to decrease in fiscal year 2020 due to forecasted reductions in election expenses following an off-year.

Transfers and Advances Out

For fiscal year 2017, the School District is forecasting \$530,000 of transfers-out. This includes \$400,000 of transfers to the Bond Retirement Fund for annual QZAB sinking fund payments. In fiscal year 2017, the School District received an oil and gas lease bonus and the Ohio Revised Code requires the proceeds be receipted into the general fund. As a result, forecasted transfers out include \$87,000 in transfers to the Permanent Improvement Fund. In addition, \$43,000 is forecasted to be transferred to the Termination Benefits Special Revenue Fund in fiscal year 2017.

For fiscal years 2018 through 2021, the School District is forecasting \$473,000 of transfers-out. This includes \$400,000 of transfers-out to the Bond Retirement Fund, for annual QZAB sinking fund payments, and a \$73,000 transfer to the Termination Benefits Special Revenue Fund.

Advances to federal grant funds are expected to cover deficit balances until Federal Funds are requested and received. The School District is forecasting advances-out in the amount of \$102,000 for fiscal year 2017, and is forecasting advances out in the amount of \$100,000 for fiscal years 2018 through 2021.

Note 8 – Encumbrances

Encumbrances represent purchase authorizations and contracts for goods or services that are pending vendor performance and those purchase commitments which have been performed, invoiced, and are awaiting payment. Encumbrances on a budget basis of accounting are treated as the equivalent of an expenditure at the time authorization is made in order to maintain compliance with spending restrictions established by Ohio law. For presentation in the forecast, outstanding encumbrances are presented as a reduction of the general fund cash balance. Encumbrances for purchased services, supplies and materials, capital outlay and other objects are forecasted to be \$75,000 for the fiscal years 2017 through 2021.

Note 9 – Capital Acquisition and Improvements Set-Aside and Other Restrictions of Fund Balance

The School District is required by State statute to annually set aside in the general fund three percent of certain revenues for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

The estimated set aside amount required for fiscal year 2017 is approximately \$210,000 and expected to remain consistent for the remaining forecast period. The School District has a permanent improvement levy being collected through the forecast period which is anticipated to provide enough offsetting revenues to meet the requirement. The School District also has current and prior year capital expenditures from bond proceeds in connection with school facilities projects that may be carried forward to offset future set-aside requirements. Therefore, no reserve for capital acquisition and improvements is forecast.

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Summary of Significant Assumptions and Accounting Policies
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On October 13, 2014 the Board of Education, in accordance with Ohio Revised Code Section 5705.13(A)(1), approved the establishment of a Reserve Balance Account within the general fund representing “one month of actual cash operating reserves,” not to exceed five percent of general fund revenue from the preceding year. For fiscal year 2017, \$665,000 is projected to be set aside for the Budget Stabilization Reserve Balance Account. For fiscal year 2018, \$693,000 is projected to be set aside for the Budget Stabilization Reserve Balance Account. For fiscal year 2019 the amount set aside is projected to be spent down as it exceeds the statutory five percent cap. For fiscal years 2019 and 2020, \$676,000 is projected to be set aside for the Budget Stabilization Reserve Balance Account. For fiscal year 2021, the amount set aside is projected to be spent down as it exceeds the statutory five percent cap, and the amount restricted is forecasted to be 669,000.

Note 10 – Levies

The School District has placed several levies on the ballot in the last 10 years. The type of levy, millage amount, term and election results are as follows:

<u>Date</u>	<u>Type</u>	<u>Amount</u>	<u>Term</u>	<u>Election Results</u>
April 2, 2006	Permanent Improvement (Renewal)	3.00 mills	5 Years	Passed
May 4, 2010	Emergency	1,396,200	5 Years	Failed
November 2, 2010	Emergency	1,396,200	5 Years	Failed
May 3, 2011	Income Tax	1%	5 Years	Failed
November 8, 2011	Permanent Improvement (Renewal)	3.00 mills	5 Years	Passed
November 8, 2011	Income Tax	1%	5 Years	Failed
November 6, 2012	Emergency	8.72 mills	5 Years	Failed
May 7, 2013	Emergency	5.9 mills	5 Years	Failed
November 5, 2013	Emergency	5.9 mills	5 Years	Failed
May 6, 2014	Emergency	5.9 mills	5 Years	Failed
November 3, 2015	Permanent Improvement (Renewal)	3.00 mills	5 Years	Passed
November 8, 2016	Emergency	3.00 mills	7 Years	Failed

Note 11 – Pending Litigation

The School District’s management is of the opinion that there are no issues that would have a material effect on the financial forecast.

Note 12 – Employee Benefits Self-Insurance Fund

The School District provides medical/surgical, prescriptions, and dental benefits through two separate self-insurance programs. The School District maintains an internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator reviews all claims which are then paid by the School District. The School District pays a monthly premium for each employee into the internal service fund. The premium is paid by the fund that pays the salary for the employee and differs for single and family benefits. Monthly premiums are recommended by the third party administrator and approved by the Board of Education. The School District has shared risk pool coverage with Jefferson

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Health Plan Self-Insurance Plan, which covers individual claims in excess of \$50,000 up to \$500,000 per employee per year for medical claims. The School District also has a stop loss coverage insurance policy through Jefferson Health Plan Self-Insurance Plan which covers individual claims in excess of \$500,000 per employee per year for medical claims. For the forecast period, the School District anticipates premiums and stop loss reimbursements to be sufficient to cover the claims and administrative costs on a cash basis. The Jefferson Health Plan recommends the School District maintain a reserve in the internal service fund of approximately \$285,000. The School District is not forecasted to fall below the minimum reserve balance.

Note 13 – Other Funds

The School District has numerous other funds that account for resources that are restricted for specific purposes.

The School District uses the food service fund to account for the charges for services and operating grants restricted to the food service operations of the School District. This fund is forecasted to generate adequate revenue to maintain operations during the forecast period.

All other funds of the School District are anticipated to have sufficient resources to meet their obligations during the forecast period. There are certain funds that annually rely upon advances from the general fund to meet their obligations. These advances are addressed in Note 7.

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Summary of Significant Assumptions and Accounting Policies
For the Fiscal Years Ending June 30, 2017 through June 30, 2021

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Dave Yost • Auditor of State

BELLAIRE LOCAL SCHOOL DISTRICT

SUMMIT 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
APRIL 17, 2017**