



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF BRYAN
WILLIAMS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	
Combined Balance Sheet – All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Fund	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis) – All Governmental Fund Types and Expendable Trust Fund	5
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings – All Proprietary Fund Types	8
Combined Statement of Cash Flows – All Proprietary Fund Types	9
Notes to the General-Purpose Financial Statements	11
Schedule of Federal Awards Expenditures	41
Notes to the Schedule of Federal Awards Expenditures	42
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	43
Report of Independent Accountants on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	45
Schedule of Findings	47
Schedule of Prior Audit Findings	51

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REPORT OF INDEPENDENT ACCOUNTANTS

City of Bryan
Williams County
321 West Bryan Street
Bryan, Ohio 43506-1243

To the City Council and Board of Public Affairs:

We have audited the accompanying general-purpose financial statements of the City of Bryan (the City) as of and for the year ended December 31, 2000. These general-purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain evidence of the valuation of fixed assets in the General Fixed Asset Account Group and the Proprietary Fund Type nor were we able to satisfy ourselves as to the value of fixed assets by other auditing procedures. Fixed assets represent all of the assets in the General Fixed Asset Account Group and sixty-four percent of the assets in the Proprietary Fund.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding fixed assets, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Bryan, Williams County, as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2001 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Jim Petro
Auditor of State

December 10, 2001

TABLE OF CONTENTS

CITY OF BRYAN, OHIO WILLIAMS COUNTY

I.

GENERAL PURPOSE FINANCIAL STATEMENTS:

A.	Combined Balance Sheet All Fund Types and Account Groups	2
B.	Combined Statement of Revenues, Expenditures and Changes in Fund Balances All Governmental Fund Types and Expendable Trust Fund	4
C.	Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual (Non-GAAP Budgetary Basis) All Governmental Fund Types and Expendable Trust Fund	5
D.	Combined Statement of Revenues, Expenses and Changes in Retained Earnings All Proprietary Fund Types	8
E.	Combined Statement of Cash Flows All Proprietary Fund Types	9
F.	Notes to the General Purpose Financial Statements	11

II.

SUPPLEMENTAL INFORMATION

A.	Combining Statement of Changes in Assets and Liabilities - Agency Fund	39
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**THE CITY OF BRYAN, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2000**

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Expendable Trust and Agency Funds	General Fixed Assets		General Long-Term Obligations
<i>Assets and Other Debits:</i>										
<i>Assets:</i>										
Cash and Cash Equivalents	\$931,131	\$6,610,092	\$26,524	\$1,464,150	\$5,440,512	\$874,424	\$7,028	\$0	\$0	\$15,353,861
Receivables (net of allowance for doubtful accounts):										
Taxes	675,051	532,228	0	0	0	0	0	0	0	1,207,279
Accounts	10,013	300	0	0	2,070,974	0	0	0	0	2,081,287
Special Assessments	0	0	211,235	1,060,261	2,111	0	0	0	0	1,273,607
Interest	37,846	6,085	0	6,362	31,402	4,758	0	0	0	86,453
Loans	0	617,466	0	0	0	0	0	0	0	617,466
Due from Other Funds	0	11,938	0	0	1,292	0	0	0	0	13,230
Intergovernmental Receivables	80,631	60,125	0	0	27,553	0	0	0	0	168,309
Interfund Loans Receivable	0	0	0	0	2,500,000	0	0	0	0	2,500,000
Inventory of Supplies at Cost	0	53,242	0	0	1,639,151	0	0	0	0	1,692,393
Prepaid Items	16,514	7,459	0	0	149,583	0	0	0	0	173,556
<i>Restricted Assets:</i>										
Cash and Cash Equivalents	0	0	0	0	220,727	0	0	0	0	220,727
Cash with Fiscal Agent	0	0	0	0	27,250	0	15,159	0	0	42,409
Investment in Joint Venture	0	0	0	0	877,096	0	0	0	0	877,096
Fixed Assets (net of accumulated depreciation)	0	0	0	0	22,940,338	0	0	10,589,303	0	33,529,641
<i>Other Debits:</i>										
Amount Available in Debt Service	0	0	0	0	0	0	0	0	26,524	26,524
Amount to be Provided for General Long-Term Obligations	0	0	0	0	0	0	0	0	1,165,849	1,165,849
Total Assets and Other Debits	\$1,751,186	\$7,898,935	\$237,759	\$2,530,773	\$35,927,989	\$879,182	\$22,187	\$10,589,303	\$1,192,373	\$61,029,687

(Continued)

	<i>Governmental Fund Types</i>			<i>Proprietary Fund Types</i>		<i>Fiduciary Fund Types</i>	<i>Account Groups</i>		Totals (Memorandum Only)	
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Internal Service Fund	Expendable Trust and Agency Funds	General Fixed Assets		General Long-Term Obligations
Liabilities, Equity and Other Credits:										
Liabilities:										
Accounts Payable	\$60,169	\$22,247	\$0	\$600,750	\$1,133,073	\$0	\$0	\$0	\$0	\$1,816,239
Accrued Wages and Benefits	117,713	11,526	0	374	66,725	0	0	0	0	196,338
Due to Other Funds	1,240	0	0	0	1,187	0	10,803	0	0	13,230
Due to Others	0	0	0	0	0	0	4,356	0	0	4,356
Claims Payable	0	0	0	0	0	57,789	0	0	0	57,789
Intergovernmental Payables	3,916	0	0	0	13,703	0	0	0	0	17,619
Interfund Loans Payable	0	0	0	2,465,000	35,000	0	0	0	0	2,500,000
Matured Bonds and Interest Payable	0	0	0	0	27,250	0	0	0	0	27,250
Accrued Interest Payable	0	0	0	10,087	152,854	0	0	0	0	162,941
Deferred Revenue	593,797	0	211,235	1,060,261	0	0	0	0	0	1,865,293
Compensated Absences Payable	27,237	6,287	0	0	588,973	0	0	0	723,373	1,345,870
General Obligation Notes Payable	0	0	0	4,800,000	9,000,000	0	0	0	0	13,800,000
General Obligation Bonds Payable	0	0	0	0	0	0	0	0	300,000	300,000
Revenue Bonds Payable	0	0	0	0	205,000	0	0	0	0	205,000
Special Assessment Bonds Payable with Governmental Commitment	0	0	0	0	0	0	0	0	169,000	169,000
Total Liabilities	804,072	40,060	211,235	8,936,472	11,223,765	57,789	15,159	0	1,192,373	22,480,925
Equity and Other Credits:										
Investment in General Fixed Assets	0	0	0	0	0	0	0	10,589,303	0	10,589,303
Contributed Capital	0	0	0	0	6,863,745	0	0	0	0	6,863,745
Retained Earnings:										
Unreserved	0	0	0	0	17,840,479	821,393	0	0	0	18,661,872
Fund Balances:										
Reserved for Encumbrances	310,033	173,965	0	496,269	0	0	0	0	0	980,267
Reserved for Supplies Inventory	0	53,242	0	0	0	0	0	0	0	53,242
Reserved for Prepaid Items	16,514	7,459	0	0	0	0	0	0	0	23,973
Reserved for Loans Receivable	0	617,466	0	0	0	0	0	0	0	617,466
Reserved for Debt Service	0	0	26,524	0	0	0	0	0	0	26,524
Unreserved:										
Undesignated	620,567	7,006,743	0	(6,901,968)	0	0	7,028	0	0	732,370
Total Equity and Other Credits	947,114	7,858,875	26,524	(6,405,699)	24,704,224	821,393	7,028	10,589,303	0	38,548,762
Total Liabilities, Equity and Other Credits	\$1,751,186	\$7,898,935	\$237,759	\$2,530,773	\$35,927,989	\$879,182	\$22,187	\$10,589,303	\$1,192,373	\$61,029,687

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

THE CITY OF BRYAN, OHIO
COMBINED STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Taxes	\$324,677	\$4,731,214	\$0	\$0	\$0	\$5,055,891
Intergovernmental Revenues	1,298,873	965,361	0	0	0	2,264,234
Charges for Services	178,878	0	0	0	0	178,878
Licenses and Permits	24,534	0	0	0	0	24,534
Investment Earnings	438,310	64,257	0	249,184	0	751,751
Special Assessments	0	0	80,979	120,257	0	201,236
Fines and Forfeitures	552,562	200,371	0	0	0	752,933
All Other Revenues	388,192	270,464	0	335	858	659,849
Total Revenues	3,206,026	6,231,667	80,979	369,776	858	9,889,306
Expenditures:						
Current:						
Security of Persons and Property	1,694,533	26,148	0	0	0	1,720,681
Public Health and Welfare	110,973	0	0	0	0	110,973
Leisure Time Activities	889,955	0	0	0	0	889,955
Community Environment	0	203,612	0	0	0	203,612
Transportation	0	837,628	0	0	0	837,628
General Government	2,368,616	298,095	0	0	80	2,666,791
Capital Outlay	0	0	0	6,085,110	0	6,085,110
Debt Service:						
Principal Retirements	0	0	166,000	0	0	166,000
Interest and Fiscal Charges	0	0	63,088	227,308	0	290,396
Total Expenditures	5,064,077	1,365,483	229,088	6,312,418	80	12,971,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,858,051)	4,866,184	(148,109)	(5,942,642)	778	(3,081,840)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	36,348	0	0	0	0	36,348
Operating Transfers In	2,450,000	510,264	140,000	1,387,599	0	4,487,863
Operating Transfers Out	0	(4,400,209)	0	(210,000)	0	(4,610,209)
Total Other Financing Sources (Uses)	2,486,348	(3,889,945)	140,000	1,177,599	0	(85,998)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	628,297	976,239	(8,109)	(4,765,043)	778	(3,167,838)
Restated Fund Balance (Deficit) at Beginning of Year	318,817	6,887,646	34,633	(1,640,656)	6,250	5,606,690
Decrease in Inventory Reserve	0	(5,010)	0	0	0	(5,010)
Fund Balance (Deficit) at End of Year	\$947,114	\$7,858,875	\$26,524	(\$6,405,699)	\$7,028	\$2,433,842

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

THE CITY OF BRYAN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$443,610	\$440,436	(\$3,174)	\$4,827,000	\$4,728,420	(\$98,580)
Intergovernmental Revenues	922,250	1,257,572	335,322	1,201,703	946,483	(255,220)
Charges for Services	167,300	181,976	14,676	0	0	0
Licenses and Permits	19,560	23,979	4,419	0	0	0
Investment Earnings	440,000	400,464	(39,536)	39,100	58,172	19,072
Special Assessments	0	0	0	0	0	0
Fines and Forfeitures	686,200	608,141	(78,059)	195,000	203,884	8,884
All Other Revenues	326,950	354,897	27,947	718,988	242,726	(476,262)
Total Revenues	<u>3,005,870</u>	<u>3,267,465</u>	<u>261,595</u>	<u>6,981,791</u>	<u>6,179,685</u>	<u>(802,106)</u>
Expenditures:						
Current:						
Security of Persons and Property	1,926,494	1,818,911	107,583	39,364	32,761	6,603
Public Health and Welfare	103,422	98,099	5,323	0	0	0
Leisure Time Activities	981,977	903,994	77,983	0	0	0
Community Environment	0	0	0	953,705	619,174	334,531
Transportation	0	0	0	968,784	866,177	102,607
General Government	2,913,063	2,546,886	366,177	459,462	337,865	121,597
Capital Outlay	0	0	0	90,000	90,000	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	<u>5,924,956</u>	<u>5,367,890</u>	<u>557,066</u>	<u>2,511,315</u>	<u>1,945,977</u>	<u>565,338</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,919,086)	(2,100,425)	818,661	4,470,476	4,233,708	(236,768)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	21,025	36,348	15,323	0	0	0
Proceeds from General Obligation Notes	0	0	0	0	0	0
Operating Transfers In	2,900,000	2,450,000	(450,000)	600,264	510,264	(90,000)
Operating Transfers Out	0	0	0	(7,131,668)	(4,400,209)	2,731,459
Advances In	0	0	0	0	0	0
Advances Out	0	0	0	(10,000)	0	10,000
Total Other Financing Sources (Uses)	<u>2,921,025</u>	<u>2,486,348</u>	<u>(434,677)</u>	<u>(6,541,404)</u>	<u>(3,889,945)</u>	<u>2,651,459</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,939	385,923	383,984	(2,070,928)	343,763	2,414,691
Fund Balance (Deficit) at Beginning of Year	(80,515)	(80,515)	0	6,050,715	6,050,715	0
Prior Year Encumbrances	252,469	252,469	0	19,805	19,805	0
Fund Balance at End of Year	<u>\$173,893</u>	<u>\$557,877</u>	<u>\$383,984</u>	<u>\$3,999,592</u>	<u>\$6,414,283</u>	<u>\$2,414,691</u>

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

(Continued)

THE CITY OF BRYAN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<i>Debt Service Funds</i>			<i>Capital Projects Funds</i>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Intergovernmental Revenues	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Licenses and Permits	0	0	0	0	0	0
Investment Earnings	0	0	0	215,000	242,822	27,822
Special Assessments	90,000	80,979	(9,021)	90,000	120,257	30,257
Fines and Forfeitures	0	0	0	0	0	0
All Other Revenues	0	0	0	28,000	335	(27,665)
Total Revenues	<u>90,000</u>	<u>80,979</u>	<u>(9,021)</u>	<u>333,000</u>	<u>363,414</u>	<u>30,414</u>
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Community Environment	0	0	0	0	0	0
Transportation	0	0	0	0	0	0
General Government	0	0	0	0	0	0
Capital Outlay	0	0	0	8,973,992	6,779,698	2,194,294
Debt Service:						
Principal Retirement	166,000	166,000	0	5,138,000	5,138,000	0
Interest and Fiscal Charges	63,088	63,088	0	227,290	227,290	0
Total Expenditures	<u>229,088</u>	<u>229,088</u>	<u>0</u>	<u>14,339,282</u>	<u>12,144,988</u>	<u>2,194,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(139,088)	(148,109)	(9,021)	(14,006,282)	(11,781,574)	2,224,708
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	0	0	0
Proceeds from General Obligation Notes	0	0	0	5,000,000	4,800,000	(200,000)
Operating Transfers In	140,000	140,000	0	3,479,176	1,387,599	(2,091,577)
Operating Transfers Out	0	0	0	(210,000)	(210,000)	0
Advances In	0	0	0	400,000	365,000	(35,000)
Advances Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>140,000</u>	<u>140,000</u>	<u>0</u>	<u>8,669,176</u>	<u>6,342,599</u>	<u>(2,326,577)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	912	(8,109)	(9,021)	(5,337,106)	(5,438,975)	(101,869)
Fund Balance (Deficit) at Beginning of Year	34,633	34,633	0	454,766	454,766	0
Prior Year Encumbrances	0	0	0	5,351,340	5,351,340	0
Fund Balance at End of Year	<u>\$35,545</u>	<u>\$26,524</u>	<u>(\$9,021)</u>	<u>\$469,000</u>	<u>\$367,131</u>	<u>(\$101,869)</u>

(Continued)

THE CITY OF BRYAN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Expendable Trust Fund</u>			<u>Totals (Memorandum Only)</u>		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$5,270,610	\$5,168,856	(\$101,754)
Intergovernmental Revenues	0	0	0	2,123,953	2,204,055	80,102
Charges for Services	0	0	0	167,300	181,976	14,676
Licenses and Permits	0	0	0	19,560	23,979	4,419
Investment Earnings	0	0	0	694,100	701,458	7,358
Special Assessments	0	0	0	180,000	201,236	21,236
Fines and Forfeitures	0	0	0	881,200	812,025	(69,175)
All Other Revenues	500	858	358	1,074,438	598,816	(475,622)
Total Revenues	500	858	358	10,411,161	9,892,401	(518,760)
Expenditures:						
Current:						
Security of Persons and Property	0	0	0	1,965,858	1,851,672	114,186
Public Health and Welfare	0	0	0	103,422	98,099	5,323
Leisure Time Activities	0	0	0	981,977	903,994	77,983
Community Environment	0	0	0	953,705	619,174	334,531
Transportation	0	0	0	968,784	866,177	102,607
General Government	2,500	80	2,420	3,375,025	2,884,831	490,194
Capital Outlay	0	0	0	9,063,992	6,869,698	2,194,294
Debt Service:						
Principal Retirement	0	0	0	5,304,000	5,304,000	0
Interest and Fiscal Charges	0	0	0	290,378	290,378	0
Total Expenditures	2,500	80	2,420	23,007,141	19,688,023	3,319,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,000)	778	2,778	(12,595,980)	(9,795,622)	2,800,358
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	21,025	36,348	15,323
Proceeds from General Obligation Notes	0	0	0	5,000,000	4,800,000	(200,000)
Operating Transfers In	0	0	0	7,119,440	4,487,863	(2,631,577)
Operating Transfers Out	0	0	0	(7,341,668)	(4,610,209)	2,731,459
Advances In	0	0	0	400,000	365,000	(35,000)
Advances Out	0	0	0	(10,000)	0	10,000
Total Other Financing Sources (Uses)	0	0	0	5,188,797	5,079,002	(109,795)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,000)	778	2,778	(7,407,183)	(4,716,620)	2,690,563
Fund Balance (Deficit) at Beginning of Year	6,250	6,250	0	6,465,849	6,465,849	0
Prior Year Encumbrances	0	0	0	5,623,614	5,623,614	0
Fund Balance at End of Year	\$4,250	\$7,028	\$2,778	\$4,682,280	\$7,372,843	\$2,690,563

THE CITY OF BRYAN, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Charges for Services	\$17,049,765	\$1,031,987	\$18,081,752
Other Operating Revenues	176,426	0	176,426
Total Operating Revenues	<u>17,226,191</u>	<u>1,031,987</u>	<u>18,258,178</u>
<u>Operating Expenses:</u>			
Personal Services	3,406,960	0	3,406,960
Health Insurance Claims	0	888,397	888,397
Materials and Supplies	3,086,026	0	3,086,026
Contractual Services	10,906,194	0	10,906,194
Other Operating Expenses	332,785	0	332,785
Total Operating Expenses	<u>17,731,965</u>	<u>888,397</u>	<u>18,620,362</u>
Operating Income (Loss)	(505,774)	143,590	(362,184)
<u>Nonoperating Revenues (Expenses):</u>			
Investment Earnings	342,401	52,041	394,442
Interest and Fiscal Charges	(422,167)	0	(422,167)
Income from Joint Venture	306,587	0	306,587
Other Nonoperating Revenue	211,903	0	211,903
Gain on Sale of Fixed Assets	23,806	0	23,806
Total Nonoperating Revenues (Expenses)	<u>462,530</u>	<u>52,041</u>	<u>514,571</u>
Income Before Operating Transfers	(43,244)	195,631	152,387
<u>Operating Transfers:</u>			
Operating Transfers In	139,500	0	139,500
Operating Transfers Out	(17,154)	0	(17,154)
Total Operating Transfers	<u>122,346</u>	<u>0</u>	<u>122,346</u>
Net Income	79,102	195,631	274,733
Restated Retained Earnings at Beginning of Year	17,129,039	625,762	17,754,801
Add: Depreciation on Contributed Capital	632,338	0	632,338
Retained Earnings at End of Year	<u>\$17,840,479</u>	<u>\$821,393</u>	<u>\$18,661,872</u>

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

THE CITY OF BYRAN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$17,196,826	\$1,032,264	\$18,229,090
Cash Payments for Goods and Services	(14,935,486)	(899,377)	(15,834,863)
Cash Payments to Employees	(3,244,453)	0	(3,244,453)
Net Cash Provided (Used) by Operating Activities	<u>(983,113)</u>	<u>132,887</u>	<u>(850,226)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	139,500	0	139,500
Transfers Out to Other Funds	(17,154)	0	(17,154)
Advances In from Other Funds	35,000	0	35,000
Advances Out to Other Funds	(400,000)	0	(400,000)
Net Cash Used by Noncapital Financing Activities	<u>(242,654)</u>	<u>0</u>	<u>(242,654)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Proceeds from Sale of General Obligation Notes	9,000,000	0	9,000,000
Proceeds from Sale of Fixed Assets	36,874	0	36,874
Principal Retirement on Mortgage Revenue Bonds	(195,000)	0	(195,000)
Principal Retirement on General Obligation Notes	(6,000,000)	0	(6,000,000)
Interest and Fiscal Charges	(354,180)	0	(354,180)
Net Cash Provided By Capital and Related Financing Activities	<u>2,487,694</u>	<u>0</u>	<u>2,487,694</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	290,499	47,283	337,782
Net Cash Provided by Investing Activities	<u>290,499</u>	<u>47,283</u>	<u>337,782</u>
Net Increase in Cash and Cash Equivalents	1,552,426	180,170	1,732,596
Restated Cash and Cash Equivalents at Beginning of Year	4,136,063	694,254	4,830,317
Cash and Cash Equivalents at End of Year	<u><u>\$5,688,489</u></u>	<u><u>\$874,424</u></u>	<u><u>\$6,562,913</u></u>
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Balance Sheet:</u>			
Cash and Cash Equivalents	\$5,440,512	\$874,424	\$6,314,936
Restricted Cash and Cash Equivalents	220,727	0	220,727
Cash with Fiscal Agent	27,250	0	27,250
Cash and Cash Equivalents at End of Year	<u><u>\$5,688,489</u></u>	<u><u>\$874,424</u></u>	<u><u>\$6,562,913</u></u>

(Continued)

THE CITY OF BYRAN, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	Enterprise Funds	Internal Service Fund	Totals (Memorandum Only)
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$505,774)	\$143,590	(\$362,184)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Other Non Operating Revenue	199,043	0	199,043
Income from Joint Venture	306,587	0	306,587
Changes to Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(286,841)	277	(286,564)
Increase in Inventory	(527,440)	0	(527,440)
Decrease in Due from Other Funds	2,021	0	2,021
Decrease in Intergovernmental Receivables	54,181	0	54,181
Decrease in Prepaid Items	13,161	0	13,161
Decrease in Special Assessments Receivable	2,231	0	2,231
Increase in Investment in Joint Venture	(15,360)	0	(15,360)
Decrease in Accounts Payable	(392,251)	0	(392,251)
Increase in Accrued Wages and Benefits Payable	7,997	0	7,997
Decrease in Claims Payable	0	(10,980)	(10,980)
Increase in Due to Other Funds	915	0	915
Increase in Intergovernmental Payable	4,319	0	4,319
Increase in Compensated Absences Payable	154,098	0	154,098
Total Adjustments	<u>(477,339)</u>	<u>(10,703)</u>	<u>(488,042)</u>
Net Cash Provided by Operating Activities	<u><u>(\$983,113)</u></u>	<u><u>\$132,887</u></u>	<u><u>(\$850,226)</u></u>

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

THE CITY OF BRYAN, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bryan, Ohio (the "City") is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and its charter. Bryan was first incorporated as a village on March 21, 1852 and achieved city status on April 28, 1965. The City currently operates under and is governed by its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted in 1964.

The accompanying general purpose financial statements of the City present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements are presented as of December 31, 2000 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

A. Reporting Entity

The accompanying general purpose financial statements comply with the provisions of the Governmental Accounting Standards Board (the "GASB") Statement No. 14, "*The Financial Reporting Entity*," in that the financial statements include all organizations, activities, functions and component units for which the City (the primary government) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

Based on the foregoing, the City's financial reporting entity has no component units but includes all funds, account groups, agencies, boards and commissions that are part of the primary government, which include the following services: police protection, health and social services, culture and recreation, planning, zoning, street maintenance, public improvements and other governmental services. In addition, the City owns and operates a water treatment and distribution system, a wastewater treatment and collection system, a refuse collection system, and electric distribution which are reported as enterprise funds.

1. Joint Ventures with Equity Interest:

Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV-5) - OMEGA JV-5 was organized by 42 subdivisions of the State of Ohio (the participants) on April 20, 1993 pursuant to a joint venture agreement under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to undertake the Belleville Hydroelectric Project. The participants are members of American Municipal Power-Ohio, Inc.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**A. Reporting Entity** (Continued)1. Joint Ventures with Equity Interest: (Continued)

Ohio Municipal Electric Generation Agency Joint Venture 4 (OMEGA JV-4) - OMEGA JV-4 was organized by the City of Bryan, the Villages of Edgerton, Montpelier, and Pioneer (the participants) on December 1, 1995 pursuant to a joint venture agreement under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to link the electric systems of the participants and to provide electric service to the Chase Brass and Copper Company.

2. Joint Venture without Equity Interest:

Multi-Area Narcotics Task Force - The City of Bryan is a member of a drug task force which is a joint venture between Defiance, Paulding, and Putnam Counties and the Cities of Defiance and Bryan. The purpose of the drug task force is to act as a joint task force in the fight against narcotics.

3. Jointly Governed Organization:

Maumee Valley Planning Organization - The City is a member of the Maumee Valley Planning Organization (MVPO) which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

The City's participation in these joint ventures and the jointly governed organization is further disclosed in Note 17 to the general purpose financial statements.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (expenses). The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except that accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, use and balances of financial resources).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. Basis of Presentation - Fund Accounting** (Continued)

The following are the City's governmental fund types:

General Fund - This fund is used to account for all financial resources except those accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the limitations of the City Charter.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds - These funds are used for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest other than that accounted for in the proprietary funds.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

All proprietary funds are accounted for on an "economic measurement" focus. This measurement focus provides that all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City maintains separate enterprise funds for its water, sewer, refuse, and electric utility services.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds - These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City maintains one expendable trust fund and one agency fund. The expendable trust fund is accounted for and reported similarly to a governmental fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**B. Basis of Presentation - Fund Accounting** (Continued)*Account Groups*

To make a clear distinction between fixed assets related to specific funds and those of general government and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for fixed assets of the City, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term debt of the City except those accounted for in the proprietary funds.

C. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds, the expendable trust funds and the agency fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Revenue considered susceptible to accrual at year end includes income taxes withheld by employers, interest on investments, and state levied locally shared taxes (including motor vehicle license fees and local government assistance). Other revenue, including licenses, permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues are recorded as revenue when received in cash because generally these revenues are not measurable until received.

Property taxes measurable as of December 31, 2000 but which are not intended to finance 2000 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 5.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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 certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

All funds other than agency funds are legally required to be budgeted and appropriated; however, only governmental funds are required to be reported. The legal level of budgetary control is by fund. Budgetary modifications may only be made by ordinance of the City Council.

1. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

2. Appropriations

A temporary appropriation ordinance to control expenditures may be passed on or about January 1 of each year for the period January 1 through March 31. An annual appropriation ordinance must be passed by April 1 of each year for the period January 1 through December 31. The appropriation ordinance establishes spending controls at the fund, department and object level and may be modified during the year by Ordinance of City Council. Total fund appropriations

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D. Budgetary Process (Continued)****2. Appropriations (Continued)**

may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the object level. Administrative control is maintained through the establishment of more detailed line-item budgets. Funds may be moved from one line-item account to another within the same object without approval of City Council. The City Clerk/Treasurer maintains an accounting of the line-item expenditures to insure that the total expenditures within a department by object do not exceed approved appropriations. The allocation of appropriations among departments and objects within a fund may be modified during the year by an ordinance of City Council. The budgetary figures which appear in the "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

3. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for expenditures are encumbered and recorded as the equivalent of expenditures (budget basis) in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. However, on the GAAP basis of accounting, encumbrances do not constitute expenditures or liabilities and are reported as reservations of fund balances for governmental funds in the accompanying general purpose financial statements.

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Budgetary Basis of Accounting

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)5. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the governmental funds:

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund
GAAP Basis (as reported)	\$628,297	\$976,239	(\$8,109)	(\$4,765,043)	\$778
Increase (Decrease):					
Accrued Revenues at December 31, 2000 received during 2001	(209,744)	(943,796)	0	(6,362)	0
Accrued Revenues at December 31, 1999 received during 2000	271,183	482,252	0	0	0
Accrued Expenditures at December 31, 2000 paid during 2001	210,275	40,060	0	3,076,211	0
Accrued Expenditures at December 31, 1999 paid during 2000	(144,609)	(17,485)	0	(2,309,777)	0
Note Proceeds	0	0	0	4,800,000	0
Note Retirements	0	0	0	(5,138,000)	0
1999 Prepays for 2000	20,289	9,761	0	1,015	0
2000 Prepays for 2001	(16,514)	(7,459)	0	0	0
Outstanding Encumbrances	(373,254)	(195,809)	0	(1,097,019)	0
Budget Basis	<u>\$385,923</u>	<u>\$343,763</u>	<u>(\$8,109)</u>	<u>(\$5,438,975)</u>	<u>\$778</u>

E. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, the State Treasury Asset Reserve (STAR Ohio), repurchase agreement and short-term certificates of deposit. The certificates of deposit and STAR Ohio are considered cash equivalents because they are highly liquid investments with original maturity dates of three months or less.

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in pooled certificates of deposit are considered to be cash equivalents. See Note 4, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**F. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value except for nonparticipating investment contracts (repurchase agreements) which are reported at cost. The City allocates interest among the various funds based upon applicable legal and administrative requirements. See Note 4, "Cash, Cash Equivalents and Investments."

The City has invested funds in the STAR Ohio during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000.

G. Inventory

Inventory is stated at cost (first-in, first-out) in the governmental funds and at the lower of cost or market in the proprietary funds. The costs of inventory items are recorded as expenditures in the governmental funds when purchased and as expenses in the proprietary funds when used.

H. Fixed Assets and Depreciation

The accounting and reporting treatment applied to fixed assets is determined by their ultimate use:

1. Property, Plant and Equipment - General Governmental Purposes

Fixed assets acquired or constructed for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years) in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City; therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

General fixed asset values were initially determined at December 31, 1992 by appraisal utilizing the services of Industrial Appraisal Associates. Land and proprietary infrastructure were valued by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain fixed assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The City has elected not to record depreciation in the General Fixed Assets Account Group.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**H. Fixed Assets and Depreciation** (Continued)2. Property, Plant and Equipment - Proprietary Funds

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction, and architectural and engineering fees where applicable. Contributed fixed assets are recorded at fair market value at the date received.

Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (Years)</u>
Buildings	20 - 40
Improvements other than Buildings	50
Machinery, Equipment, Furniture and Fixtures	5 - 20

I. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bond	Southeast Sewer Bond Retirement Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Mortgage Revenue Bond	Water Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund Recycling Grant Fund, Refuse Collection Fund Water Fund, Sewer Fund, Electric Fund

J. Compensated Absences

In accordance with GASB Statement No. 16, "Accounting for Compensated Absences," vacation and compensatory time are accrued as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Leave time that has been earned but is unavailable for use as paid time off or as some other form of compensation because an employee has not met the minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

Sick leave is accrued using the vesting method, whereby the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**J. Compensated Absences** (Continued)

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." The long-term portion of the liability is reported in the General Long-Term Obligations Account Group.

Compensated absences are expensed in the water and sewer enterprise funds when earned, and the related liability is reported within the fund.

K. Pensions

The provision for pension costs is recorded when the related payroll is accrued and the obligation is incurred.

L. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds. Interfund transactions are generally classified as follows:

- Operating transfers are reported as "Other Financing Sources and Uses" in the governmental funds, as "Operating Transfers In" by the recipient fund, and "Operating Transfers Out" by the disbursing fund.
- Residual Equity Transfers are nonroutine or nonrecurring transfers between funds and are reported as additions to or deductions from the fund equity balance. There were no residual equity transfers during 2000.

Transactions that would be treated as revenues and expenditures if the transactions involved organizations external to the City are similarly treated when involving other funds of the City. The City also advances cash from one fund to another as necessary to meet current obligations.

M. Reservations of Fund Balance

Reserves indicate that a portion of fund balance is not available for expenditure or is legally segregated for a specific future use. Fund balances are reserved for inventories of supplies and materials, prepaid items, debt service, loans receivable and encumbered amounts which have not been accrued at year end.

N. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the combined balance sheet because their use is limited for debt service payments and capital improvements. Other restricted assets consist of certain investments that are classified as revenue bond reserve, (cash with fiscal agent on the balance sheet), because these funds are being held by a trustee according to the terms of the revenue bond indenture.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**O. Contributed Capital**

Proprietary fund type contributed capital is recorded at the fair market value of the related assets at the date received. Depreciation recognized on assets acquired or constructed through capital grants or contributions is closed to the appropriate contributed capital account. Net income or loss adjusted by the amount of depreciation on fixed assets acquired through contributed capital is closed to retained earnings.

P. Total Columns on Combined Financial Statements - Overview

Total columns on the "Combined Financial Statements - Overview" are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equities - The fund deficit of \$4,575,520 in the Municipal Building Construction Fund (capital projects fund) is the result of recording notes payable amounts in the individual fund balance sheet. The fund deficit of \$2,241,606 in the Communications Department Fund (capital projects fund) arose from the recognition of expenditures on the accrual basis which are greater than those on the cash basis. A deficit does not exist under the cash basis of accounting. The General Fund provides operating transfers when cash is required, not when accruals occur. The City did not fully comply with 5705.41(D) or 5705.41(B) of the Ohio Revised Code.

NOTE 3 – PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the Recycling Center Fund (special revenue) and the beginning retained earnings of the Refuse and Recycling Fund (enterprise) have been restated due to a fund reclassification. This reclassification required an adjustment to the December 31, 1999 fund balance/retained earnings in the following fund types in the amounts noted:

<u>Special Revenue Funds</u>	
Balance at December 31, 1999 (as reported)	\$6,916,202
Reclassification of Fund	<u>(28,556)</u>
Restated Balance at December 31, 1999	<u>\$6,887,646</u>
 <u>Enterprise Funds</u>	
Balance at December 31, 1999 (as reported)	\$17,100,483
Reclassification of Fund	<u>28,556</u>
Restated Balance at December 31, 1999	<u>\$17,129,039</u>

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash and investments. In addition, investments are separately held by a number of individual funds. Statutes require the classification of funds held by the City into three categories:

Category 1 consists of "active" funds - those funds required to be kept in "cash" or "near cash" status for immediate use by the City. Such funds must be maintained either as cash in the City Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of "inactive" funds - those funds not required for use within the current two year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing no later than the end of the current period of designation of depositories./

Category 3 consists of "interim" funds - those funds not needed for immediate use, but needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements*," collateral held in single financial institution collateral pools with securities being held by the pledging financial institution's agent in the pool's name are classified as Category 3.

The GASB has established risk categories for deposits and investments as follows:

Deposits:

- Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.
- Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investments:

- Category 1 Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City's name.

A. Deposits

At year end the carrying amount of the City's deposits was \$113,883 and the bank balance was \$542,680. Federal depository insurance covered \$300,000 of the bank balance and the remaining deposits were classified as Category 3.

Deposits classified as Category 3 are considered to be uninsured and uncollateralized even though all state statutory requirements have been followed, since non-compliance with federal requirements could potentially subject the City to successful claim by the FDIC.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**B. Investments**

The City's investments at December 31, 2000 are summarized below:

<u>Categorized Investments</u>	<u>Category 2</u>	<u>Fair Value</u>
Repurchase Agreements	\$3,887,005	\$3,887,005
<u>Non-Categorized Investments</u>		
STAR Ohio	N/A	11,612,839
Total Investments	\$3,887,005	\$15,499,844

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio and certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per items A and B of this note are as follows:

	<u>Cash and Cash Equivalents *</u>	<u>Investments</u>
Per Combined Balance Sheet	\$15,616,997	\$0
Less: Petty Cash	(3,270)	
Investments:		
Repurchase Agreements	(3,887,005)	3,887,005
STAR Ohio	(11,612,839)	11,612,839
Per GASB Statement No. 3	\$113,883	\$15,499,844

* Includes Cash with Fiscal Agent.

NOTE 5 - TAXES**A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property located in the City and used in business. Real property taxes (other than public utility) collected during 2000 were levied after October 1, 1999 on assessed values as of January 1, 1999, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2000. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30; the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property is currently assessed at 100 percent of its true value. Public utility property taxes are payable on the same dates as real property described previously.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Bryan. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2000 was \$2.80 per \$1,000 of assessed value. The assessed value upon which the 2000 levy was based was \$197,290,340. This amount constitutes \$134,236,820 in real property assessed value, \$5,339,630 in public utility assessed value and \$57,713,890 in tangible personal property assessed value.

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the City's share is .280% (2.80 mills) of assessed value.

B. Income Tax

The City levies a tax of 1.5% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly, as required. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

NOTE 6 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds for 2000:

Fund	Transfer In	Transfer Out
General Fund	\$2,450,000	\$0
Special Revenue Funds:		
Income Tax 1% Fund	0	3,165,554
Income Tax 1/2% Fund	0	1,234,655
Street Construction, Maintenance and Repair Fund	510,000	0
Law Enforcement Block Grant 2001 Fund	264	0
Total Special Revenue Funds	510,264	4,400,209
Debt Service Fund:		
Southeast Sewer Bond Retirement Fund	140,000	0
Capital Projects Funds:		
Municipal Building Construction Fund	565,290	210,000
East South Street Culvert Replacement Fund	81,498	0
Industrial Complex New Road Fund	142,158	0
Ditch 40 Project Fund	10,505	0
I and I Sewer Lining Fund	9,283	0
Butler Street 500 Block Fund	99,655	0
Street Upgrades Fund	5,415	0
GIS System Fund	53,628	0
Parking & Beautification Fund	18,788	0
Traffic Lights Fund	108,464	0
Downtown Parking Lot Fund	71,897	0
Downtown Traffic Improvements Fund	203,864	0
Generator Maintenance Fund	17,154	0
Total Capital Projects Funds	1,387,599	210,000
Enterprise Funds:		
Sewer Fund	139,500	0
Electric Operating Fund	0	17,154
Total Enterprise Funds	139,500	17,154
Totals	\$4,627,363	\$4,627,363

NOTE 7 - RECEIVABLES

Receivables at December 31, 2000 consisted of taxes, accounts receivables, special assessments receivable, loans receivable, interest receivable and intergovernmental receivables arising from shared revenues.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2000 consist of the following:

A. Due to/from Other Funds

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$1,240
Special Revenue Funds:		
Street Construction, Maintenance and Repair Fund	1,135	0
Drug Enforcement Fund	48	0
Municipal Court House Bill 405 Fund	5,557	0
Indigent Drivers Alcohol Treatment Fund	477	0
Enforcement and Education Fund	121	0
Court Special Projects Fund	4,600	0
Total Special Revenue Funds	<u>11,938</u>	<u>0</u>
Enterprise Funds:		
Water Fund	0	1,076
Sewer Fund	0	111
Electric Fund	1,292	0
Total Enterprise Funds	<u>1,292</u>	<u>1,187</u>
Agency Fund:		
Municipal Court Fund	<u>0</u>	<u>10,803</u>
Totals	<u>\$13,230</u>	<u>\$13,230</u>

B. Interfund Loans Receivable/Payable

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
Capital Projects Fund:		
Communications Department Fund	\$0	\$2,465,000
Enterprise Funds:		
Electric Fund	2,500,000	0
Communications Operations Fund	<u>0</u>	<u>35,000</u>
Total Enterprise Funds	<u>2,500,000</u>	<u>35,000</u>
Totals	<u>\$2,500,000</u>	<u>\$2,500,000</u>

NOTE 9 - FIXED ASSETS**A. General Fixed Assets**

Summary by category of changes in general fixed assets:

Category	December 31, 1999	Additions	Deletions	December 31, 2000
Land	\$1,416,592	\$0	\$0	\$1,416,592
Buildings and Improvements	2,560,891	0	0	2,560,891
Land Improvements	377,745	0	0	377,745
Machinery and Equipment	6,234,075	0	0	6,234,075
Totals	\$10,589,303	\$0	\$0	\$10,589,303

B. Proprietary Fixed Assets

Summary by Category at December 31, 2000:

Category	Historic Cost	Accumulated Depreciation	Book Value
Land	\$1,696,954	\$0	\$1,696,954
Buildings and Improvements	11,478,217	(3,793,104)	7,685,113
Infrastructure	14,870,298	(5,892,374)	8,977,924
Machinery and Equipment	18,988,858	(14,408,511)	4,580,347
Property, Plant and Equipment	\$47,034,327	(\$24,093,989)	\$22,940,338

NOTE 10 – DEFINED BENEFIT PENSION PLANS

All of the City's full-time employees participate in one of two separate retirement systems which are cost-sharing multiple employer defined benefit pension plans.

A. Public Employees Retirement System (the "PERS of Ohio")

The following information was provided by the PERS of Ohio to assist the City in complying with GASB Statement No. 27, *"Accounting for Pensions by State and Local Government Employers."*

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in the PERS of Ohio, a cost-sharing multiple employer defined benefit pension plan. The PERS of Ohio provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Public Employees Retirement System of Ohio issues a stand-alone financial report that includes financial statements and required supplementary information for the PERS of Ohio. Interested parties may obtain a copy

by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate is 8.5%. The Retirement Board instituted a temporary employer contribution rate rollback for calendar year 2000. The rate rollback was 20% for state and local government divisions. The 2000 employer contribution rate for local government employer units was 10.84%, of covered payroll, 6.54% to fund the pension and 4.3% to fund health care. The 1999 and 1998 employer contribution rates were 13.55%. The contribution requirements of plan members and the City are established and may be amended by the Public Employees Retirement Board. The City's contributions to the PERS of Ohio for the years ending December 31, 2000, 1999 and 1998 were \$472,857, \$544,351 and \$485,112, respectively, which were equal to the required contributions for each year.

The PERS of Ohio provides postemployment health care benefits to age and service retirants with ten or more years of qualifying Ohio service credit and to primary survivor recipients of such retirants. Health care coverage for disability recipients is also available. The health care coverage provided by the PERS of Ohio is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to the PERS of Ohio is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority requiring public employers to fund postemployment health care through their contributions to the PERS of Ohio. The portion of the 2000 employer contribution rate (identified above) that was used to fund health care for the year 2000 was 4.3% of covered payroll which amounted to \$187,572.

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)**A. Public Employees Retirement System (the “PERS of Ohio”) (Continued)**

The significant actuarial assumptions and calculations relating to postemployment health care benefits were based on the PERS of Ohio’s latest actuarial review performed as of December 31, 1999. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 1999 was 7.75%. An annual increase of 4.75% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.75% base increase, were assumed to range from 0.54% to 5.1%. Health care costs were assumed to increase 4.75% annually.

Benefits are advanced-funded on an actuarially determined basis. The number of active contributing participants was 401,339. The actuarial value of the PERS of Ohio net assets available for OPEB at December 31, 1999 is \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$12,473.6 million and \$1,668.1 million, respectively.

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”)

All City full-time police officers and full-time firefighters participate in the OP&F Fund, a cost-sharing multiple-employer defined benefit pension plan. The OP&F Fund provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Contribution requirements and benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. The Ohio Police and Fire Pension Fund issues a stand-alone financial report that includes financial statements and required supplementary information for the OP&F Fund. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164 or by calling (614) 228-2975.

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. The City's contributions to the OP&F Fund for the years ending December 31, 2000, 1999 and 1998 were \$142,683, \$135,473 and \$124,911 for police and \$42,186, \$42,727 and \$41,163 for firefighters, respectively, which were equal to the required contributions for each year.

The OP&F Fund provides postemployment health care coverage to any person who received or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school on a full-time or two-thirds basis. The Ohio Revised Code provides that health care costs

NOTE 10 – DEFINED BENEFIT PENSION PLANS (Continued)

B. Ohio Police and Fire Pension Fund (the “OP&F Fund”) (Continued)

paid from the funds of the OP&F Fund shall be included in the employer's contribution rate. The Ohio Revised Code also provides statutory authority allowing the Fund's Board of Trustees to provide postemployment health care coverage to all eligible individuals from the employer's contributions to the OP&F Fund.

The portion of the 2000 covered payroll that was used to fund postemployment health care benefits was \$53,049 representing 7.25% of covered payroll for police and \$12,744 representing 7.25% of covered payroll for fire. Health care funding and accounting was on a pay-as-you-go basis. In addition, since July 1, 1992 most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. As of December 31, 1999, the date of the last actuarial evaluation available, the number of participants eligible to receive health care benefits was 12,467 for police and 9,807 for firefighters. The OP&F Fund does not provide separate data on the funded status and funding progress of postemployment health care benefits. The Fund's total health care expenses for the year ended December 31, 1999 were \$95,004,633, which was net of member contributions of \$5,518,098.

NOTE 11 – COMPENSATED ABSENCES

The City provides a liability for accumulated unpaid sick, vacation, and compensatory time when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. The amount increased from a beginning year balance of \$642,743 to a year end balance of \$723,373.

At December 31, 2000, the total accumulated unpaid compensated absences time recorded in the General Long-Term Obligations Account Group was as follows:

	<u>Hours</u>	<u>Amount</u>
Sick Leave	41,531	\$619,440
Vacation	5,109	82,041
Compensatory Time	<u>1,446</u>	<u>21,892</u>
Total	<u>48,086</u>	<u>\$723,373</u>

NOTE 12 - NOTES PAYABLE

The Ohio Revised Code provides that notes including renewal notes issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. The maximum maturity for notes anticipating general obligation bonds payable from special assessments is five years. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to and payable no later than those principal maturities required if the bonds had been issued at the expiration of the initial five year period.

	<u>Balance January 1, 2000</u>	<u>Issued (Retired)</u>	<u>Balance December 31, 2000</u>
Capital Projects Fund Notes Payable:			
4.15% Municipal Building Construction	\$5,138,000	(\$5,138,000)	\$0
4.45% Municipal Building Construction	<u>0</u>	<u>4,800,000</u>	<u>4,800,000</u>
Total Capital Projects Fund Notes Payable	5,138,000	(338,000)	4,800,000
Enterprise Fund Notes Payable:			
3.90% Electric Bond Anticipation Notes	6,000,000	(6,000,000)	0
4.75% Electric Bond Anticipation Notes	<u>0</u>	<u>9,000,000</u>	<u>9,000,000</u>
Total Enterprise Fund Notes Payable	<u>6,000,000</u>	<u>3,000,000</u>	<u>9,000,000</u>
Total Notes Payable	<u>\$11,138,000</u>	<u>\$2,662,000</u>	<u>\$13,800,000</u>

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Long-term debt and other long-term obligations of the City at December 31, 1999 were as follows:

Interest Rate	Bond	Maturity Date	Balance December 31, 1999	Issued (Retired)	Balance December 31, 2000
Enterprise Funds:					
Mortgage Revenue Bond:					
4.80 - 5.90%	Water Tower Construction	2001	\$400,000	(\$195,000)	\$205,000
Total Enterprise Long-Term Debt			\$400,000	(\$195,000)	\$205,000
General Long-Term Debt:					
General Obligation Bond:					
10.00%	Southeast Sewer Improvement	2003	\$400,000	(\$100,000)	\$300,000
Special Assessment Bonds					
with Governmental Commitment:					
8.50%	Connin Street		20,000	(20,000)	0
12.25%	Perry Street		105,000	(35,000)	70,000
7.75%	Street Lighting and East End Sewer		110,000	(11,000)	99,000
Total Special Assessment Debt					
with Governmental Commitment			235,000	(66,000)	169,000
Other Long-Term Obligations:					
Compensated Absences			642,743	80,630	723,373
Total Other Long-Term Obligations			642,743	80,630	723,373
Total General Long-Term Debt and Other Long-Term Obligations			\$1,277,743	(\$85,370)	\$1,192,373

The principal amount of the City's special assessment debt outstanding at December 31, 2000, \$169,000, is general obligation debt (backed by the full faith and credit of the City) that is being retired with the proceeds from special assessments levied against benefited property owners. The City is obligated to repay the debt irrespective of the amount of special assessments collected from property owners. The fund balance of \$26,524 in the Special Assessment Bond Retirement Fund at December 31, 2000 is reserved for the retirement of outstanding special assessment bonds.

A. Joint Ventures

The City also is a participant in two joint ventures, one of which has issued Certificates of Beneficial Interest (See Note 17). The debt service payment obligations of the joint ventures' participants, payable from each participants' user charges, is subject only to the prior payment of the operation and maintenance expenses. In case of default by a participant, the remaining participants become liable for that participant's debt service payments. The Certificates of Beneficial Interest are fully insured in case of total default by all of the participants. No defaults have occurred to date on either of these joint ventures.

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**A. Joint Ventures (Continued)**

The debt associated with OMEGA JV-5 amounts to 2.19 percent of \$144,830,000 or approximately \$3,171,778 on which principal payments begin February 15, 1998. The total principal retirements and the portion that will be paid by the City is as follows:

Years	Certificates of Beneficial Interest	City of Bryan Share
2001	\$3,130,000	\$68,547
2002	3,280,000	71,832
2003	3,445,000	75,446
2004	3,620,000	79,278
2005	3,800,000	83,220
2006-2024	127,555,000	2,793,455
Totals	<u>\$144,830,000</u>	<u>\$3,171,778</u>

B. Long-Term Funding Requirements

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2000 were as follows:

Years	General Obligation Bond		Special Assessment Bonds		Mortgage Revenue Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$100,000	\$30,000	\$46,000	\$16,248	\$205,000	\$12,095
2002	100,000	20,000	46,000	11,108	0	0
2003	100,000	10,000	11,000	5,968	0	0
2004	0	0	11,000	5,115	0	0
2005	0	0	11,000	4,263	0	0
2006-2009	0	0	44,000	8,526	0	0
Totals	<u>\$300,000</u>	<u>\$60,000</u>	<u>\$169,000</u>	<u>\$51,228</u>	<u>\$205,000</u>	<u>\$12,095</u>

Debt of the enterprise funds is recorded within the enterprise funds. All other long-term debt is reflected in the General Long-Term Obligations Account Group.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; health and dental.

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$35,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, Blue Cross and Blue Shield of Ohio, which monitors all claim payments. The dental care program is administered by The Guardian. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents.

The City does not use an internal service fund for other potential risks of loss. The departments account for and finance other uninsured risks of loss. The funds provide coverage for up to a maximum of \$1,000,000 for each general liability claim and \$1,000,000 for property damage. The City purchases commercial insurance for claims in excess of coverage provided by the departments for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

In addition, the City pays unemployment claims to the State of Ohio as incurred.

The claims liability of \$57,789 reported in the fund at December 31, 2000 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in 1999 and 2000 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
1999	\$89,476	\$791,203	(\$811,910)	\$68,769
2000	68,769	888,397	(899,377)	57,789

NOTE 15 - CONTRIBUTED CAPITAL

During 2000 there were changes to contributed capital. The contributed capital balances as of December 31, 2000 are presented below:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance Beginning of Year	\$311,408	\$7,184,675	\$7,496,083
Less Depreciation on Contributed Capital	<u>(171,046)</u>	<u>(461,292)</u>	<u>(632,338)</u>
Balance at End of Year	<u>\$140,362</u>	<u>\$6,723,383</u>	<u>\$6,863,745</u>

NOTE 16 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Included in the services provided by the City financed primarily by user charges are water treatment and distribution and wastewater collection and treatment. The key financial information for the year ended December 31, 2000 for these enterprise activities is indicated below:

	Refuse				Communication	
	Collection	Water	Sewer	Electric	Operations	Total
Operating Revenues	\$632,872	\$1,254,910	\$650,095	\$14,416,126	\$272,188	\$17,226,191
Operating Income (Loss)	(52,079)	15,896	(81,197)	(456,440)	68,046	(505,774)
Operating Transfers In	0	0	139,500	0	0	139,500
Operating Transfers Out	0	0	0	(17,154)	0	(17,154)
Net Income (Loss)	(28,183)	70,262	63,394	(96,408)	70,037	79,102
Assets	376,067	4,623,764	11,361,937	19,416,713	149,508	35,927,989
Net Working Capital	336,017	946,544	224,989	99,851	73,362	1,680,763
Notes and Bonds Payable	0	205,000	0	9,000,000	0	9,205,000
Total Equity	318,194	4,268,608	11,197,940	8,849,445	70,037	24,704,224

NOTE 17 - JOINT VENTURES**A. Joint Ventures with an Equity Interest**

Ohio Municipal Electric Generation Agency Joint Venture 4 (Omega JV-4) - The City is a participant with three subdivisions within the State of Ohio in a joint venture to link the electric systems of the participants and to provide electric service to the Chase Brass and Copper Company. The Omega JV-4 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-4 will be shared by the participants on a percentage basis. The Omega JV-4 is managed by AMP-Ohio which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the City remitted \$32,239 to the joint venture for 2000. The City's net investment and its share of the operating results of Omega JV-4 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-4 was \$781,472 at December 31, 2000. Complete financial statements for Omega JV-4 can be obtained from AMP-Ohio at 601 Dempsey Road, Westerville, Ohio, 43081, or from the City's Clerk/Treasurer.

Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5) - The City is a participant with forty-two subdivisions within the State of Ohio in a joint venture to construct a hydroelectric plant and associated transmission facilities in West Virginia on the Ohio River at the Belleville Locks and Dam and receive electricity from its operation. The Omega JV-5 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-5 will be shared by the participants on a percentage basis. The Omega JV-5 is managed by AMP-Ohio which acts

NOTE 17 - JOINT VENTURES (Continued)**A. Joint Ventures with an Equity Interest** (Continued)

as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture and a portion of the \$153,415,000 certificates of beneficial interest debt that was issued to construct the fixed asset. In accordance with the joint venture agreement, the City remitted \$424,601 to the joint venture for 2000. The City's net investment and its share of the operating results of Omega JV-5 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-5 was \$95,624 at December 31, 2000. Complete financial statements for Omega JV-5 can be obtained from AMP-Ohio at 601 Dempsey Road, Westerville, Ohio, 43081, or from the City's Clerk/Treasurer.

B. Joint Venture without Equity Interest

Multi-Area Narcotics Task Force (the Task Force) - The City of Bryan is a member of a drug task force which is a joint venture between Defiance, Paulding, and Putnam Counties and the Cities of Defiance and Bryan. The purpose of the Task Force is to act as a joint task force in the fight against narcotics. The Task Force is jointly controlled by the chief law enforcement officer of each respective entity.

The main source of revenue for the Task Force is from federal grants and local matching shares by the entities. The City has an ongoing financial responsibility to the Task Force. The City has indirect access to the net resources of the Task Force since the City is able to influence the Task Force to use its surplus resources to undertake projects of interest to the City's residents. This access to the net resources of the Task Force has not been explicitly defined, nor is it currently measurable. The City contributed \$6,000 to the Task Force in 2000. Complete financial statements for the Task Force can be obtained through the Defiance County Sheriff's Office located at 113 Biede Street, Defiance, Ohio 43512.

C. Jointly Governed Organization

Maumee Valley Planning Organization - The City is a member of the Maumee Valley Planning Organization (MVPO) which is a jointly governed organization between Defiance, Fulton, Henry, Paulding, and Williams Counties and the respective townships and municipalities in each of those counties. The purpose of the MVPO is to act as a joint regional planning commission to write and administer Community Development Block Grants (CDBG) and help with housing rehabilitation in the area.

MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member county as well as one township representative and one municipal representative for each of the five member counties. The main source of revenue is fees charged by MVPO to administer CDBG grants and a per capita amount from each county. In 2000, the City paid administrative fees of \$7,000 to MVPO.

NOTE 18 - CONSTRUCTION COMMITMENT

As of December 31, 2000, the City had the following commitment with respect to capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
Municipal Building	\$659,013	December 2001

NOTE 19 - CONTINGENCIES

The City is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The City's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

THE CITY OF BRYAN, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	Balance December 31, 1999	Additions	Deductions	Balance December 31, 2000
<u>Municipal Court</u>				
Assets:				
Cash and Cash Equivalents	\$10,126	\$2,090,811	(\$2,085,778)	\$15,159
Total Assets	<u>\$10,126</u>	<u>\$2,090,811</u>	<u>(\$2,085,778)</u>	<u>\$15,159</u>
Liabilities:				
Due to Other Funds	\$0	\$10,803	\$0	\$10,803
Due to Others	10,126	2,080,008	(2,085,778)	4,356
Total Liabilities	<u>\$10,126</u>	<u>\$2,090,811</u>	<u>(\$2,085,778)</u>	<u>\$15,159</u>

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**CITY OF BRYAN
WILLIAMS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2000**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grant (Chip)	A-T-98-098-1	14.228	\$116,174
Community Development Block Grant (Economic Development)	A-E-99-098-1	14.228	495,000
Total U.S. Department of Housing and Urban Development			<u>611,174</u>
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Program	-	16.607	3,000
<i>Passed Through the Office of Criminal Justice Services:</i>			
Local Law Enforcement Block Grant	99-LE-LEB-3057	16.592	2,377
Total U.S. Department of Justice			<u>5,377</u>
Total			<u><u>\$616,551</u></u>

The accompanying notes are an integral part of this schedule.

**CITY OF BRYAN
WILLIAMS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the City's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by mortgages on the property. At December 31, 2000, the gross amount of loans outstanding under this program were \$617,466.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the City contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



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REPORT OF INDEPENDENT ACCOUNTANTS COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Bryan
Williams County
321 West Bryan Street
Bryan, Ohio 43506-1243

To the City Council and Board of Public Affairs:

We have audited the financial statements of the City of Bryan (the City) as of and for the year ended December 31, 2000, and have issued our report thereon dated December 10, 2001, which report was qualified for an insufficiency of evidence supporting the valuation of fixed assets in the General Fixed Assets Account Group and Proprietary Fund Type. Except as described above, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-20186-001 and 2000-20186-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the City in a letter dated December 10, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 2000-20186-003 and 2000-20186-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2000-20186-003 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we reported in a management in a separate letter dated December 10, 2001.

This report is intended solely for the information and use of City Council, the Board of Public Affairs, management, federal awarding agencies, and pass-through entities, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

December 10, 2001



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

City of Bryan
Williams County
321 West Bryan Street
Bryan, Ohio 43506-1243

To the City Council and Board of Public Affairs:

Compliance

We have audited the compliance of the City of Bryan (the City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2000. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2000. However, we noted certain instances of noncompliance that do not require inclusion in this report that we have reported to the management of the City in a separate letter dated December 10, 2001.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Jim Petro
Auditor of State

December 10, 2001

**CITY OF BRYAN
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2000**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Qualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Community Development Block Grant Program (CDBG) - CFDA # 14.228
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2000-20186-001

Noncompliance Citation

Ohio Revised Code § 5705.41(D) states that no subdivision shall make any contract or order any expenditure of money unless the certificate of the fiscal officer is attached. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

This section also provides two exceptions to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the City Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of the City Council.

Twenty-seven percent of the transactions tested were not authorized prior to purchase and neither of the exceptions listed above were used. This procedure is not only required by Ohio law, it is also a key control in the disbursement process. This control ensures that purchase commitments receive prior approval which helps to reduce the possibility of funds being over expended. To improve controls over disbursements, we recommend that the Clerk-Treasurer certify all disbursements and that Council periodically review the expenditures to ensure that they are properly certified by the Clerk-Treasurer and are recorded against appropriations.

FINDING NUMBER 2000-20186-002

Noncompliance Citation

Ohio Revised Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. Actual expenditures exceeded appropriations in the following funds by the following amounts:

Fund	Appropriations	Actual Expenditures	Variance
Electric Fund	\$18,583,217	\$22,921,223	(\$4,338,006)

FINDING NUMBER 2000-20186-002
(Continued)

The excess expenditures were attributed to paying off the Series 2000 Electric Bond Anticipation Notes. By making expenditures in excess of appropriations, deficit spending could result. We recommend that City officials review expenditures to ensure that they don't exceed appropriations.

FINDING NUMBER 2000-20186-003

Material Weakness - Fixed Assets

- The City could not provide a master list of fixed assets at December 31, 2000 that directly traced to the amounts recorded on the financial statements.
- The City did not prepare a fixed asset addition or disposal list in 2000.
- The fixed asset list prepared by Industrial Appraisal from prior years included assets valued at replacement cost versus actual cost.
- A Proprietary Fund master asset list was not prepared which showed the useful life of the asset; the current year depreciation expense; the total accumulated depreciation amount; the value of the assets after total accumulated depreciation; and amounts that could be traced to the financial statements.

Incomplete fixed asset records may hinder detecting whether or not there has been a loss of property and could result in inaccurate insurance claims being filed. In order to provide a more accurate record of fixed assets, we recommend that:

- An annual master list of all of the City's fixed assets be generated that directly traces to the amounts reported on the financial statements. In 2000, the City contracted with Industrial Appraisal to prepare this master list of fixed assets; however, as of December 10, 2001, it has not been formalized.
- A list of fixed asset additions be maintained by the City. This list should be categorized by department and/or fund type. The list should include the following: an accurate description of each asset; an asset's serial number, model number, and/or identification number; the source of the asset; acquisition date; location of the asset, and the value at its actual cost. In addition, the City should maintain a list of assets that have been disposed, sold, or traded in. The City should update the addition and deletion list annually to its master list of general fixed assets.
- A master list of Proprietary Fund assets should be maintained that lists the useful life of the asset; the current year depreciation expense; the total accumulated depreciation amount; and the value of the assets after total accumulated depreciation. Fixed assets amounts should reconcile to those presented on the financial statements.

FINDING NUMBER 2000-20186-004

Reportable Condition - Monthly Reconciliations

The bank account balances should be reconciled to the general ledger fund balances each month. This procedure is an important method of detecting errors in the general ledger postings and bank account records. After this procedure is completed, any errors found should be immediately corrected.

In 2000, the Clerk-Treasurer did not reconcile the bank accounts to the book balances at any time; however, he did hire the Auditor of State's Local Government Services (LGS) to reconcile fiscal year 2000's bank accounts to date. This reconciliation procedure was not completed until October 2001. We recommend that the Clerk-Treasurer's office present evidence to the governing authorities (Council and the Board of Public Affairs) that the City's bank account balances have been reconciled to the general ledger fund balances on a monthly basis along with other supporting financial information. The governing authorities should indicate their review of each reconciliation.

**CITY OF BRYAN
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-20186-001	§ 5705.41 (D) Purchase orders were not properly encumbered	No	Not Corrected - Further corrective action will be taken by the City in the future. Reissued as Finding 2000-20186-001.
1999-20186-002	Material Weakness on Fixed Assets	No	Not Corrected - The City has contracted with Industrial Appraisal to update its Fixed Assets valuation. Reissued as Finding 2000-20186-003.
1999-20186-003	Reportable Condition on Bank Reconciliations	No	Not Corrected - The City has contracted with the Auditor of State's Local Government Services to reconcile bank accounts up through the current date. Reissued as Finding 2000-20186-004.



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CITY OF BRYAN

WILLIAMS 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
DECEMBER 27, 2001**