



Dave Yost • Auditor of State

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis.....	11
Statement of Activities – Cash Basis.....	12
Fund Financial Statements:	
Statement of Assets and Fund Balances - Governmental Funds – Cash Basis	13
Statement of Receipts, Disbursements, and Changes In Fund Balance - Governmental Funds – Cash Basis.....	14
Statement of Receipts, Disbursements, and Changes in Fund Balances - Budgetary Basis – General Fund	15
Statement of Fiduciary Assets and Liabilities – Cash Basis.....	16
Notes to the Basic Financial Statements	17
Schedule of Federal Awards Receipts and Expenditures.....	37
Notes to the Federal Awards Receipts and Expenditures Schedule	38
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	39
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i>	41
Schedule of Findings.....	43
Corrective Action Plan.....	47
Schedule of Prior Audit Findings.....	49
Independent Accountants' Report on Applying Agreed-Upon Procedure	51

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio, as of June 30, 2013, and the respective changes in cash financial position and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

Ohio Administrative Code § 117-2-03 (B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

Management's Discussion and Analysis includes tables of net assets, changes in net assets and governmental activities. This information provides additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Awards Receipts and Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

These tables and the Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion and Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

November 18, 2013

This page intentionally left blank.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of the financial performance of Bryan City School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2013 are as follows:

In total, net position increased \$212,355.

General receipts accounted for \$18,468,414, or 84 percent of all receipts. Program specific receipts in the form of charges for services and operating grants and contributions accounted for \$3,478,812 or 16 percent of total receipts of \$21,947,226.

The District's major funds included the General fund and the Permanent Improvement fund. The General fund had \$18,512,128 in receipts and other financing sources and \$18,772,911 in disbursements and other financing uses. The General fund's balance decreased \$260,783 from the prior fiscal year. The Permanent Improvement fund had \$1,312,810 in receipts and other financing sources and \$891,131 in disbursements. The Permanent Improvement fund's balance increased \$421,679 from the prior fiscal year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The statement of net position and the statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances.

Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other non-major funds presented in total in a single column.

For the District, the General fund is by far the most significant fund. The General fund and the Permanent Improvement Fund are the two major funds.

Reporting the District as a Whole

Statement of Net Position and Statement of Activities

The statement of net position and the statement of activities, both reported on the cash basis, reflect how the District performed financially during fiscal year 2013. These statements are reported on a cash basis of accounting which reflects receipts and disbursements when cash is received or disbursed.

These statements report the District's net position and changes in those assets. This change in net position is important because it tells the reader whether the financial position of the District, as a whole, has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the cash basis statement of net position and the statement of activities, the District discloses a single type of activity, its governmental activities which includes all of the District's programs and services are reported here including instruction, support services, non-instructional services, and extracurricular activities. These services are primarily funded by property tax receipts and from intergovernmental receipts, including federal and state grants and other shared receipts.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. While the District uses many funds to account for its multitude of financial transactions, the fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General fund and the Permanent Improvement fund. While the District uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal yearend for spending in future periods. These funds are reported using the cash basis of accounting. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the District's programs. These funds use the cash basis of accounting.

The District as a Whole

Table 1 provides a summary of the District's net position for fiscal year 2013 compared to fiscal year 2012 on a cash basis.

Table 1		
Net Position		
Governmental Activities		
	2013	2012
<u>Assets:</u>		
Current and Other Assets	\$14,470,140	\$14,257,785
<u>Net Position:</u>		
Restricted for Capital Outlay	4,270,802	3,849,123
Restricted for Other Purposes	487,115	435,656
Unrestricted	9,712,223	9,973,006
Total	\$14,470,140	\$14,257,785

As mentioned previously, net position of governmental activities increased \$212,355 or approximately 1 percent during 2013. The primary reason attributing to the increase is overall receipts exceeded overall disbursements.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

Table 2 reflects the changes in net position for fiscal year 2013 compared to fiscal year 2012.

**Table 2
Change in Net Position
Governmental Activities**

	<u>2013</u>	<u>2012</u>
<u>Receipts:</u>		
Program Receipts:		
Charges for Services and Sales	\$1,984,405	\$2,100,484
Operating Grants and Contributions	1,494,407	1,481,807
Total Program Receipts	<u>3,478,812</u>	<u>3,582,291</u>
General Receipts:		
Property Taxes	7,646,828	7,469,452
Income Taxes	2,725,448	2,683,071
Grants and Entitlements	8,001,576	8,382,072
Gifts and Donations	36,889	74,335
Investment Earnings	40,261	31,056
Miscellaneous	15,059	36,742
Refund of Prior Year Disbursements	2,353	2,324
General Receipts	<u>18,468,414</u>	<u>18,679,052</u>
Total Receipts	<u>21,947,226</u>	<u>22,261,343</u>
<u>Disbursements:</u>		
Instruction	12,463,561	12,128,626
Support Services:		
Pupils	1,076,053	1,021,517
Instructional Staff	1,748,560	1,826,459
Board of Education	24,617	21,822
Administration	1,527,973	1,586,205
Fiscal	480,659	469,005
Business	80,140	57,723
Operation and Maintenance of Plant	1,532,586	1,499,265
Pupil Transportation	676,274	731,466
Central	67,315	78,318
Non-Instructional Services	832,385	809,548
Extracurricular Activities	875,034	871,595
Capital Outlay	338,452	469,751
Refund of Prior Year Receipts	11,262	
Total Disbursements	<u>21,734,871</u>	<u>21,571,300</u>
Increase in Net Position	<u>\$212,355</u>	<u>\$690,043</u>

Program receipts account for 16 percent of total receipts and are represented by restricted intergovernmental revenues, tuition and fees, rent, extracurricular activities, and food service sales.

The major program disbursements for governmental activities are for instruction, which accounts for 57 percent of all governmental disbursements. Other programs which support the instruction process, including pupils, instructional staff, and pupil transportation account for 16 percent of governmental disbursements. Maintenance of the District's facilities also represents a significant disbursement of 7 percent each. The remaining 20 percent of the District's disbursements are related to the primary functions of delivering education and providing facilities. These costs are funded almost entirely from property taxes and grants and entitlements.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

Overall receipts decreased \$314,117 (approximately 1.4 percent primarily due to a decrease in charges for services and unrestricted grants and entitlements being greater than the increase in property tax and school district income tax. Overall disbursements increased \$163,571 (less than 1 percent) which is primarily to an increase in instruction, pupils, fiscal, board of education, business, operation and maintenance, non-instructional services, and extracurricular activities being greater than the decrease in instructional staff, administration, central, and capital outlay.

Governmental Activities

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services and sales and grants and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax receipts and unrestricted state entitlements.

**Table 3
Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2013	2013	2012	2012
Instruction	\$12,463,561	\$10,361,804	\$12,128,626	\$9,998,561
Support Services:				
Pupils	1,076,053	1,069,612	1,021,517	1,010,021
Instructional Staff	1,748,560	1,747,930	1,826,459	1,822,209
Board of Education	24,617	24,617	21,822	21,822
Administration	1,527,973	1,518,458	1,586,205	1,579,418
Fiscal	480,659	478,389	469,005	469,005
Business	80,140	80,140	57,723	57,723
Operation and Maintenance of Plant	1,532,586	1,406,387	1,499,265	1,354,392
Pupil Transportation	676,274	676,274	731,466	731,466
Central	67,315	60,115	78,318	69,318
Non-Instructional Services	832,385	(13,720)	809,548	(59,200)
Extracurricular Activities	875,034	496,339	871,595	464,523
Capital Outlay	338,452	338,452	469,751	469,751
Refund of Prior Year Receipts	11,262	11,262		
Total Disbursements	\$21,734,871	\$18,256,059	\$21,571,300	\$17,989,009

The dependence upon tax receipts and unrestricted state entitlements for governmental activities is apparent. Over 83 percent of instruction activities are supported through taxes and other general receipts. For all governmental activities, support from general receipts is 84 percent. The remaining 16 percent are derived from charges for services and operating grants and contributions.

The District's Funds

The District's governmental funds are accounted for using the cash basis of accounting. The District's major governmental funds are the General fund and the Permanent Improvement fund. Total governmental funds had receipts and other financing sources of \$21,996,864 and disbursements and other financing uses of \$21,784,509. The net change in fund balance in the General fund reflects a decrease of \$260,783. This was primarily due to overall disbursements exceeding overall receipts. Overall disbursements increased by less than 3% from 2012. The net change in fund balance in the Permanent Improvement fund was an increase of \$421,679. Disbursements decreased 15 percent from

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

2012 which was attributed to less capital related purchases in 2013.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General fund. During the course of fiscal year 2013, the District amended its General fund budget as needed.

Final estimated receipts exceeded original estimated resources by \$374,635 (2 percent) primarily due to unexpected increases in property and other taxes, income tax revenue, and intergovernmental revenue. There was no significant variances between final estimated receipts and actual.

Final budget disbursements were less than original budget disbursements by \$113,044 (less than 1 percent). This was due to a decrease in expected disbursements. Final disbursements and other financing uses were budgeted at \$19,223,131 while actual disbursements and other financing uses were \$18,700,715. The \$522,416 difference is primarily due to a conservative "worst case scenario" approach. The District over-appropriates in case significant, unexpected expenditures arise during the fiscal year.

Capital Assets and Debt Administration

Capital Assets

The District does not record capital assets in the accompanying basic financial statements, but records payments for capital assets as disbursements. The District had capital outlay disbursements of \$338,452 during fiscal year 2013.

Debt Administration

At June 30, 2013, the District's long term obligations, included capital leases of \$420,656, up 64 percent from the end of fiscal year 2012. The District obtained four separate capital leases for the acquisition of computer equipment. The leases were each issued for four years, with final maturity on July 10, 2013, July 15, 2014, July 15, 2015, and July 15, 2016. One leased matured prior to fiscal year end.

At June 30, 2013, the District's overall legal debt margin was \$22,349,465, with an un-voted debt margin of \$248,327.

For further information regarding the District's debt, see the notes to the basic financial statements.

Current Issues

Bryan is a small rural community of 8,500 in Northwest Ohio. It has a number of small and medium businesses with agriculture having a contributing influence on the economy. The District's receipts from the State of Ohio have remained stagnant while operating costs continue to increase. The citizens of the District passed a continuing one percent school district income tax levy on May 2, 2006. This new tax became effective on January 1, 2007 and is expected to generate approximately \$2,700,000 per year when fully implemented, based upon estimates received from the Ohio Department of Taxation. The one percent school district income tax generated \$2,969,000 in FY 2009, \$2,491,000 in FY 2010, \$2,584,000 in FY2011, \$2,683,000 in FY2012, and \$2,725,000 in FY2013.

The District is currently operating in the second year of the state biennium budget. Fifty six percent (57%)

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED
(Continued)**

of District revenue sources are from local funds, thirty eight percent (37%) from state funds and the remaining six percent (6%) is from federal funds. The total expenditure per pupil was calculated at \$10,029.

In November, 2011, the District passed the renewal of a five-year emergency levy to generate \$1,910,000 annually. This levy provides a source of funds for the financial operations and stability of the District. However, future finances are not without challenges as our community changes and state funding is continually revised. Some of these challenges are in the future of state funding for schools in light of the DeRolph court case, state budget instability, the long term effects of public utility deregulation, the elimination of tangible personal property tax on Ohio businesses and the accelerated phase out of tangible personal property replacement funds.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to reflect the District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Rob Rosswurm, Chief Fiscal Officer/Treasurer, Bryan City School District, 1350 Fountain Grove Drive, Bryan, Ohio 43506-8733.

BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY

STATEMENT OF NET POSITION - CASH BASIS
JUNE 30, 2013

	<u>Governmental</u> <u>Activities</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ <u>14,470,140</u>
Net Position:	
Restricted for Capital Outlay	4,270,802
Restricted for Other Purposes	487,115
Unrestricted	<u>9,712,223</u>
<i>Total Net Position</i>	\$ <u>14,470,140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Cash</u> <u>Disbursements</u>	<u>Program Receipts</u> <u>Charges for</u> <u>Services and</u> <u>Sales</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Net</u> <u>(Disbursements)</u> <u>Receipts and</u> <u>Changes in Net</u> <u>Position</u> <u>Governmental</u> <u>Activities</u>
Governmental Activities:				
Instruction:				
Regular	\$ 9,186,529	\$ 1,075,000	\$ 200,977	\$ (7,910,552)
Special	3,181,661		825,780	(2,355,881)
Vocational	76,545			(76,545)
Student Intervention Services	18,826			(18,826)
Support Services:				
Pupils	1,076,053		6,441	(1,069,612)
Instructional Staff	1,748,560		630	(1,747,930)
Board of Education	24,617			(24,617)
Administration	1,527,973		9,515	(1,518,458)
Fiscal	480,659		2,270	(478,389)
Business	80,140			(80,140)
Operation and Maintenance of Plant	1,532,586	126,199		(1,406,387)
Pupil Transportation	676,274			(676,274)
Central	67,315		7,200	(60,115)
Operation of Non-Instructional Services	832,385	404,511	441,594	13,720
Extracurricular Activities	875,034	378,695		(496,339)
Capital Outlay	338,452			(338,452)
Refund of Prior Year Receipts	11,262			(11,262)
Totals	\$ <u>21,734,871</u>	\$ <u>1,984,405</u>	\$ <u>1,494,407</u>	\$ <u>(18,256,059)</u>
 General Receipts:				
Taxes:				
Property Taxes, Levied for General Purposes				6,631,494
Property Taxes, Levied for Capital Outlay				1,015,334
Income Taxes				2,725,448
Grants and Entitlements not Restricted to Specific Programs				8,001,576
Gifts and Donations				36,889
Investment Earnings				40,261
Miscellaneous				15,059
Refund of Prior Year Disbursements				2,353
<i>Total General Receipts</i>				<u>18,468,414</u>
<i>Change in Net Position</i>				212,355
Net Position Beginning of Year				14,257,785
<i>Net Position End of Year</i>				<u>\$ <u>14,470,140</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ <u>9,772,151</u>	\$ <u>4,270,802</u>	\$ <u>427,187</u>	\$ <u>14,470,140</u>
Fund Balances:				
Restricted			427,187	427,187
Committed		4,270,802		4,270,802
Assigned	1,276,482			1,276,482
Unassigned	8,495,669			8,495,669
<i>Total Fund Balances</i>	\$ <u>9,772,151</u>	\$ <u>4,270,802</u>	\$ <u>427,187</u>	\$ <u>14,470,140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	General Fund	Permanent Improvement Fund	All Other Governmental Funds	Total Governmental Funds
Receipts:				
Property and Other Local Taxes	\$ 6,631,494	\$ 1,015,334		\$ 7,646,828
Income Taxes	2,725,448			2,725,448
Intergovernmental	7,794,874	247,838	\$ 1,453,271	9,495,983
Investment Earnings	40,052		209	40,261
Tuition and Fees	1,075,000			1,075,000
Rent	126,199			126,199
Extracurricular Activities	79,845		298,850	378,695
Gifts and Donations	25,725		11,164	36,889
Customer Sales and Services			404,511	404,511
Miscellaneous	11,505		3,554	15,059
<i>Total Receipts</i>	<u>18,510,142</u>	<u>1,263,172</u>	<u>2,171,559</u>	<u>21,944,873</u>
Disbursements:				
Current:				
Instruction:				
Regular	8,831,790	200,329	154,410	9,186,529
Special	2,371,150	2,848	807,663	3,181,661
Vocational	76,545			76,545
Student Intervention Services	18,826			18,826
Support Services:				
Pupils	1,069,119	493	6,441	1,076,053
Instructional Staff	1,539,656	208,274	630	1,748,560
Board of Education	24,617			24,617
Administration	1,516,275	2,183	9,515	1,527,973
Fiscal	457,263	21,126	2,270	480,659
Business	80,140			80,140
Operation and Maintenance of Plant	1,454,697	62,636	15,253	1,532,586
Pupil Transportation	670,050	6,224		676,274
Central	55,952		11,363	67,315
Operation of Non-Instructional Services			832,385	832,385
Extracurricular Activities	545,931	48,566	280,537	875,034
Capital Outlay		338,452		338,452
<i>Total Disbursements</i>	<u>18,712,011</u>	<u>891,131</u>	<u>2,120,467</u>	<u>21,723,609</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(201,869)</u>	<u>372,041</u>	<u>51,092</u>	<u>221,264</u>
Other Financing Sources and (Uses):				
Transfers In		49,638		49,638
Refund of Prior Year Disbursements	1,986		367	2,353
Transfers Out	(49,638)			(49,638)
Refund of Prior Year Receipts	(11,262)			(11,262)
<i>Total Other Financing Sources and (Uses)</i>	<u>(58,914)</u>	<u>49,638</u>	<u>367</u>	<u>(8,909)</u>
<i>Net Change in Fund Balances</i>	<u>(260,783)</u>	<u>421,679</u>	<u>51,459</u>	<u>212,355</u>
Fund Balances at Beginning of Year	10,032,934	3,849,123	375,728	14,257,785
<i>Fund Balances at End of Year</i>	<u>\$ 9,772,151</u>	<u>\$ 4,270,802</u>	<u>\$ 427,187</u>	<u>\$ 14,470,140</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Receipts:				
Property and Other Local Taxes	\$ 6,400,000	\$ 6,631,000	\$ 6,631,494	\$ 494
Income Tax	2,710,000	2,725,400	2,725,448	48
Intergovernmental	7,725,500	7,792,900	7,794,874	1,974
Investment Earnings	50,000	30,000	40,052	10,052
Tuition and Fees	952,000	1,014,100	991,639	(22,461)
Rent	120,400	126,400	126,199	(201)
Extracurricular Activities	25,000	26,850	27,312	462
Gifts and Donations	25,500	25,650	25,575	(75)
Miscellaneous	2,500	13,235	11,505	(1,730)
<i>Total Receipts</i>	<u>18,010,900</u>	<u>18,385,535</u>	<u>18,374,098</u>	<u>(11,437)</u>
Disbursements:				
Current:				
Instruction:				
Regular	8,770,735	8,893,701	8,744,842	148,859
Special	2,541,550	2,454,788	2,371,398	83,390
Vocational	80,338	79,690	76,545	3,145
Student Intervention Services	37,608	22,608	21,508	1,100
Support Services:				
Pupils	1,061,989	1,083,657	1,069,519	14,138
Instructional Staff	1,647,250	1,587,670	1,543,197	44,473
Board of Education	21,379	26,942	25,009	1,933
Administration	1,588,196	1,606,067	1,531,062	75,005
Fiscal	533,927	466,171	458,800	7,371
Business	70,350	89,981	80,894	9,087
Operation and Maintenance of Plant	1,641,447	1,590,266	1,500,736	89,530
Pupil Transportation	633,868	684,812	672,902	11,910
Central	60,695	56,522	55,952	570
Extracurricular Activities	510,590	499,858	487,451	12,407
<i>Total Disbursements</i>	<u>19,199,922</u>	<u>19,142,733</u>	<u>18,639,815</u>	<u>502,918</u>
<i>Excess of Disbursements Over Receipts</i>	<u>(1,189,022)</u>	<u>(757,198)</u>	<u>(265,717)</u>	<u>491,481</u>
Other Financing Sources and (Uses):				
Refund of Prior Year Disbursements	2,000	2,000	1,986	(14)
Transfers Out	(36,000)	(51,000)	(49,638)	(1,362)
Refund of Prior Year Receipts		(11,262)	(11,262)	
Other Financing Uses	(100,253)	(18,136)		18,136
<i>Total Other Financing Sources and (Uses)</i>	<u>(134,253)</u>	<u>(78,398)</u>	<u>(58,914)</u>	<u>16,760</u>
<i>Net Change in Fund Balance</i>	<u>(1,323,275)</u>	<u>(835,596)</u>	<u>(324,631)</u>	<u>508,241</u>
Fund Balance at Beginning of Year	9,849,420	9,849,420	9,849,420	
Prior Year Encumbrances Appropriated	89,106	89,106	89,106	
<i>Fund Balance at End of Year</i>	<u>\$ 8,615,251</u>	<u>\$ 9,102,930</u>	<u>\$ 9,613,895</u>	<u>\$ 508,241</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - CASH BASIS
FIDUCIARY FUND
JUNE 30, 2013**

	<u>Agency Fund</u>
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ <u>50,250</u>
Liabilities:	
Held on Behalf of Students	\$ <u>50,250</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Bryan City School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by §3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The Board oversees the operations of the District's seven instructional/support facilities staffed by 90 non-certified and 169 certified full-time teaching personnel who provide services to 2,047 students and other community members.

A. Primary Government

The reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. This includes general operations, food service, and student related activities of the District.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District does not have any component units.

C. Jointly Governed Organizations and Purchasing Pools

The District is associated with organizations, which are defined as jointly governed organizations and group purchasing pools. These organizations include the Northwest Ohio Computer Association, the Northern Buckeye Education Council, the Four County Career Center, the Northwest Ohio Educational Research Council, Inc., Northwest Ohio Special Education Regional Resource Center, the Northwest Ohio Professional Development Center, the Northern Buckeye Health Plan, Northwest Division of Optimal Health Initiatives (OHI), and the Ohio Health Initiatives (OHI) Workers Compensation Group Rating Plan. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The District's management believes these financial statements present all activities for which the District is financially accountable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note 2.C, these financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District's accounting policies.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

A. Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a statement of net position, a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the cash balance of the governmental activities of the District at fiscal year-end. The statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a basis or draws from the District's general receipts.

2. Fund Financial Statements

During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, receipts, or disbursements of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, receipts, or disbursements of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the District are divided into two categories, governmental and fiduciary.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. Governmental Funds:

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g., grants), and other non-exchange transactions as governmental funds. The General fund and the Permanent Improvement fund are the District's major governmental funds:

General Fund - The General fund is used to account for all financial resources, except those required to be accounted for in another fund. The General fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement Fund - The Permanent Improvement fund is 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).

The other governmental funds of the District account for grants and other resources of the District whose uses are restricted to a particular purpose.

2. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary funds of the District consist of agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds account for various student managed activities.

C. Basis of Accounting

Although the Ohio Administrative Code § 117-2-03(B) requires the District's financial report to follow generally accepted accounting principles, the District chooses to prepare its financial statements and notes in accordance with the cash basis of accounting. This is a comprehensive basis of accounting other than generally accepted accounting principles.

The District's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Budgetary Process

The budgetary process is prescribed by provision of the Ohio Revised Code and entails the preparation of budgetary documents within established timetable. All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control selected by the Board is at the function level within the General fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations at the object level within the General fund, and at the function and object level within all other funds are made by the District's Chief Fiscal Officer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Chief Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years.

The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including amounts automatically carried forward from prior fiscal years.

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. Expenditures plus encumbrances may not legally exceed appropriations. Encumbrances at year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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 succeeding fiscal year and need not be reappropriated.

E. Cash and Investments

To improve cash management, cash received by the District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During fiscal year 2013, investments were limited to negotiable certificates of deposit, federal agency securities, municipal securities, and a money market mutual fund. Investments in certificates of deposit, federal agency and municipal securities are reported at cost. The District's money market mutual fund is recorded at the amount reported by Morgan Stanley at June 30, 2013.

As authorized by Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General fund during fiscal year 2013 amounted to \$40,052, which includes \$13,047 assigned from other District funds.

F. Inventory and Prepaid Items

The District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Compensated Absences

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the District's cash basis of accounting.

I. Employer Contributions to Cost-Sharing Pension Plans

The District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

J. Long-Term Obligations

The District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay expenditure is reported at inception. Lease payments are reported when paid.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

K. Interfund Transactions

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayment from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

L. Net Position

Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, and federal and state grants restricted to cash disbursement for specified purposes. The District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net positions are available. There were no amounts restricted by enabling legislation.

M. Fund Balance

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

Committed - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General fund, assigned amounts represent intended uses established by the Board of Education.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unassigned - Unassigned fund balance is the residual classification for the General fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

3. BUDGETARY BASIS OF ACCOUNTING

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as assigned of fund balance (cash basis).

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the General fund:

Fund Cash Balance	General Fund
Cash Basis	\$9,772,151
Funds Budgeted Elsewhere	(82,856)
Adjustment for Encumbrances	(75,400)
Budget Basis	\$9,613,895

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds which are legally budgeted in separate special revenue funds (uniform school supplies and public school support funds) are considered part of the General fund on the cash basis.

4. DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statute into three categories.

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

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS – (Continued)

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

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

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations provided that investments in securities described in this division are made through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Investments

As of June 30, 2013, the District had the following investments and maturities:

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

4. DEPOSITS AND INVESTMENTS – (Continued)

Investment Maturities

Investment Type	Investment Maturities			
	Balance at Cost	Less than One Year	One to Two Years	Two to Three Years
Negotiable Certificates of Deposit	\$ 3,394,506	\$ 900,041	\$ 2,133,097	\$ 361,368
Federal National Mortgage Association (FNMA) Bond	500,837		500,837	
Municipal Bond	125,261		125,261	
Total Investments	\$ 4,020,604	\$ 900,041	\$ 2,759,195	\$ 361,368

Interest Rate Risk - The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

Credit Risk – The following investments carry the highest ratings by Moody’s and Standard and Poor’s.

Investment Type	Moody’s	Standard & Poor’s
Municipal Bond	AA2	
Federal National Mortgage Association (FNMA) Bonds	AAA	AA+

The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association (FNMA) Bond and the Municipal Bond are exposed to custodial credit risk as they are uninsured, unregistered, and held by the counterparty’s trust department or agent but not in the District’s name. The District has no investment policy dealing with investment custodial risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the CFO/Treasurer or qualified trustee.

Concentration of Credit Risk - The District places no limit on the amount it may invest in any one issuer, however state statute limits investments in commercial paper and bankers’ acceptances to 25 percent of the interim monies available for investment at any one time. The District’s investment in FNMA Bond represents 12 percent of the District’s total investments.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

5. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis, while the District's fiscal year runs from July through June. First-half tax distributions are received by the District in the second half of the fiscal year. Second-half tax distributions are received in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real and public utility property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes for 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility real and tangible personal property taxes for 2013 were levied after April 1, 2012, on the assessed values as of December 31, 2011, the lien date. Public utility real property is assessed at 35 percent of true value; tangible personal property is currently assessed at varying percentages of true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The District receives property taxes from Williams County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second- Half Collections		2013 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$197,331,320	73%	\$182,543,240	73%
Industrial/Commercial	67,778,620	25%	61,348,110	25%
Public Utility	4,142,880	2%	4,436,040	2%
Total Assessed Value	<u>\$269,252,820</u>	<u>100%</u>	<u>\$248,327,390</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$53.60		\$54.10	

6. SCHOOL INCOME TAX

The District levies a voted tax of 1 percent for general operations on the income of residents and of estates. The permanent tax was approved by the voters on May 2006, and was effective January 1, 2007. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax receipts in the amount of \$2,725,448 were credited to the General fund.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance at 6/30/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 6/30/2013</u>
Governmental Activities:				
Land	\$684,640			\$684,640
Land Improvements	851,582	\$125,718		977,300
Buildings and Building Improvements	16,314,733	82,070		16,396,803
Furniture, Fixtures, and Equipment	2,972,177	131,072	\$8,254	3,094,995
Vehicles	1,532,990	5,603	5,570	1,533,023
Total Capital Assets	<u>\$22,356,122</u>	<u>\$344,463</u>	<u>\$13,824</u>	<u>\$22,686,761</u>

8. RISK MANAGEMENT

A. Comprehensive

The District maintains comprehensive insurance coverage with private carriers for general liability; property and equipment; umbrella liability coverage over employees; personal property; and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90 percent co-insured. Settled claims have not exceeded the amount of commercial coverage in any of the past three years, and there has been no significant reduction in the amount of insurance coverage's from last year.

B. Employee Insurance Benefits Program

The District participates in the Northern Buckeye Health Plan (NBHP), Northwest Division of OHI, a self-insurance pool, for insurance benefits to employees. The District pays monthly premiums to NBHP for the benefits offered to its employees, which includes health, dental, and life insurance. NBHP is responsible for the management and operations of the program. The agreement with NBHP provides for additional assessment to participants if the premiums are insufficient to pay the program costs for the fiscal year. Upon withdrawal from NBHP, a participant is responsible for any claims not processed and paid and any related administrative costs.

C. Workers' Compensation Group Program

The District participates in the Ohio Health Initiatives (OHI) Workers Compensation Group Rating Plan (the Plan), an insurance purchasing pool (Note 16). The Plan is intended to reduce premiums for the participants. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

Participation in the Plan is limited to educational entities that can meet the Plan's selection criteria. Each participant must apply annually. The Plan provides the participants with a centralized program for the processing, analysis and management of workers' compensation claims and a risk management program to assist in developing safer work environments. Each participant must pay its premiums, enrollment or other fees, and perform its obligations in accordance with the terms of the agreement.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

9. DEFINED PENSION BENEFIT PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853, or by visiting the SERS website at www.ohsers.org, under Employer/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute an actuarially determined rate. The District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations and death benefits with the remainder being used to fund health care benefits; for fiscal year 2013, 13.10 percent of annual covered salary was the portion used to fund pension obligations and death benefits. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$419,536, \$350,986, and \$322,554 respectively; 82 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll free (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

9. DEFINED PENSION BENEFIT PLANS – (Continued)

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2013, plan members are required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2013, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,244,863, \$1,223,090, and \$1,302,321, respectively; 83 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2013, four members of the Board of Education have selected Social Security. The contribution rate is 6.2 percent of wages for employees and employers.

10. POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

10. POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2013, .90 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount. For 2013, the minimum compensation level was established at \$20,525. The District's SERS surcharge amount for 2013 was \$45,782.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$5,124, \$42,499, and \$79,160 respectively; 82 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$23,699, \$22,587, and \$20,757, respectively; 53 percent has been contributed for fiscal year 2013 and 100 percent for fiscal year 2012 and 2011.

B. State Teachers Retirement System

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$95,759, \$94,084, and \$100,179 respectively; 83 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

11. COMPENSATED ABSENCES

Employees earn vacation at rates specified under State of Ohio law and based on credited service. Clerical, Technical, and Maintenance and Operation employees with one or more years of service are entitled to vacation ranging from 10 to 20 days. Employees with less than one year of service earn one vacation day per month worked, not to exceed five days. Certain employees are permitted to carry over vacation leave earned in the current year into the next year.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service (earned on a pro rata basis for less than full-time employees). This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to an employee upon retirement is limited to thirty percent of the accumulated sick leave for all certificated and certain non-certificated employees up to a maximum of 76.5 days. For other noncertified employees, the amount paid to an employee upon retirement is limited to twenty-five percent of the accumulated sick leave up to a maximum of 25 - 40 days, depending on years of service.

As of June 30, 2013, the liability for compensated absences was \$1,562,315 for the entire District.

12. CAPITALIZED LEASES - LESSEE DISCLOSURE

The District has entered into capitalized leases for the acquisition of equipment.

These expenditures are reflected as program/function expenditures on the accompanying financial statements. Principal payments in the 2013 fiscal year totaled \$179,134.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2013:

General Long-Term Obligations	
Year Ending June 30,	Equipment
2014	\$177,440
2015	134,668
2016	89,763
2017	39,763
Total Future Minimum Lease Payments	441,634
Less: Amount Representing Interest	(20,978)
Present Value of Future Minimum Lease Payments	\$420,656

13. SET-ASIDE CALCULATIONS AND FUND RESERVES

The District is required by State statute to annually set aside in the General fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for capital acquisition. Disclosure of this information is required by State statute.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

13. SET-ASIDE CALCULATIONS AND FUND RESERVES – (Continued)

	Capital Acquisition
Set-Aside Cash Balance as of June 30, 2012	
Current Year Set-Aside Requirements	\$332,468
Current Year Offsets	(\$332,468)
Qualifying Disbursements	_____
Total	_____
Cash Balance Carried Forward To FY 2014	_____

14. CONTINGENCIES

A. Federal and State Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

B. Litigation

There are currently no matters in litigation with the District as defendant.

15. JOINTLY GOVERNED ORGANIZATIONS

A. Northwest Ohio Computer Association

The District is a participant in the Northwest Ohio Computer Association (NWOCA). NWOCA is an association of public school districts within the boundaries of Defiance, Fulton, Henry, and Williams Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. NWOCA is governed by the Northern Buckeye Education Council and its participating members. Total disbursements made by the District to NWOCA during this fiscal year were \$78,073. Financial information can be obtained from Robin Pfund, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

15. JOINTLY GOVERNED ORGANIZATIONS – (Continued)

B. Northern Buckeye Education Council

The Northern Buckeye Education Council (NBEC) was established in 1979 to foster cooperation among various educational entities located in Defiance, Fulton, Henry, and Williams counties. NBEC is organized under Ohio laws as a regional council of governments pursuant to a written agreement entered into by its member educational entities and bylaws adopted by the representatives of the member educational entities. NBEC is governed by an elected Board consisting of two representatives from each of the four counties, in which the member educational entities are located. The Board is elected from an Assembly consisting of a representative from each participating educational entity. To obtain financial information, write to the Northern Buckeye Education Council, Robin Pfund, who serves as Treasurer, at 209 Nolan Parkway, Archbold, Ohio 43502.

C. Four County Career Center

The Four County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the educational service centers from the counties of Defiance, Fulton, Henry, and Williams; one representative from each of the city school districts; one representative from each of the exempted village school districts; and one additional representative from the Northwest Ohio Educational Service Center. The Four County Career Center possesses its own budgeting and taxing authority. To obtain financial information, write to Jennifer Bonner, Treasurer, at the Four County Career Center, at Route 1, Box 245A, Archbold, Ohio 43502.

D. Northwestern Ohio Educational Research Council, Inc.

The Northwestern Ohio Educational Research Council, Inc. (NOERC) is a jointly governed organization formed to bring educational entities into a better understanding of their common educational problems, facilitate and conduct practical educational research, coordinate educational research among members, provide a means for evaluating and disseminating the results of research, serve as a repository for research and legislative materials and provide opportunities for training. The NOERC serves a twenty-five county area of Northwest Ohio. The Board of Directors consists of superintendents from two educational service centers, two exempted village school districts, five local school districts, and five city school districts, as well as representatives from two private or parochial schools and three institutions of higher education. Each active member is entitled to one vote on all issues addressed by the Board of Directors. Financial information can be obtained from the Northwestern Ohio Educational Research Council, Inc., P.O. Box 456, Ashland, Ohio 44805.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

15. JOINTLY GOVERNED ORGANIZATIONS – (Continued)

E. Northwest Ohio Special Education Regional Resource Center

The Northwest Ohio Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to provide services to families, educators, and agencies regarding educational law and curriculum and instruction for students with disabilities. The SERRC serves a thirteen county area in Northwest Ohio. The Governing Board consists of superintendents from each of the cooperating Districts, the fiscal agent superintendent, two parents of children with disabilities, one superintendent of a county board of MR/DD, one representative from a chartered non-public school, one representative from the University of Toledo, one representative from Bowling Green State University, one representative from a community school, and any other representatives from other agencies as designated by the Governing Board or the Ohio Department of Education. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Dave Michel, Eastwood Local School District, 4800 Sugar Ridge Road, Pemberville, Ohio 43450.

F. Northwest Ohio Regional Professional Development Center

The Northwest Ohio Regional Professional Development Center (RPDC) is a jointly governed organization among the school districts in Defiance, Erie, Fulton, Henry, Lucas, Ottawa, Sandusky, Williams, and Wood counties. The RPDC focuses on the implementation of academic content standards and the deployment of State initiatives. All activities reflect definition of high quality professional development, including job-embedded, connected to strategic goals, sustained, intensive skill building, and measurement of impact on student learning. The Center is governed by a fifteen member board made up of representatives from the participating school districts, the business community, and two institutions of higher learning. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from the Northwest Ohio Regional Professional Development Center, 414 Emerald Street, 2nd Floor, Toledo, Ohio 43602.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

16. INSURANCE POOLS

A. Employee Insurance Benefits Program

The District participates in a group health insurance pool through the Optimal Health Initiative Consortium (OHI) Insurance Benefits Program (the Pool) is a public entity shared risk pool consisting of educational entities throughout the state. The Pool is governed by OHI and its participating members. The District contributed a total of \$2,134,603 to Northern Buckeye Health Plan, Northwest Division of OHI for all four plans. Financial information for the period can be obtained from Jenny Jostworth, Treasurer, at 10999 Reed Hartman Hwy., Suite 304E, Cincinnati, OH 45242.

B. Workers' Compensation Group Rating Plan

The District participates in a group-rating plan for workers' compensation as established under §4123.29 of the Ohio Revised Code. The Ohio Health Initiatives (OHI) Workers' Compensation Group Rating Plan (WCGRP) was established through the Ohio Health Initiatives (OHI) as a group purchasing pool. The group was formed to create a workers' compensation group rating plan which would allow employers to group together to achieve a potentially lower premium rate than they may otherwise be able to acquire as individual employers. The Optimal Health Initiatives has created a workers' compensation group rating and risk management program which will potentially reduce the workers' compensation premiums for the District.

Optimal Health Initiatives has retained Sheakley UniService as the servicing agent to perform administrative, actuarial, cost control, claims, and safety consulting services and unemployment claims services for program participants. During this fiscal year, the District paid an enrollment fee of \$2,326 to WCGRP to cover the costs of administering the program.

17. INTERFUND TRANSACTIONS

During the year ended June 30, 2013, the General Fund transferred \$49,638 to the Permanent Improvement fund to subsidize capital improvements.

18. RELATED PARTY TRANSACTIONS

Thomas Lingvai, a Board Member, is owner of Lingvai Excavating, a local company who performed various repair and construction projects to the District's grounds in 2013. The District remitted \$5,762 during 2013. The projects were approved at arm's length, with full knowledge by District officials, of Mr. Lingvai's interest, and Mr. Lingvai took no part in the deliberation or decision by District officials with respect to the projects.

19. FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)**

19. FUND BALANCE – (Continued)

Fund Balance	General	Permanent Improvement	Other Governmental	Total Governmental Funds
Restricted for:				
Regular Instruction			\$22,592	\$22,592
Special Instruction			82,057	82,057
Athletics			192,796	192,796
Food Service Operations			129,742	129,742
Total Restricted			427,187	427,187
Committed For:				
Permanent Improvement		\$4,270,802		4,270,802
Unpaid Obligations (encumbrances)	\$64,443			64,443
Educational Activities	82,852			82,852
Budget Stabilization	1,129,187			1,129,187
Total Assigned	1,276,482			1,276,482
Unassigned	8,495,669			8,495,669
Total Fund Balance	\$9,772,151	\$4,270,802	\$427,187	\$14,470,140

20. CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the District.

For 2013, the District implemented Governmental Accounting Standard Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. This change was incorporated in the District's 2013 financial statements; however, there was no effect on beginning net position/fund balance.

21. SUBSEQUENT EVENTS

In November 2013, the District passed a 7.45 mills levy to help cover the costs of building a new grade 6-12 building and renovate the current middle school to consolidate pre-kindergarten through 5th grade. The levy will generate approximately \$32.77 million.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
<u>Child Nutrition Cluster:</u>			
School Breakfast Program - Cash Assistance	10.553	\$68,203	\$68,203
National School Lunch Program			
Cash Assistance	10.555	339,929	339,929
Non- Cash Assistance (Food Distribution)		<u>85,922</u>	<u>85,922</u>
Total National School Lunch Program		<u>425,851</u>	<u>425,851</u>
Total U.S. Department of Agriculture		<u>494,054</u>	<u>494,054</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
<u>Special Education Cluster:</u>			
Special Education Grants to States	84.027	403,435	392,401
Special Education Preschool Grants	84.173	<u>18,585</u>	<u>18,059</u>
Total Special Education Cluster		422,020	410,460
English Language Acquisition State Grants	84.365	1,316	1,316
ARRA - Race-to-the-Top Incentive Grants, Recovery Act	84.395	36,643	35,944
Title I Grants to Local Educational Agencies	84.010	383,150	376,591
Improving Teacher Quality State Grants	84.367	<u>72,642</u>	<u>69,323</u>
Total U.S. Department of Education		<u>915,771</u>	<u>893,634</u>
Totals		<u><u>\$1,409,825</u></u>	<u><u>\$1,387,688</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipt and Expenditure (the Schedule) reports the Bryan City School District (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The District passes certain federal awards received from Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note A describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a subrecipient, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals. The amount passed through to subrecipients was \$1,316.

NOTE C - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bryan City School District, Williams County, Ohio (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2013, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance and other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2012-001 and 2012-002.

Entity's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

November 18, 2013



Dave Yost • Auditor of State

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

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited Bryan City School District's, Williams County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Title I Grants to Local Educational Agencies

As described in finding 2013-003 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Allowable Costs and Cost Principles applicable to its Title I Grants to Local Educational Agencies major federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

Qualified Opinion on Title I Grants to Local Educational Agencies

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* paragraph, Bryan City School District, Williams County, Ohio complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Title I Grants to Local Educational Agencies* for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2013-003 to be a material weakness.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

November 18, 2013

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(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 weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Modified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Educational Agencies CFDA - #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2013-001

Noncompliance Citation

Ohio Revised Code, § 117.38, provides each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. **Ohio Administrative Code § 117-2-03** further clarifies the requirements of **Ohio Revised Code, § 117.38**.

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepares its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles accepted in the United States of America. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District. As such we recommend the District prepare its annual financial report in accordance with generally accepted accounting principles.

Officials' Response:

Management believes reporting on a basis of accounting other than generally accepted accounting principles (GAAP) is more cost efficient.

FINDING NUMBER 2013-002

Finding For Recovery Repaid Under Audit

State ex rel McClure v. Hagerman (1951), 155 Ohio St. 320 provides expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Auditor of State Bulletin 2003-005 states governmental entities may not make expenditures of public monies unless they are for a valid public purpose. The Bulletin indicates the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

On April 18, 2013, the Athletic Department held a Reverse Raffle fundraiser at the Bryan Moose Lodge, which included the purchase of alcohol totaling \$450. Based on the above, alcohol is not a proper public purpose.

In accordance with the foregoing facts and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Brian Arnold, Athletic Director, and in the amount of \$450, and in favor of Bryan City School District Athletic Association Fund in the amount of \$450.

The \$450 was repaid under audit to the District's Athletic Association Fund on October 3, 2013.

**FINDING NUMBER 2013-002
 (Continued)**

Officials' Response:

We will implement the necessary procedures to correct this comment for future audits.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2013-003
CFDA Title and Number	Title I Grants to Local Educational Agencies
Federal Award Number/Year	2013
Federal Agency	United States Department of Education
Pass-Through Agency	Ohio Department of Education

Noncompliance / Questioned Costs / Material Weakness

Allowable Costs and Cost Principles

2 CFR Part 225, Attachment B, Section 8 (h)(4) states where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8.h.(5) of this appendix. Documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

In 2013, payroll costs consisting of wages, benefits, and payroll taxes in the total amount of \$11,634 were charged to the District's Title I grant. The District did not obtain the required personnel activity reports or equivalent documentation from the employees working on multiple activities or cost objectives. Therefore, the payroll costs would not qualify as an allowable cost to the Title I grant.

The District should establish specific procedures by which each employee working on multiple activities or multiple federal programs will complete personnel activity reports or equivalent documentations (i.e., time and effort logs or time sheets) on a timely basis. The personnel activity reports should document the date and hours worked on the Title I grant and include credible signatures by the employee and respective supervisor.

Officials' Response:

We will implement the necessary procedures to correct this comment for future audits.

This page intentionally left blank.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315C
JUNE 30, 2013**

Finding Number	Planned Corrective Action	Anticipated / Completion Date	Responsible Contact Person
2013-003	Management will consult with the Ohio Department of Education to resolve this issue.	FY 2014	Robin Rosswurm, CFO/Treasurer

This page intentionally left blank.

**BRYAN CITY SCHOOL DISTRICT
WILLIAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03 (B) – for not preparing its annual financial report in accordance with generally accepted accounting principles.	No	Not Corrected. Reissued as finding 2013-001 in this report.

This page intentionally left blank.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

Bryan City School District
Williams County
1350 Fountain Grove Drive
Bryan, Ohio 43506-8733

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Bryan City School District, Williams County, Ohio (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We noted the Board amended its anti-harassment policy at its meeting on May 22, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

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

Dave Yost
Auditor of State

Columbus, Ohio

November 18, 2013

This page intentionally left blank.



Dave Yost • Auditor of State

BRYAN CITY SCHOOL DISTRICT

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 10, 2013**