



**Mary Taylor, CPA**  
Auditor of State



**CITY OF BRYAN  
WILLIAMS COUNTY**

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Mary Taylor, CPA  
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**INDEPENDENT ACCOUNTANTS' REPORT**

City of Bryan  
Williams County  
321 West Bryan Street  
Bryan, Ohio 43506-0190

To the Members of City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, Ohio, as of December 31, 2009, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General and the Income Tax One Percent Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2010, on our consideration of the City's internal control over financial reporting and our tests of its

compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The schedule of federal awards expenditures is required by 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 basic financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

August 10, 2010

## **CITY OF BRYAN, OHIO**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009***

***Unaudited***

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This discussion and analysis of the City of Bryan's financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2009 are as follows:

- ❑ In total, net assets increased \$1,953,812. Net assets of governmental activities increased \$117,694, which represents less than a 1% change from 2008. Net assets of business-type activities increased \$1,836,118 or 4% from 2008.
- ❑ General revenues accounted for \$8,770,746 in revenue or 24% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$28,290,334, or 76% of total revenues of \$37,061,080.
- ❑ The City had \$9,587,112 in expenses related to governmental activities; only \$2,344,411 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$8,745,121 were adequate to provide for these programs.
- ❑ Among major funds, the general fund had \$5,658,427 in revenues and other financing sources and \$5,184,684 in expenditures. The general fund's fund balance increased from \$1,264,586 to \$1,738,329.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the City:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the City's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# CITY OF BRYAN, OHIO

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*Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009*

*Unaudited*

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## **Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net-assets (the difference between the City's assets and liabilities) are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as the City's tax base and the condition of the City's capital assets

The government-wide financial statements of the City are divided into two categories:

- Governmental Activities – Most of the City's program's and services are reported here including security of persons and property, public health and welfare services, leisure time activities, community environment, transportation and general government.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The City's water, sewer, refuse collection, electric operating, and communication operations services are reported as business-type activities.

## **Fund Financial Statements**

Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole.

*Governmental Funds* – Most of the City's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The governmental fund financial statements provide separate information for the General, 1% Income Tax, Municipal Building Construction and Capital Improvement funds, all of which are considered major funds. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.



## CITY OF BRYAN, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009*

*Unaudited*

*Proprietary Funds* – Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The proprietary fund financial statements provide separate information for the Water, Sewer, Refuse Collection, Electric Operating, and Communications Operations funds, all of which are considered major funds.

*Fiduciary Funds* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets.

### FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following table provides a summary of the City's net assets for 2009 compared to 2008.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$18,460,061	\$18,897,365	\$15,298,186	\$15,281,003	\$33,758,247	\$34,178,368
Capital assets, Net	20,946,631	20,874,956	40,691,642	39,308,071	61,638,273	60,178,027
Total assets	39,406,692	39,772,321	55,989,828	54,589,074	95,396,520	94,356,395
Long-term debt outstanding	3,171,796	3,408,950	4,959,253	5,350,283	8,131,049	8,759,233
Other liabilities	874,364	1,120,533	2,471,114	2,510,448	3,345,478	3,630,981
Total liabilities	4,046,160	4,529,483	7,430,367	7,860,731	11,476,527	12,390,214
Net assets						
Invested in capital assets, net of related debt	18,846,631	18,463,956	36,679,604	34,831,530	55,526,235	53,295,486
Restricted	14,662,413	15,424,209	0	0	14,662,413	15,424,209
Unrestricted	1,851,488	1,354,673	11,879,857	11,891,813	13,731,345	13,246,486
Total net assets	<u>\$35,360,532</u>	<u>\$35,242,838</u>	<u>\$48,559,461</u>	<u>\$46,723,343</u>	<u>\$83,919,993</u>	<u>\$81,966,181</u>

## CITY OF BRYAN, OHIO

### Management's Discussion and Analysis For the Fiscal Year Ended December 31, 2009

*Unaudited*

Changes in Net Assets – The following table shows the changes in net assets for the fiscal year 2009 compared to 2008:

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for Services and Sales	\$1,007,649	\$1,058,348	\$25,945,923	\$26,399,962	\$26,953,572	\$27,458,310
Operating Grants and Contributions	1,048,910	645,756	0	0	1,048,910	645,756
Capital Grants and Contributions	287,852	765,308	0	0	287,852	765,308
Total Program revenues	2,344,411	2,469,412	25,945,923	26,399,962	28,290,334	28,869,374
General revenues:						
Property Taxes	523,556	547,289	0	0	523,556	547,289
Income Taxes	5,955,656	6,643,993	0	0	5,955,656	6,643,993
Other Local Taxes	743,797	835,237	0	0	743,797	835,237
Intergovernmental Revenues, Unrestricted	1,005,125	581,553	0	0	1,005,125	581,553
Investment Earnings	39,626	311,648	25,625	195,168	65,251	506,811
Unrestricted Contributions	43,745	27,921	0	0	43,745	27,921
Miscellaneous	433,616	424,542	0	0	433,616	424,542
Total General revenues	8,745,121	9,372,178	25,625	195,168	8,770,746	9,567,346
Total Revenues	11,089,532	11,841,590	25,971,548	26,595,130	37,061,080	38,436,720
Program Expenses						
Security of Persons and Property	2,698,600	2,352,814	0	0	2,698,600	2,352,814
Leisure Time Activities	994,457	1,061,952	0	0	994,457	1,061,952
Community Environment	775,065	100,768	0	0	775,065	100,768
Public Health and Welfare	97,385	101,218	0	0	97,385	101,218
Transportation	1,247,183	1,243,252	0	0	1,247,183	1,243,252
General Government	3,704,598	3,258,205	0	0	3,704,598	3,258,205
Interest and Fiscal Charges	69,824	100,935	0	0	69,824	100,935
Water	0	0	1,527,451	1,427,787	1,527,451	1,427,787
Sewer	0	0	1,335,013	1,104,279	1,335,013	1,104,279
Refuse Collection	0	0	877,806	858,808	877,806	858,808
Electric Operating	0	0	19,443,653	20,346,388	19,443,653	20,346,388
Communication Operations	0	0	2,336,233	2,220,581	2,336,233	2,220,581
Total Expenses	9,587,112	8,219,144	25,520,156	25,957,843	35,107,268	34,176,987
Change in Net Assets before transfers	1,502,420	3,622,446	451,392	637,287	1,953,812	4,259,733
Transfers	(1,384,726)	(939,992)	1,384,726	939,992	0	0
Total Change in Net Assets	117,694	2,682,454	1,836,118	1,577,279	1,953,812	4,259,733
Beginning Net Assets	35,242,838	32,560,384	46,723,343	45,146,064	81,966,181	77,705,448
Ending Net Assets	\$35,360,532	\$35,242,838	\$48,559,461	\$46,723,343	\$83,919,993	\$81,966,181

## CITY OF BRYAN, OHIO

**Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009**

**Unaudited**

**Governmental Activities**

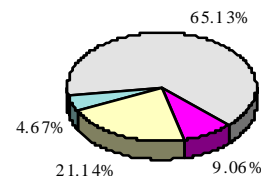
Net assets of the City's governmental activities increased \$117,694. This represents less than a 1% change from 2008. The overall decline in the state of the economy resulted in the decrease in income taxes. Capital grants and contributions increased in 2008 due to Department of Homeland Security Grants for Fire Department equipment. The absence of similar grant awards for 2009 resulted in the subsequent decrease in capital grants and contributions in the current year. An increase in estate taxes resulted in the increase in unrestricted intergovernmental revenues while the decrease in investment earnings can be attributed to a decrease in interest rates.

An increase in community development block grants resulted in the increase in operating grants as well as expenditures for community environment. The increase in security of persons and property can be attributed to an overall increase in expenses in the police and fire departments.

The City receives an income tax, which is based on 1.8% of all salaries, wages, commissions and other compensation and on net profits earned from residents living within the City.

Income taxes and property taxes made up 54% and 5% respectively of revenues for governmental activities for the City in 2009. The City's reliance upon tax revenues is demonstrated by the following graph indicating 65% of total revenues from general tax revenues:

Revenue Sources	2009	Percent of Total
General Tax Revenues	\$7,223,009	65.13%
Intergovernmental, Unrestricted	1,005,125	9.06%
Program Revenues	2,344,411	21.14%
General Other	516,987	4.67%
Total Revenue	\$11,089,532	100.00%



**Business-Type Activities**

Net assets of the business-type activities increased \$1,836,118. Amounts received for services provided remained consistent with the previous year while a decrease in the cost of purchased power resulted in the decrease in expenses in the electric department. The decrease in investment earnings can be attributed to a decrease in interest rates.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City's governmental funds reported a combined fund balance of \$15,877,295, which is a decrease from last year's balance of \$16,078,731. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2009 and 2008:

	Fund Balance December 31, 2009	Fund Balance December 31, 2008	Increase (Decrease)
General	\$1,738,329	\$1,264,586	\$473,743
1% Income Tax	3,571,965	3,578,285	(6,320)
Municipal Building Construction	78,304	85,365	(7,061)
Capital Improvement	1,832,303	1,705,109	127,194
Other Governmental	8,656,394	9,445,386	(788,992)
Total	\$15,877,295	\$16,078,731	(\$201,436)

## CITY OF BRYAN, OHIO

*Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009*

*Unaudited*

General Fund – The City's General Fund balance increase is due to several factors. The tables that follow assist in illustrating the financial activities of the General Fund:

	2009 Revenues	2008 Revenues	Increase (Decrease)
Taxes	\$1,252,909	\$1,368,611	(\$115,702)
Intergovernmental Revenues	998,442	622,325	376,117
Charges for Services	136,883	139,106	(2,223)
Licenses and Permits	53,507	31,829	21,678
Investment Earnings	26,899	230,560	(203,661)
Fines and Forfeitures	545,319	583,582	(38,263)
All Other Revenue	314,915	315,629	(714)
<b>Total</b>	<b>\$3,328,874</b>	<b>\$3,291,642</b>	<b>\$37,232</b>

General Fund revenues in 2009 increased approximately 1% compared to revenues in fiscal year 2008. A decrease in kilowatt hour tax receipts from users within the City limits resulted in the decrease in taxes. The increase in intergovernmental revenues can be attributed to an increase in estate taxes, while the decrease in investment earnings was the result of lower interest rates.

	2009 Expenditures	2008 Expenditures	Increase (Decrease)
Security of Persons and Property	\$1,731,777	\$1,633,595	\$98,182
Public Health and Welfare	95,144	98,661	(3,517)
Leisure Time Activities	866,830	968,930	(102,100)
General Government	2,490,933	2,657,535	(166,602)
<b>Total</b>	<b>\$5,184,684</b>	<b>\$5,358,721</b>	<b>(\$174,037)</b>

General Fund expenditures decreased \$174,037 or 3% from the prior year. The decrease in leisure time activities can be attributed to a decrease in capital purchases and improvements that occurred in the prior year. The decrease in general government can be attributed to a decrease in workers compensation as well as a decrease in capital expenditures. The increase in security of persons and property can be attributed to the increase in payroll expenditures.

	2009 Other Financing Sources (Uses)	2008 Other Financing Sources (Uses)	Increase (Decrease)
Sale of Capital Assets	\$4,553	\$5,848	(\$1,295)
Transfers In	2,325,000	2,200,000	125,000
<b>Total</b>	<b>\$2,329,553</b>	<b>\$2,205,848</b>	<b>\$123,705</b>

## **CITY OF BRYAN, OHIO**

***Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009***

***Unaudited***

Income Tax 1% Fund – The City's 1% Income Tax Fund balance changed less than 1% when compared with the previous year. Income tax revenues in 2009 were approximately 10% less than in 2008 as a result of a declining tax base caused by the current recession.

Municipal Building Construction Fund – The City's Municipal Building Construction fund continued to report the issuance and retirement of long-term notes payable for the construction of the new municipal building.

Capital Improvement Fund – The City's Capital Improvement fund balance increased 8% when compared with the previous year. This increase in fund balance was the result of an Ohio Public Works Commission Grant.

The City'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 2009, the City amended its General Fund budget several times to reflect changing circumstances. The difference between actual receipts, final budgeted receipts and original budgeted receipts was insignificant.

The difference between final budgeted appropriations and original budgeted appropriations was insignificant. Final budgeted appropriations exceeded actual expenditures by 20%. This was mainly the result of controlling expenditures within the security of persons and property and general government function.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### ***Capital Assets***

At the end of fiscal 2009 the City had \$61,638,273 net of accumulated depreciation invested in land, buildings and improvements, infrastructure, and machinery and equipment. Of this total, \$20,946,631 was related to governmental activities and \$40,691,642 to the business-type activities. The following table shows fiscal year 2009 and 2008 balances:

	Governmental Activities		Increase (Decrease)
	2009	2008	
Land	\$4,861,489	\$4,861,489	\$0
Construction In Progress	0	1,191,939	(1,191,939)
Buildings	11,205,734	10,133,369	1,072,365
Improvements Other than Buildings	2,676,142	2,217,302	458,840
Infrastructure	11,534,274	11,081,495	452,779
Machinery and Equipment	6,014,512	5,926,872	87,640
Less: Accumulated Depreciation	(15,345,520)	(14,537,510)	(808,010)
Totals	\$20,946,631	\$20,874,956	\$71,675

## CITY OF BRYAN, OHIO

**Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009**

**Unaudited**

The increase in buildings was the result of renovations to the north building for the parks and recreation department, engineering department and council chambers while the increase in improvements consisted of the installation of fire communications equipment. The increase in infrastructure consisted of routine street maintenance.

	Business-Type Activities		Increase (Decrease)
	2009	2008	
Land	\$1,571,307	\$1,491,307	\$80,000
Construction in Progress	705,494	560,236	145,258
Buildings and Improvements	13,765,692	13,697,877	67,815
Infrastructure	31,121,157	29,013,671	2,107,486
Machinery and Equipment	44,100,113	43,098,220	1,001,893
Less: Accumulated Depreciation	(50,572,121)	(48,558,240)	(2,013,881)
Totals	\$40,691,642	\$39,303,071	\$1,388,571

The increase in infrastructure can mostly be attributed to sanitary sewer lines related to the East Mulberry Street project. The purchase of a sewer vacuum truck, a hydro generator and equipment in the communications department related to service upgrades to digital service resulted in the increase in machinery and equipment. Additional information on the City's capital assets can be found in Note 7.

### **Debt**

At December 31, 2009, the City had \$2.1 million in long-term bond anticipation notes outstanding. The following table summarizes the City's debt outstanding as of December 31, 2009 and 2008:

	2009	2008
<b>Governmental Activities:</b>		
Long-Term Bond Anticipation Notes	\$2,100,000	\$2,400,000
Special Assessment Bonds	0	11,000
Compensated Absences	1,071,796	997,950
Total Governmental Activities	3,171,796	3,408,950
<b>Business-Type Activities:</b>		
Long-Term Notes Payable	3,400,000	3,740,000
Ohio Water Development Authority Loan	612,038	731,541
Compensated Absences	947,215	878,742
Total Business-Type Activities	4,959,253	5,350,283
Totals	\$8,131,049	\$8,759,233

Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10.5% of the total assessed value of real and personal property. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total assessed value of property. At December 31, 2009, the City's outstanding debt was below the legal limit. Additional information on the City's long-term debt can be found in Note 10.

## **CITY OF BRYAN, OHIO**

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*Management's Discussion and Analysis  
For the Fiscal Year Ended December 31, 2009*

*Unaudited*

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### **ECONOMIC FACTORS**

The City's general fund disbursements for 2009 are approximately \$174,037 less than the 2008 general fund disbursements. The 2009 general fund revenues are approximately \$37,232 greater than the 2008 general fund revenues. Overall, the general fund revenues and expenditures were flat in comparison to the prior year.

The City's general fund expenditures for 2009 were 20.2% less than the final 2009 approved budget. Controlled departmental spending contributed to this significant achievement for 2009.

Income tax receipts for 2009 were down by approximately 10% when compared to 2008 income tax receipts. High unemployment in the area is a major contributing factor to the decreased income tax receipts.

Conservative budgeting continues to be a reflection of the current economic climate.

In November 2005, taxpayers voted a .3% permanent income tax for the Fire Department operations. As an independent revenue source, this tax should continue to support the condition of the general fund.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Laura Rode, Clerk-Treasurer of the City of Bryan.

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**CITY OF BRYAN, OHIO**

**Statement of Net Assets**  
**December 31, 2009**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 14,621,910	\$ 9,604,486	\$ 24,226,396
Receivables:			
Accounts	129,333	2,534,234	2,663,567
Intergovernmental	764,221	0	764,221
Interest	1,926	1,266	3,192
Taxes	1,539,936	0	1,539,936
Special Assessments	353,894	0	353,894
Loans	1,434,759	0	1,434,759
Internal Balance	(504,807)	504,807	0
Inventory of Supplies at Cost	73,824	1,210,775	1,284,599
Prepaid Items	45,065	306,589	351,654
Investment in Joint Venture	0	1,134,279	1,134,279
Restricted Assets:			
Cash and Cash Equivalents with Fiscal Agent	0	1,750	1,750
Capital Assets, Net	20,946,631	40,691,642	61,638,273
<b>Total Assets</b>	<b>39,406,692</b>	<b>55,989,828</b>	<b>95,396,520</b>
<b>Liabilities:</b>			
Accounts Payable	89,224	1,394,766	1,483,990
Accrued Wages and Benefits	209,730	141,699	351,429
Intergovernmental Payable	8,819	102,449	111,268
Claims Payable	157,087	0	157,087
Matured Bonds and Interest Payable	0	1,750	1,750
Unearned Revenue	406,966	793,333	1,200,299
Accrued Interest Payable	2,538	37,117	39,655
Noncurrent liabilities:			
Due within one year	2,362,037	678,764	3,040,801
Due in more than one year	809,759	4,280,489	5,090,248
<b>Total Liabilities</b>	<b>4,046,160</b>	<b>7,430,367</b>	<b>11,476,527</b>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	18,846,631	36,679,604	55,526,235
Restricted For:			
Capital Projects	4,062,302	0	4,062,302
Debt Service	14,995	0	14,995
Other Purposes	10,585,116	0	10,585,116
Unrestricted	1,851,488	11,879,857	13,731,345
<b>Total Net Assets</b>	<b>\$ 35,360,532</b>	<b>\$ 48,559,461</b>	<b>\$ 83,919,993</b>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

**Statement of Activities**  
**For the Year Ended December 31, 2009**

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Security of Persons and Property	\$ 2,698,600	\$ 75,817	\$ 11,930	\$ 0
Leisure Time Activities	994,457	89,409	0	0
Community Environment	775,065	55,391	553,768	0
Public Health and Welfare	97,385	18,532	0	0
Transportation	1,247,183	0	406,626	287,852
General Government	3,704,598	768,500	76,586	0
Interest and Fiscal Charges	69,824	0	0	0
<b>Total Governmental Activities</b>	<b>9,587,112</b>	<b>1,007,649</b>	<b>1,048,910</b>	<b>287,852</b>
<b>Business-Type Activities:</b>				
Water	1,527,451	1,682,322	0	0
Sewer	1,335,013	790,839	0	0
Refuse Collection	877,806	881,605	0	0
Electric Operating	19,443,653	20,445,565	0	0
Communication Operations	2,336,233	2,145,592	0	0
<b>Total Business-Type Activities</b>	<b>25,520,156</b>	<b>25,945,923</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>\$ 35,107,268</b>	<b>\$ 26,953,572</b>	<b>\$ 1,048,910</b>	<b>\$ 287,852</b>

**General Revenues**

Property Taxes Levied for:  
    General Purposes  
    Income Tax  
    Other Local Taxes  
Intergovernmental Revenues, Unrestricted  
Investment Earnings  
Unrestricted Contributions  
Miscellaneous  
Transfers  
Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year  
Net Assets End of Year

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (2,610,853)	\$ 0	\$ (2,610,853)
(905,048)	0	(905,048)
(165,906)	0	(165,906)
(78,853)	0	(78,853)
(552,705)	0	(552,705)
(2,859,512)	0	(2,859,512)
(69,824)	0	(69,824)
<u>(7,242,701)</u>	<u>0</u>	<u>(7,242,701)</u>
0	154,871	154,871
0	(544,174)	(544,174)
0	3,799	3,799
0	1,001,912	1,001,912
0	(190,641)	(190,641)
<u>0</u>	<u>425,767</u>	<u>425,767</u>
<u>(7,242,701)</u>	<u>425,767</u>	<u>(6,816,934)</u>
523,556	0	523,556
5,955,656	0	5,955,656
743,797	0	743,797
1,005,125	0	1,005,125
39,626	25,625	65,251
43,745	0	43,745
433,616	0	433,616
<u>(1,384,726)</u>	<u>1,384,726</u>	<u>0</u>
<u>7,360,395</u>	<u>1,410,351</u>	<u>8,770,746</u>
117,694	1,836,118	1,953,812
<u>35,242,838</u>	<u>46,723,343</u>	<u>81,966,181</u>
<u>\$ 35,360,532</u>	<u>\$ 48,559,461</u>	<u>\$ 83,919,993</u>

**CITY OF BRYAN, OHIO**

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2009**

	<u>General</u>	<u>1% Income Tax</u>	<u>Municipal Building Construction</u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,551,204	\$ 3,196,144	\$ 78,304
Receivables:			
Taxes	639,083	517,917	0
Accounts	112,556	14	0
Intergovernmental	273,309	0	0
Interest	1,265	0	0
Special Assessments	0	0	0
Loans	0	0	0
Inventory of Supplies, at Cost	0	0	0
Prepaid Items	25,076	0	0
<b>Total Assets</b>	<u>\$ 2,602,493</u>	<u>\$ 3,714,075</u>	<u>\$ 78,304</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 38,327	\$ 1,000	\$ 0
Accrued Wages and Benefits Payable	166,450	1,413	0
Intergovernmental Payable	8,722	55	0
Deferred Revenue	650,665	139,642	0
<b>Total Liabilities</b>	<u>864,164</u>	<u>142,110</u>	<u>0</u>
<b>Fund Balance:</b>			
Reserved for Encumbrances	143,958	9,949	0
Reserved for Prepaid Items	25,076	0	0
Reserved for Supplies Inventory	0	0	0
Reserved for Loans Receivable	0	0	0
Undesignated, Unreserved in:			
General Fund	1,569,295	0	0
Special Revenue Funds	0	3,562,016	0
Debt Service Fund	0	0	0
Capital Project Funds	0	0	78,304
<b>Total Fund Balance</b>	<u>1,738,329</u>	<u>3,571,965</u>	<u>78,304</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 2,602,493</u>	<u>\$ 3,714,075</u>	<u>\$ 78,304</u>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,577,702	\$ 6,810,815	\$ 13,214,169
0	382,936	1,539,936
0	16,763	129,333
261,252	229,660	764,221
3	473	1,741
347,072	6,822	353,894
0	1,434,759	1,434,759
0	73,824	73,824
0	19,989	45,065
<u>\$ 2,186,029</u>	<u>\$ 8,976,041</u>	<u>\$ 17,556,942</u>
\$ 6,654	\$ 43,243	\$ 89,224
0	41,867	209,730
0	42	8,819
347,072	234,495	1,371,874
<u>353,726</u>	<u>319,647</u>	<u>1,679,647</u>
43,497	74,431	271,835
0	19,989	45,065
0	73,824	73,824
0	1,434,759	1,434,759
0	0	1,569,295
0	5,238,057	8,800,073
0	10,711	10,711
1,788,806	1,804,623	3,671,733
<u>1,832,303</u>	<u>8,656,394</u>	<u>15,877,295</u>
<u>\$ 2,186,029</u>	<u>\$ 8,976,041</u>	<u>\$ 17,556,942</u>

**CITY OF BRYAN, OHIO**

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***Reconciliation Of Total Governmental Fund Balances  
To Net Assets Of Governmental Activities  
December 31, 2009***

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<b>Total Governmental Fund Balances</b>		\$ 15,877,295
<b><i>Amounts reported for governmental activities in the statement of net assets are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		20,946,631
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		964,908
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		746,032
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Long-Term Bond Anticipation Note	(2,100,000)	
Compensated Absences Payable	(1,071,796)	
Accrued Interest Payable	(2,538)	
	<u>                    </u>	<u>(3,174,334)</u>
<b><i>Net Assets of Governmental Activities</i></b>		<b><u><u>\$ 35,360,532</u></u></b>

See accompanying notes to the basic financial statements

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**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2009**

	<u>General</u>	<u>1% Income Tax</u>	<u>Municipal Building Construction</u>
<b>Revenues:</b>			
Taxes	\$ 1,252,909	\$ 3,293,914	\$ 0
Intergovernmental Revenues	998,442	0	0
Charges for Services	136,883	0	0
Licenses and Permits	53,507	0	0
Investment Earnings	26,899	106	0
Special Assessments	0	0	0
Fines and Forfeitures	545,319	2,470	0
All Other Revenue	314,915	137	0
<b>Total Revenue</b>	<u>3,328,874</u>	<u>3,296,627</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Security of Persons and Property	1,731,777	0	0
Public Health and Welfare	95,144	0	0
Leisure Time Activities	866,830	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	2,490,933	267,947	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	2,400,000
Interest & Fiscal Charges	0	0	72,061
<b>Total Expenditures</b>	<u>5,184,684</u>	<u>267,947</u>	<u>2,472,061</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,855,810)	3,028,680	(2,472,061)
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	4,553	0	0
Sale of Notes	0	0	2,100,000
Transfers In	2,325,000	0	365,000
Transfers Out	0	(3,035,000)	0
<b>Total Other Financing Sources (Uses)</b>	<u>2,329,553</u>	<u>(3,035,000)</u>	<u>2,465,000</u>
Net Change in Fund Balance	473,743	(6,320)	(7,061)
<b>Fund Balance at Beginning of Year</b>	1,264,586	3,578,285	85,365
Decrease in Inventory Reserve	0	0	0
<b>Fund Balance End of Year</b>	<u>\$ 1,738,329</u>	<u>\$ 3,571,965</u>	<u>\$ 78,304</u>

See accompanying notes to the basic financial statements



**CITY OF BRYAN, OHIO**

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Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 0	\$ 2,632,926	\$ 7,179,749
287,852	1,049,540	2,335,834
0	57,930	194,813
0	0	53,507
38	9,203	36,246
88,046	15,674	103,720
0	211,540	759,329
6,056	156,253	477,361
<u>381,992</u>	<u>4,133,066</u>	<u>11,140,559</u>
0	1,074,358	2,806,135
0	0	95,144
0	0	866,830
0	775,065	775,065
0	842,503	842,503
0	239,059	2,997,939
2,004,798	85,598	2,090,396
0	11,000	2,411,000
<u>0</u>	<u>852</u>	<u>72,913</u>
<u>2,004,798</u>	<u>3,028,435</u>	<u>12,957,925</u>
(1,622,806)	1,104,631	(1,817,366)
0	0	4,553
0	0	2,100,000
1,750,000	1,040,584	5,480,584
<u>0</u>	<u>(2,915,117)</u>	<u>(5,950,117)</u>
<u>1,750,000</u>	<u>(1,874,533)</u>	<u>1,635,020</u>
127,194	(769,902)	(182,346)
1,705,109	9,445,386	16,078,731
<u>0</u>	<u>(19,090)</u>	<u>(19,090)</u>
<u>\$ 1,832,303</u>	<u>\$ 8,656,394</u>	<u>\$ 15,877,295</u>

**CITY OF BRYAN, OHIO**

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***Reconciliation Of The Statement Of Revenues, Expenditures  
And Changes In Fund Balances Of Governmental Funds  
To The Statement Of Activities  
For The Fiscal Year Ended December 31, 2009***

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**Net Change in Fund Balances - Total Governmental Funds** \$ (182,346)

***Amounts reported for governmental activities in the statement of activities are different because***

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	1,126,646	
Depreciation Expense	(986,194)	140,452

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals and donations) is to increase net assets.

The statement of activities reports losses arising from the disposal of capital assets. Conversely, the governmental funds do not report any loss on the disposal of capital assets.	(68,777)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(54,407)
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The issuance of long-term debt (e.g. notes, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction, however, has any effect on net assets.

General Obligation Notes Issued	(2,100,000)
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Repayment of bond and loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Special Assessment Bond Principal Payment	11,000	
Long Term Bond Anticipation Note Principal Payment	2,400,000	2,411,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,089
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(73,846)	
Change in Inventory	(19,090)	(92,936)

Internal Service Funds used by management to charge the costs of services to individual funds are not reported in the statement of activities. Governmental fund expenditures and related internal service revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

61,619

***Change in Net Assets of Governmental Activities***

**\$ 117,694**

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 1,315,289	\$ 1,296,640	\$ 1,264,902	\$ (31,738)
Intergovernmental Revenue	596,046	587,595	905,965	318,370
Charges for Services	125,834	124,050	133,566	9,516
Licenses and Permits	26,475	26,100	52,059	25,959
Investment Earnings	202,876	200,000	33,297	(166,703)
Fines and Forfeitures	559,381	551,450	548,714	(2,736)
All Other Revenues	289,657	285,549	315,844	30,295
Total Revenues	<u>3,115,558</u>	<u>3,071,384</u>	<u>3,254,347</u>	<u>182,963</u>
<b>Expenditures:</b>				
Current:				
Security of Persons and Property	2,292,664	2,344,270	1,869,563	474,707
Public Health and Welfare	116,675	119,301	95,143	24,158
Leisure Time Activities	1,111,438	1,136,456	906,327	230,129
General Government	3,316,100	3,390,742	2,704,128	686,614
Total Expenditures	<u>6,836,877</u>	<u>6,990,769</u>	<u>5,575,161</u>	<u>1,415,608</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,721,319)	(3,919,385)	(2,320,814)	1,598,571
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	0	0	4,553	4,553
Transfers In	2,600,000	2,600,000	2,325,000	(275,000)
Total Other Financing Sources (Uses):	<u>2,600,000</u>	<u>2,600,000</u>	<u>2,329,553</u>	<u>(270,447)</u>
Net Change in Fund Balance	(1,121,319)	(1,319,385)	8,739	1,328,124
Fund Balance at Beginning of Year	1,171,370	1,171,370	1,171,370	0
Prior Year Encumbrances	187,821	187,821	187,821	0
Fund Balance at End of Year	<u>\$ 237,872</u>	<u>\$ 39,806</u>	<u>\$ 1,367,930</u>	<u>\$ 1,328,124</u>

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Special Revenue Fund - Income Tax 1% Fund  
For the Year Ended December 31, 2009**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 3,157,500	\$ 3,157,500	\$ 3,351,878	\$ 194,378
Investment Earnings	0	0	106	106
Fines and Forfeitures	150	150	2,470	2,320
All Other Revenues	200	200	123	(77)
Total Revenues	<u>3,157,850</u>	<u>3,157,850</u>	<u>3,354,577</u>	<u>196,727</u>
<b>Expenditures:</b>				
Current:				
General Government	924,396	934,323	277,624	656,699
Total Expenditures	<u>924,396</u>	<u>934,323</u>	<u>277,624</u>	<u>656,699</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,233,454	2,223,527	3,076,953	853,426
<b>Other Financing Sources (Uses):</b>				
Transfers Out	(3,035,000)	(3,035,000)	(3,035,000)	0
Total Other Financing Sources (Uses):	<u>(3,035,000)</u>	<u>(3,035,000)</u>	<u>(3,035,000)</u>	<u>0</u>
Net Change in Fund Balance	(801,546)	(811,473)	41,953	853,426
Fund Balance at Beginning of Year	3,133,177	3,133,177	3,133,177	0
Prior Year Encumbrances	10,011	10,011	10,011	0
Fund Balance at End of Year	<u>\$ 2,341,642</u>	<u>\$ 2,331,715</u>	<u>\$ 3,185,141</u>	<u>\$ 853,426</u>

See accompanying notes to the basic financial statements

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**CITY OF BRYAN, OHIO**

**Statement of Net Assets  
Proprietary Funds  
December 31, 2009**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse Collection
	Water	Sewer	Refuse Collection
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 801,702	\$ 961,385	\$ 318,966
Accounts Receivable	175,943	76,672	105,841
Interest Receivable	124	112	42
Inventory of Supplies at Cost	221,078	9,401	0
Prepaid Items	14,771	22,386	8,221
Restricted Assets:	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	1,750	0
Total Current Assets	<u>1,213,618</u>	<u>1,071,706</u>	<u>433,070</u>
Noncurrent Assets:			
Investment in Joint Venture	0	0	0
Interfund Loan Receivable	0	0	0
Capital Assets, Net	<u>5,238,317</u>	<u>12,595,242</u>	<u>308,069</u>
Total Noncurrent Assets	<u>5,238,317</u>	<u>12,595,242</u>	<u>308,069</u>
Total Assets	<u>6,451,935</u>	<u>13,666,948</u>	<u>741,139</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	10,871	11,598	6,307
Accrued Wages and Benefits	24,306	12,784	13,929
Intergovernmental Payable	2,278	640	14,415
Claims Payable	0	0	0
Unearned Revenue	0	0	0
Matured Bonds and Interest Payable	0	1,750	0
Accrued Interest Payable	0	0	0
Compensated Absences Payable - Current	27,324	20,780	13,930
OWDA Loans Payable - Current	0	120,461	0
Long Term Note Payable - Current	0	0	0
Total Current Liabilities	<u>64,779</u>	<u>168,013</u>	<u>48,581</u>

**CITY OF BRYAN, OHIO**

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Electric Operating	Communication Operations	Total	Governmental Activities - Internal Service Funds
\$ 7,005,997	\$ 516,436	\$ 9,604,486	\$ 1,407,741
1,934,096	241,682	2,534,234	0
920	68	1,266	185
980,296	0	1,210,775	0
252,035	9,176	306,589	0
0	0	0	0
0	0	1,750	0
<u>10,173,344</u>	<u>767,362</u>	<u>13,659,100</u>	<u>1,407,926</u>
1,134,279	0	1,134,279	0
1,902,058	0	1,902,058	0
<u>15,974,326</u>	<u>6,575,688</u>	<u>40,691,642</u>	<u>0</u>
<u>19,010,663</u>	<u>6,575,688</u>	<u>43,727,979</u>	<u>0</u>
<u>29,184,007</u>	<u>7,343,050</u>	<u>57,387,079</u>	<u>1,407,926</u>
1,272,535	93,455	1,394,766	0
76,843	13,837	141,699	0
68,880	16,236	102,449	0
0	0	0	157,087
0	793,333	793,333	0
0	0	1,750	0
37,117	0	37,117	0
134,092	21,577	218,303	0
0	0	120,461	0
<u>340,000</u>	<u>0</u>	<u>340,000</u>	<u>0</u>
<u>1,930,067</u>	<u>938,438</u>	<u>3,149,878</u>	<u>157,087</u>

(Continued)

**CITY OF BRYAN, OHIO**

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**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2009**

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	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse Collection
Noncurrent Liabilities:			
OWDA Loans Payable	0	491,577	0
Long-Term Note Payable	0	0	0
Interfund Loan Payable	446,058	0	0
Compensated Absences Payable	116,514	80,944	48,109
Total Noncurrent Liabilities	562,572	572,521	48,109
<b>Total Liabilities</b>	<b>627,351</b>	<b>740,534</b>	<b>96,690</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	5,238,317	11,983,204	308,069
Unrestricted	586,267	943,210	336,380
Total Net Assets	<b>\$ 5,824,584</b>	<b>\$ 12,926,414</b>	<b>\$ 644,449</b>

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.  
Net Assets of Business-type Activities

See accompanying notes to the basic financial statements



**CITY OF BRYAN, OHIO**

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Electric Operating	Communication Operations	Total	Governmental Activities - Internal Service Funds
0	0	491,577	0
3,060,000	0	3,060,000	0
0	1,456,000	1,902,058	0
<u>476,633</u>	<u>6,712</u>	<u>728,912</u>	<u>0</u>
<u>3,536,633</u>	<u>1,462,712</u>	<u>6,182,547</u>	<u>0</u>
<u>5,466,700</u>	<u>2,401,150</u>	<u>9,332,425</u>	<u>157,087</u>
12,574,326	6,575,688	36,679,604	0
<u>11,142,981</u>	<u>(1,633,788)</u>	<u>11,375,050</u>	<u>1,250,839</u>
<u>\$ 23,717,307</u>	<u>\$ 4,941,900</u>	<u>\$ 48,054,654</u>	<u>\$ 1,250,839</u>
		504,807	
		<u>\$ 48,559,461</u>	

**CITY OF BRYAN, OHIO**

**Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2009**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
<b>Operating Revenues:</b>			
Charges for Services	\$ 1,658,626	\$ 731,035	\$ 824,809
Other Operating Revenues	7,249	59,597	52,899
<b>Total Operating Revenues</b>	<u>1,665,875</u>	<u>790,632</u>	<u>877,708</u>
<b>Operating Expenses:</b>			
Personal Services	972,967	492,497	544,773
Contractual Services	183,236	260,419	245,567
Materials and Supplies	137,866	156,406	55,844
Health Insurance Claims	0	0	0
Depreciation	212,371	469,196	30,236
Other Operating Expenses	1,930	0	0
<b>Total Operating Expenses</b>	<u>1,508,370</u>	<u>1,378,518</u>	<u>876,420</u>
<b>Operating Income (Loss)</b>	157,505	(587,886)	1,288
<b>Non-Operating Revenue (Expenses):</b>			
Interest Income	2,419	2,629	840
Interest and Fiscal Charges	(19,081)	(5,614)	0
Income from Joint Venture	0	0	0
Loss on Disposal of Capital Assets	0	(5,641)	(1,386)
Other Nonoperating Revenue	16,447	207	3,897
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(215)</u>	<u>(8,419)</u>	<u>3,351</u>
<b>Income (Loss) Before Transfers and Contributions</b>	157,290	(596,305)	4,639
<b>Transfers and Contributions:</b>			
Transfers-In	0	475,117	0
Transfers-Out	0	0	0
Capital Contributions	0	915,193	0
<b>Total Transfers and Contributions</b>	<u>0</u>	<u>1,390,310</u>	<u>0</u>
<b>Change in Net Assets</b>	157,290	794,005	4,639
<b>Net Assets Beginning of Year</b>	<u>5,667,294</u>	<u>12,132,409</u>	<u>639,810</u>
<b>Net Assets End of Year</b>	<u><u>\$ 5,824,584</u></u>	<u><u>\$ 12,926,414</u></u>	<u><u>\$ 644,449</u></u>

Change in Net Assets - Total Enterprise Funds

Adjustment to reflect the consolidation of internal service fund activities related to the enterprise funds.

Change in Net Assets - Business-type Activities

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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<u>Electric Operating</u>	<u>Communication Operations</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 19,826,585	\$ 2,036,275	\$ 25,077,330	\$ 1,990,771
<u>392,472</u>	<u>44,144</u>	<u>556,361</u>	<u>0</u>
<u>20,219,057</u>	<u>2,080,419</u>	<u>25,633,691</u>	<u>1,990,771</u>
2,628,296	423,411	5,061,944	0
15,074,949	1,443,962	17,208,133	0
527,750	37,258	915,124	0
0	0	0	1,877,772
973,587	391,575	2,076,965	0
<u>128,448</u>	<u>2,977</u>	<u>133,355</u>	<u>0</u>
<u>19,333,030</u>	<u>2,299,183</u>	<u>25,395,521</u>	<u>1,877,772</u>
886,027	(218,764)	238,170	112,999
17,596	2,141	25,625	3,380
(110,165)	(37,050)	(171,910)	0
110,825	0	110,825	0
(458)	0	(7,485)	0
<u>115,683</u>	<u>65,173</u>	<u>201,407</u>	<u>0</u>
<u>133,481</u>	<u>30,264</u>	<u>158,462</u>	<u>3,380</u>
1,019,508	(188,500)	396,632	116,379
0	0	475,117	0
(5,584)	0	(5,584)	0
<u>0</u>	<u>0</u>	<u>915,193</u>	<u>0</u>
<u>(5,584)</u>	<u>0</u>	<u>1,384,726</u>	<u>0</u>
1,013,924	(188,500)	1,781,358	116,379
<u>22,703,383</u>	<u>5,130,400</u>	<u>46,273,296</u>	<u>1,134,460</u>
<u>\$ 23,717,307</u>	<u>\$ 4,941,900</u>	<u>\$ 48,054,654</u>	<u>\$ 1,250,839</u>
		\$ 1,781,358	
		<u>54,760</u>	
		<u>\$ 1,836,118</u>	

**CITY OF BRYAN, OHIO**

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2009**

	Business Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$1,674,359	\$796,427	\$872,762
Cash Payments for Goods and Services	(375,107)	(407,551)	(290,997)
Cash Payments to Employees	(978,134)	(496,142)	(553,620)
Net Cash Provided (Used) by Operating Activities	321,118	(107,266)	28,145
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers In from Other Funds	0	475,117	0
Transfers Out to Other Funds	0	0	0
Advances In from Other Funds	0	0	0
Advances Out to Other Funds	(49,562)	0	0
Net Cash Provided (Used) by Noncapital Financing Activities	(49,562)	475,117	0
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital Contributions from Joint Venture	0	0	0
Proceeds from the Sale of Capital Assets	0	2,120	0
OWDA Loan Retirement	0	(119,503)	0
Principal Retirement on General Obligation Notes	0	0	0
Interest and Fiscal Charges	(19,081)	(5,614)	0
Acquisition and Construction of Assets	(283,699)	(546,107)	(2,007)
Net Cash Used for Capital and Related Financing Activities	(302,780)	(669,104)	(2,007)
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	3,010	3,327	1,013
Net Cash Provided by Noncapital Financing Activities	3,010	3,327	1,013
Net Increase (Decrease) in Cash and Cash Equivalents	(28,214)	(297,926)	27,151
Cash and Cash Equivalents at Beginning of Year	829,916	1,261,061	291,815
Cash and Cash Equivalents at End of Year	\$801,702	\$963,135	\$318,966
<u>Reconciliation of Cash and</u>			
<u>Cash Equivalents per the Statement of Net Assets:</u>			
Cash and Cash Equivalents	\$801,702	\$961,385	\$318,966
Cash with Fiscal Agent	0	1,750	0
Cash and Cash Equivalents at End of Year	\$801,702	\$963,135	\$318,966

**CITY OF BRYAN, OHIO**

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Electric Operating	Communications Operations	Totals	Governmental- Activities Internal Service Fund
\$20,420,779	\$2,049,806	\$25,814,133	\$1,990,787
(15,758,838)	(1,456,948)	(18,289,441)	(1,826,987)
(2,624,424)	(426,076)	(5,078,396)	0
<u>2,037,517</u>	<u>166,782</u>	<u>2,446,296</u>	<u>163,800</u>
0	0	475,117	0
(5,584)	0	(5,584)	0
153,562	0	153,562	0
0	(104,000)	(153,562)	0
<u>147,978</u>	<u>(104,000)</u>	<u>469,533</u>	<u>0</u>
99,854	0	99,854	0
0	0	2,120	0
0	0	(119,503)	0
(340,000)	0	(340,000)	0
(105,438)	(37,050)	(167,183)	0
(1,226,673)	(464,983)	(2,523,469)	0
<u>(1,572,257)</u>	<u>(502,033)</u>	<u>(3,048,181)</u>	<u>0</u>
21,353	2,775	31,478	4,108
<u>21,353</u>	<u>2,775</u>	<u>31,478</u>	<u>4,108</u>
634,591	(436,476)	(100,874)	167,908
6,371,406	952,912	9,707,110	1,239,833
<u>\$7,005,997</u>	<u>\$516,436</u>	<u>\$9,606,236</u>	<u>\$1,407,741</u>
\$7,005,997	\$516,436	\$9,604,486	\$1,407,741
0	0	1,750	0
<u>\$7,005,997</u>	<u>\$516,436</u>	<u>\$9,606,236</u>	<u>\$1,407,741</u>

(Continued)

**CITY OF BRYAN, OHIO**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended December 31, 2009**

	Business Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse Collection
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	\$157,505	(\$587,886)	\$1,288
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	212,371	469,196	30,236
Non-Operating Revenue	17,956	257	3,897
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(9,472)	5,538	(8,843)
(Increase) Decrease in Inventory	(37,663)	6,160	0
Increase in Prepays	(677)	(1,354)	(304)
Increase (Decrease) in Accounts Payable	(3,995)	4,062	3,639
Decrease in Accrued Wages and Benefits	(11,314)	(9,131)	(7,470)
Increase in Claims Payable	0	0	0
Increase (Decrease) in Intergovernmental Payable	(8,367)	406	7,079
Increase (Decrease) in Compensated Absences	4,774	5,486	(1,377)
Total Adjustments	<u>163,613</u>	<u>480,620</u>	<u>26,857</u>
Net Cash Provided (Used) by Operating Activities	<u>\$321,118</u>	<u>(\$107,266)</u>	<u>\$28,145</u>

Schedule of Noncash Investing, Capital and Financing Activities:

At December 31, 2009 the Water Fund, Electric Fund and Communications Fund had outstanding liabilities of \$1,543, \$75,910 and \$12,720, respectively, for the purchase of certain capital assets.

During 2009 the Sewer Fund received capital contributions from Governmental Activities of \$915,193.

See accompanying notes to the basic financial statements

**CITY OF BRYAN, OHIO**

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Electric Operating	Communications Operations	Totals	Governmental- Activities Internal Service Fund
\$886,027	(\$218,764)	\$238,170	\$112,999
973,587	391,575	2,076,965	0
113,262	8,476	143,848	0
88,460	(39,089)	36,594	16
(8,393)	0	(39,896)	0
(48,980)	(2,670)	(53,985)	0
41,359	26,839	71,904	0
(45,689)	(12,844)	(86,448)	0
0	0	0	50,785
(11,526)	3,079	(9,329)	0
49,410	10,180	68,473	0
<u>1,151,490</u>	<u>385,546</u>	<u>2,208,126</u>	<u>50,801</u>
<u>\$2,037,517</u>	<u>\$166,782</u>	<u>\$2,446,296</u>	<u>\$163,800</u>

**CITY OF BRYAN, OHIO**

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***Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2009***

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	<u>Agency Fund</u>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 7,617
<b>Total Assets</b>	<u>7,617</u>
<b>Liabilities:</b>	
Due to Others	<u>7,617</u>
<b>Total Liabilities</b>	<u>\$ 7,617</u>

See accompanying notes to the basic financial statements



## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements are presented as of December 31, 2009 and for the year then ended and have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

##### **A. Reporting Entity**

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

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

##### **1. Joint Ventures with Equity Interest:**

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

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **A. Reporting Entity** (Continued)

###### **1. Joint Ventures with Equity Interest:** (Continued)

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

###### **2. Joint Venture without Equity Interest:**

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

###### **3. Jointly Governed Organization:**

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

*American Municipal Power – Ohio, Inc (AMP-Ohio)* – AMP-Ohio is an Ohio not for profit corporation organized to provide electric capacity and energy and to furnish other services to its members. AMP-Ohio is a membership organization comprised of 83 municipalities throughout Ohio, 30 municipalities in Pennsylvania and 6 municipalities in Michigan that own and operate electric systems. AMP-Ohio purchases and generates electric capacity and energy for sale to its members.

The City's participation in these joint ventures and the jointly governed organization is further disclosed in Note 12 to the basic financial statements.

##### **B. Basis of Presentation - Fund Accounting**

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

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009*

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting** (Continued)

###### *Governmental Funds*

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

The following are the City's major governmental funds:

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

1% Income Tax Fund - This fund is used to account for the one percent municipal income tax collections as required by City Ordinance.

Municipal Building Construction Fund - This fund is used to account for revenues and expenditures designated for the construction of a new municipal court building.

Capital Improvement Fund - This fund is used to account for financial resources used for the major capital projects undertaken by the City.

###### *Proprietary Funds*

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

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

Water Fund - This fund is used to account for the operation of the City's water service.

Sewer Fund - This fund is used to account for the operation of the City's sanitary sewer service.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting** (Continued)

Refuse Collection Fund – This fund is used to account for the City’s refuse collection service.

Electric Operating Fund – This fund is used to account for the City’s electric distribution services.

Communication Operations Fund – This fund is used to account for the City’s cable television services.

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City’s internal service fund accounts for the activities of the self insurance program for employee health care benefits.

***Fiduciary Funds*** - These funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The City’s only fiduciary funds are agency funds. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. This fund is used to account for the collection and distribution of municipal fines and forfeitures.

##### **C. Basis of Presentation – Financial Statements**

***Government-wide Financial Statements*** – The statement of net assets and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenditures.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **C. Basis of Presentation – Financial Statements** (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

**Fund Financial Statements** – Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

##### **D. Basis of Accounting**

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

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **D. Basis of Accounting (Continued)**

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the modified accrual basis when the exchange takes place and the resources are available. The term "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the City is 60 days after year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. Revenue from income taxes is recognized in the period in which the income is earned and is available. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenue is available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Revenue considered susceptible to accrual at year end includes income taxes, interest on investments, state levied locally shared taxes (including motor vehicle license fees and local government assistance). Licenses, permits, charges for service and other miscellaneous revenues are recorded as revenue when received in cash because generally this revenue is not measurable until received.

Property taxes measurable as of December 31, 2009 but which are not intended to finance 2009 operations and delinquent property taxes, whose availability is indeterminate, are recorded as deferred revenue as further described in Note 3.

The accrual basis of accounting is utilized for reporting purposes by the Government-wide financial statements, proprietary funds and agency funds. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Pursuant to GASB Statement No. 20, *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,"* the City follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The City has elected not to apply FASB statements and interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation ordinance are subject to amendment throughout the year.

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

##### **1. Estimated Resources**

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission then certifies its actions to the City by September 1 of each year. As part of the certification process, the City receives an official certificate of estimated resources which states the projected receipts by fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year do not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

##### **2. Appropriations**

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

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009*

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process** (Continued)

##### 2. Appropriations (Continued)

Total fund appropriations may not exceed the current estimated resources certified by the County Budget Commission. Expenditures may not legally exceed budgeted appropriations at the fund level. Administrative control is maintained through the establishment of more detailed line-item budgets. Appropriations may be moved from one line-item account to another within the legal level of control without approval of City Council; however, the Mayor and Council President must approve the change. The City Clerk/Treasurer maintains an accounting of the line-item expenditures to insure that the total expenditures within a department by object do not exceed approved appropriations. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual for the General Fund and Major Special Revenue Funds" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

##### 3. Lapsing of Appropriations

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

##### 4. Encumbrances

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

##### 5. Budgetary Basis of Accounting

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



**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009**

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

**E. Budgetary Process (Continued)**

**5. Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General and Major Special Revenue funds:

	Net Change in Fund Balance	
	General Fund	Income Tax 1% Fund
GAAP Basis (as reported)	\$473,743	(\$6,320)
Increase (Decrease):		
Accrued Revenues at December 31, 2009 received during 2010	(375,548)	(378,289)
Accrued Revenues at December 31, 2008 received during 2009	301,021	436,239
Accrued Expenditures at December 31, 2009 paid during 2010	213,499	2,468
Accrued Expenditures at December 31, 2008 paid during 2009	(420,711)	(1,142)
2008 Prepays for 2009	25,085	0
2009 Prepays for 2010	(25,076)	0
Outstanding Encumbrances	(183,274)	(11,003)
Budget Basis	\$8,739	\$41,953

**F. Cash and Cash Equivalents**

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

The City pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each maintains its own cash and investment account. For purposes of the statement of cash flows, the proprietary funds' share of equity in STAR Ohio is considered to be cash equivalents. See Note 2, "Cash, Cash Equivalents and Investments."

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the City records all its investments at fair value. The City allocates interest among the various funds based upon applicable legal and administrative requirements. See Note 2, "Cash, Cash Equivalents and Investments." Investment earnings of \$22,556 earned by other funds were credited to the general fund as required by local statute.

The City has invested funds in the STAR Ohio during 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2009.

##### **H. Inventory**

On the government-wide financial statements and in the proprietary funds, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

##### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

##### **J. Capital Assets and Depreciation**

Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000.

###### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those not directly related to the business type funds. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Assets, but they are not reported in the Fund Financial Statements.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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

**J. Capital Assets and Depreciation (Continued)**

**1. Property, Plant and Equipment - Governmental Activities (Continued)**

Contributed capital assets are recorded at fair market value at the date received. Capital assets include land, buildings, building improvements, machinery, equipment and infrastructure. Infrastructure is defined as long-lived capital assets that normally are stationary in nature and normally can be preserved for a significant number of years. Examples of infrastructure include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs when such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

**2. Property, Plant and Equipment – Business Type Activities**

Property, plant and equipment acquired by the proprietary funds are stated at cost (or estimated historical cost), including interest capitalized during construction and architectural and engineering fees where applicable. Contributed capital assets are recorded at fair market value at the date received. These assets are reported in both the Business-Type Activities column of the Government-wide Statement of Net Assets and in the respective funds.

**3. Depreciation**

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Governmental and Business-Type Activities Estimated Lives (in years)</u>
Buildings	20 - 40
Improvements other than Buildings	50
Infrastructure	15-75
Machinery, Equipment, Furniture and Fixtures	5 - 20

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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

**K. Long-Term Obligations**

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

<u>Obligation</u>	<u>Fund</u>
Capital Projects Fund Bond Anticipation Notes Payable	Municipal Building Construction Fund
Special Assessment Bonds	Special Assessment Bond Retirement Fund
Compensated Absences	General Fund Street Construction, Maintenance and Repair Fund, Recycling Grant Fund, Refuse Collection Fund, Water Fund, Sewer Fund, Electric Fund, Communication Operations Fund
Long Term Notes Payable	Electric Fund
Ohio Water Development Authority Loan Payable	Sewer Fund

**L. Compensated Absences**

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

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

For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account "Compensated Absences Payable." In the government wide statement of net assets, "Compensated Absences Payable" is recorded within the "Due within one year" account and the long-term portion of the liability is recorded within the "Due in more than one year" account.

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

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

##### **N. Pensions**

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

##### **O. Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

##### **P. Reservations of Fund Balance**

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

##### **Q. Restricted Assets**

Certain proceeds of enterprise fund bonds, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited for debt service payments and capital improvements.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **R. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water treatment and distribution, wastewater collection and treatment, collection of solid waste refuse, electric distribution and cable internet system. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

##### **S. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the City and that are either unusual in nature or infrequent in occurrence. The City had no extraordinary or special items to report during fiscal year 2009.

#### **NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;

## *CITY OF BRYAN, OHIO*

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009*

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#### **NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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

#### **A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned. Protection of City cash and deposits is provided by the federal deposit insurance corporation as well as qualified securities pledged by the institution holding the assets. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the City places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009**

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits (Continued)**

At year end the carrying amount of the City's deposits was \$1,139,133 and the bank balance was \$1,709,423. Federal depository insurance covered \$1,631,792 of the bank balance and \$77,631 was uninsured. Of the remaining uninsured bank balance, the City was exposed to custodial risk as follows:

	Balance
Uninsured and collateralized with securities held by the pledging institution's trust department not in the City's name	\$77,631
Total Balance	<u>\$77,631</u>

At year end the City had \$3,270 in undeposited cash on hand which is included as part of "equity in pooled cash and cash equivalents."

**B. Investments**

The City's investments at December 31, 2009 are summarized below:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3	3-5
STAR Ohio	\$13,591,049	AAAm <sup>1</sup>	\$13,591,049	\$0	\$0
Repurchase Agreement	9,502,311	N/A	9,502,311	0	0
Total Investments	<u>\$23,093,360</u>		<u>\$23,093,360</u>	<u>\$0</u>	<u>\$0</u>

<sup>1</sup> Standard & Poor's

*Interest Rate Risk* – The City's investment policy limits security purchases to those that mature within two years from the date of purchase.

*Concentration of Credit Risk* – With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the City's total investment portfolio may be invested in a single security type or with a single financial institution.

**C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. STAR Ohio is treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

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

	Cash and Cash Equivalents *	Investments
Per Financial Statements	\$24,235,763	\$0
Less: Petty Cash	(3,270)	
Investments:		
Repurchase Agreements	(9,502,311)	9,502,311
STAR Ohio	<u>(13,591,049)</u>	<u>13,591,049</u>
Per GASB Statement No. 3	<u>\$1,139,133</u>	<u>\$23,093,360</u>



## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 3 - TAXES**

##### **A. Property Taxes**

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property located in the City and used in business. Real property taxes (other than public utility) collected during 2009 were levied after October 1, 2008 on assessed values as of January 1, 2008, the lien date. Assessed values were established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made in the third year following reappraisal. The last revaluation was completed in 2006. Real property taxes are payable annually or semi-annually. The first payment is due January 20; the remainder payable by June 20.

Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. In prior years, tangible personal property used in business (except for public utilities) was assessed for ad valorem taxation purposes at 25 percent of its true value. As part of a phase out of the personal property tax, the assessment percentage for personal property was reduced to zero in 2009. Amounts paid by multi-county taxpayers are due September 20 of the year assessed. Single county taxpayers may pay annually or semi-annually. The first payment is due April 30; the remainder payable by September 20.

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including the City of Bryan. The County Auditor periodically remits to the City its portion of the taxes collected. The full tax rate for all City operations for the year ended December 31, 2009 was \$2.80 per \$1,000 of assessed value. The assessed value upon which the 2009 levy was based was \$170,874,440. This amount constitutes \$169,132,080 in real property assessed value, \$1,048,060 in public utility assessed value and \$694,300 in tangible personal property assessed value.

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

##### **B. Income Tax**

The City levies a tax of 1.8% on all salaries, wages, commissions and other compensation and on net profits earned within the City as well as on incomes of residents earned outside the City. In the latter case, the City allows a credit of 100% of the tax paid to another municipality to a maximum of the total amount assessed.

**CITY OF BRYAN, OHIO**

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**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended December 31, 2009**

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**NOTE 3 - TAXES (Continued)**

**B. Income Tax (Continued)**

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

**NOTE 4 - TRANSFERS**

Following is a summary of transfers in and out for all funds for 2009:

Fund	Transfer In	Transfer Out
General Fund	\$2,325,000	\$0
1% Income Tax Fund	0	3,035,000
Municipal Building Construction Fund	365,000	0
Capital Improvement Fund	1,750,000	0
Other Governmental Funds	1,040,584	2,915,117
Total Governmental Funds	5,480,584	5,950,117
Sewer Fund	475,117	0
Electric Operating Fund	0	5,584
Total Proprietary Funds	475,117	5,584
Totals	\$5,955,701	\$5,955,701

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; and to transfer capital assets.

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

Fund	Interfund Loans Receivable	Interfund Loans Payable
Enterprise Funds:		
Water Fund	\$0	\$446,058
Electric Fund	1,902,058	0
Communication Operations Fund	0	1,456,000
Total	\$1,902,058	\$1,902,058

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009**

**NOTE 6 - RECEIVABLES**

Receivables at December 31, 2009 consisted of taxes, accounts receivables, special assessments receivable, loans receivable, interest receivable and intergovernmental receivables arising from shared revenues.

**NOTE 7 - CAPITAL ASSETS**

**A. Governmental Activities Capital Assets**

Summary by category of changes in governmental activities capital assets at December 31, 2009:

***Historical Cost:***

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<b><i>Capital assets not being depreciated:</i></b>				
Land	\$4,861,489	\$0	\$0	\$4,861,489
Construction in Progress	1,191,939	0	(1,191,939)	0
<b><i>Capital assets being depreciated:</i></b>				
Buildings	10,133,369	1,072,365	0	11,205,734
Improvements Other than Buildings	2,217,302	458,840	0	2,676,142
Infrastructure	11,081,495	565,562	(112,783)	11,534,274
Machinery and Equipment	5,926,872	221,818	(134,178)	6,014,512
Total Cost	<u>\$35,412,466</u>	<u>\$2,318,585</u>	<u>(\$1,438,900)</u>	<u>\$36,292,151</u>

***Accumulated Depreciation:***

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings	(\$3,036,360)	(\$298,660)	\$0	(\$3,335,020)
Improvements Other than Buildings	(1,305,353)	(103,210)	0	(1,408,563)
Infrastructure	(6,286,380)	(314,174)	85,651	(6,514,903)
Machinery and Equipment	(3,909,417)	(270,150)	92,533	(4,087,034)
Total Accumulated Depreciation	<u>(\$14,537,510)</u>	<u>(\$986,194) *</u>	<u>\$178,184</u>	<u>(\$15,345,520)</u>
<b><i>Net Value:</i></b>	<u>\$20,874,956</u>			<u>\$20,946,631</u>

\* Depreciation expenses were charged to governmental functions as follows:

Security of Persons and Property	\$130,865
Public Health and Welfare	2,241
Leisure Time Activities	209,086
Transportation	384,338
General Government	259,664
Total Depreciation Expense	<u><u>\$986,194</u></u>

**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009**

**NOTE 7 - CAPITAL ASSETS (Continued)**

**B. Business-Type Activities Capital Assets**

Summary by Category at December 31, 2009:

**Historical Cost:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
<b>Capital assets not being depreciated:</b>				
Land	\$1,491,307	\$80,000	\$0	\$1,571,307
Construction in Progress	560,236	705,494	(560,236)	705,494
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	13,697,877	67,815	0	13,765,692
Infrastructure	29,013,671	2,107,486	0	31,121,157
Machinery and Equipment	43,098,220	1,074,582	(72,689)	44,100,113
Total Cost	<u>\$87,861,311</u>	<u>\$4,035,377</u>	<u>(\$632,925)</u>	<u>\$91,263,763</u>

**Accumulated Depreciation:**

Class	December 31, 2008	Additions	Deletions	December 31, 2009
Buildings and Improvements	(\$5,906,685)	(\$372,463)	\$0	(\$6,279,148)
Infrastructure	(7,776,117)	(784,539)	0	(8,560,656)
Machinery and Equipment	(34,875,438)	(919,963)	63,084	(35,732,317)
Total Accumulated Depreciation	<u>(\$48,558,240)</u>	<u>(\$2,076,965)</u>	<u>\$63,084</u>	<u>(\$50,572,121)</u>
<b>Net Value:</b>	<u>\$39,303,071</u>			<u>\$40,691,642</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLANS**

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

**A. Ohio Public Employees Retirement System (“OPERS”)**

The following information was provided by OPERS to assist the City in complying with GASB Statement No. 27, “Accounting for Pensions by State and Local Government Employers.”

All employees of the City, except full-time uniformed police officers and full-time firefighters, participate in one of the three pension plans administered by OPERS: the Traditional Pension Plan (TP), the Member-Directed Plan (MD), and the Combined Plan (CO). The TP Plan is a cost-sharing multiple employer defined benefit pension plan.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**

##### **A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

The MD Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the MD Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The CO Plan is a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the CO Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the TP Plan. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the MD Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the TP Plan and CO Plan. Members of the MD Plan do not qualify for ancillary benefits, including postemployment health care benefits. Chapter 145 of the Ohio Revised Code provides statutory authority to establish and amend benefits. The Ohio Public Employees Retirement System issues a stand-alone financial report that includes financial statements and required supplementary information for OPERS. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The ORC provides statutory authority for employee and employer contributions. For 2009, employee and employer contribution rates were consistent across all three plans (TP, MD and CO). The employee contribution rate is 10.0%. The 2009 employer contribution rate for local government employer units was 14.00%, of covered payroll which is the maximum contribution rate set by State statutes. Employer contribution rates are actuarially determined. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, from January 1 through March 31, 2009 7.0% of annual covered salary was the portion used to fund pension obligations, and from April 1 through December 31, 2009 8.5% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and the City are established and may be amended by the OPERS Board. The City's required contributions for pension obligations to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$441,916, \$387,308 and \$428,132, respectively, which were equal to the required contributions for each year. Contributions to the member-directed plan for 2009 were \$26,859 made by the City and \$19,185 made by the plan members.

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

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

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 8 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan members are required to contribute 10.0% of their annual covered salary, while employers are required to contribute 19.5% and 24.0% respectively for police officers and firefighters. A portion of the City’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for 2009, 12.75% of annual covered salary for police and 17.25% of annual covered salary for firefighters, respectively, were the portions used to fund pension obligations. The City’s contributions for pension obligations to the OP&F Fund for the years ending December 31, 2009, 2008, and 2007 were \$122,950, \$117,908 and \$114,659 for police and \$36,958, \$35,890 and \$35,331 for firefighters, respectively, which were equal to the required contributions for each year.

#### **NOTE 9 - POSTEMPLOYMENT BENEFITS**

##### **A. Ohio Public Employees Retirement System (“OPERS”)**

Plan Description – OPERS administers three separate pension plans: the Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member directed Plan – a defined contribution plan; and the Combined Plan – a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B Premium reimbursement, to qualifying member of both the Traditional Pension and the Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

The ORC permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the ORC.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)**

##### **A. Ohio Public Employees Retirement System (“OPERS”) (Continued)**

Funding Policy – The ORC provides the statutory authority requiring public employers to fund post retirement health care coverage through their contributions to OPERS. A portion of each employer’s contribution to OPERS is set aside for the funding of post retirement health care benefits. Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, local government employers contributed at a rate of 14.00% of covered payroll. The ORC currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for local government employers. Active members do not make contributions to the OPEB plan.

The OPERS Postemployment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7.0% of covered payroll from January 1 through March 31, 2009 and 5.5% from April 1 through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OPERS for the years ending December 31, 2009, 2008, and 2007 were \$316,221, \$387,308 and \$285,950, respectively, which were equal to the required contributions for each year.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

Plan Description – The City contributes to the OP&F sponsored health care program, a cost-sharing multiple-employer defined postemployment health care plan administered by OP&F. OP&F provides health care benefits including coverage for medical, prescription drugs, dental, vision, Medicare Part B Premium and long term care to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 9 - POSTEMPLOYMENT BENEFITS (Continued)**

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

The ORC permits, but does not mandate, OP&F to provide OPEB benefits. Authority to establish and amend benefits is provided in Chapter 742 of the ORC.

OP&F issues a stand-alone financial report that includes financial information and required supplementary information for the plan. Interested parties may obtain a copy by making a written request to 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The ORC provides for contribution requirements of the participating employers and of plan members to the OP&F. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5% and 24.0% of covered payroll for police and fire employers, respectively. The ORC states that the employer contribution may not exceed 19.5% of covered payroll for police employer units and 24.0% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2009, the employer contribution allocated to the health care plan was 6.75% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h). The OP&F Board of Trustees also is authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents, or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contributions for health care to the OP&F for the years ending December 31, 2009, 2008, and 2007 were \$65,091, \$62,422 and \$60,702 for police and \$14,462, \$14,044 and \$13,825 for firefighters, respectively, which were equal to the required contributions for each year.



**CITY OF BRYAN, OHIO**

**Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009**

**NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

Long-term debt and other long-term obligations of the City at December 31, 2009 were as follows:

Interest Rate	Purpose	Maturity Date	Balance			Balance December 31, 2009	Amount Due Within One Year
			December 31, 2008	Additions	Deductions		
<b>Governmental Activities:</b>							
Capital Projects Fund Bond Anticipation Notes Payable							
2.88%	Municipal Building Construction		\$2400,000	\$0	(\$2,400,000)	\$0	\$0
1.50%	Municipal Building Construction		0	2,100,000	0	2,100,000	2,100,000
Total Capital Projects Fund Bond Anticipation Notes Payable			2400,000	2,100,000	(2,400,000)	2,100,000	2,100,000
Special Assessment Bonds with Governmental Commitment:							
7.75%	Street Lighting and East End Sewer		11,000	0	(11,000)	0	0
Compensated Absences			997,950	1,071,796	(997,950)	1,071,796	262,037
Total Governmental Activities			3,408,950	3,171,796	(3,408,950)	3,171,796	2,362,037
<b>Business-Type Activities:</b>							
Electric Fund Long Term Notes Payable:							
3.50%	Cable Facilities and Improvements	2023	3,740,000	0	(340,000)	3,400,000	340,000
Ohio Water Development Authority Loan							
0.80%	Waste Water Treatment Plant	2015	731,541	0	(119,503)	612,038	120,461
Compensated Absences			878,742	947,215	(878,742)	947,215	218,303
Total Business-Type Activities			5,350,283	947,215	(1,338,245)	4,959,253	678,764
Total Other Long-Term Obligations			\$8,759,233	\$4,119,011	(\$4,747,195)	\$8,131,049	\$3,040,801

The City entered into a loan agreement with American Municipal Power – Ohio, Inc. (AMP-Ohio) for an amount up to \$9,000,000 for the purpose of providing financing for the acquisition and installation of fiber-optic and coaxial cable facilities and other electric system improvements. The Electric Operating Fund is to pay the loan made by AMP-Ohio together with interest thereon equal to the rate(s) of interest on the Electric System Improvement Bond Anticipation Notes (the Notes) to be issued by AMP-Ohio in one or more series, or on notes issued to refund the Notes, or on the Electric System Improvement Bonds to be issued by AMP-Ohio in anticipation of which Bonds the Notes are issued.

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 10 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

On the maturity date of each series of the Notes maturing on or before August 27, 2003, the City will pay to AMP-Ohio all interest due on the Notes plus any amount of principal up to the original principal amount of such series, and on the maturity date of such series of the Notes plus an amount of principal equal to the amount of principal amount which would be due in the corresponding year on a loan in the original amount of such series, for a term of 20 years, at the interest rate borne by such series of the Notes.

AMP-Ohio will use its best efforts to refinance any remaining principal of any series of the Notes; provided, however, that if AMP-Ohio is unable to refinance any series of the Notes, it shall give the City and the original purchaser of the Notes 30 days notice of such inability, and the City shall pay to AMP-Ohio all amounts necessary to retire such series of the Notes at maturity.

The City issued bond anticipation notes on December 1, 2009 in the amount of \$2,100,000 to retire notes previously issued for the construction of a municipal building. The notes were issued under the authority of Ohio Revised Code 133.18. The notes have an interest rate of 1.50 percent and will mature on December 1, 2010. These notes are considered long-term debt of the City.

The City has authorized an Ohio Water Development Authority loan in the amount of \$1,200,123 for the construction of solid handling improvements at the wastewater treatment plant. The loan has an interest rate of 0.8% and matures in 2015. The loan is being repaid from the Sewer Fund.

#### **A. Long-Term Funding Requirements**

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2009 were as follows:

Years	OWDA Loan	
	Principal	Interest
2010	\$120,461	\$4,656
2011	121,426	3,690
2012	122,400	2,717
2013	123,381	1,736
2014	124,370	746
Totals	<u>\$612,038</u>	<u>\$13,545</u>

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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**NOTE 11 - RISK MANAGEMENT**

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

The City established a Self-Insurance Fund (internal service fund) to account for and finance its health and dental uninsured risks of loss. Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$50,000 for health insurance claims per individual and \$1,000 for dental claims per individual. The plan is administered by a third party administrator, Medical Mutual of Ohio, which monitors all claim payments. The dental care program is administered by The Guardian. The City purchases insurance for claims in excess of health insurance coverage provided by the Self-Insurance Fund. All departments of the City participate in the program and make payments to the Self-Insurance Fund based on participation of employees and their dependents.

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

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, settled claims resulting from the above noted risks have not exceeded commercial insurance coverages during the past three years.

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

The claims liability of \$157,087 reported in the fund at December 31, 2009 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in 2008 and 2009 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2008	\$ 138,518	\$ 1,770,865	(\$1,803,081)	\$106,302
2009	106,302	1,877,772	(1,826,987)	157,087

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 12 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION**

##### **A. Joint Ventures with an Equity Interest**

***Ohio Municipal Electric Generation Agency Joint Venture 4 (Omega JV-4)*** - The City is a participant with three subdivisions within the State of Ohio in a joint venture to link the electric systems of the participants and to provide electric transmission service to the village of Holiday City. The Omega JV-4 was created for that purpose. On dissolution of the joint venture, the net assets of Omega JV-4 will be shared by the participants on a percentage basis. The Omega JV-4 is managed by AMP-Ohio which acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. The City's net investment and its share of the operating results of Omega JV-4 are reported in the City's electric fund (an enterprise fund). The City's equity interest in Omega JV-4 was \$899,230 at December 31, 2009. Complete financial statements for Omega JV-4 can be obtained from AMP-Ohio at 2600 Airport Drive, Columbus, Ohio 43219, or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

***Ohio Municipal Electric Generation Agency Joint Venture 5 (Omega JV-5)*** - The City of Bryan is a Financing Participant with an ownership percentage of 2.19%, and shares participation with forty-one other subdivisions within the State of Ohio in the Ohio Municipal Electric Generation Agency Joint Venture 5 (OMEGA JV5). Financing Participants own undivided interests, as tenants in common, without right of partition in the OMEGA JV5 Project.

Pursuant to the OMEGA JV5 Agreement (Agreement), the participants jointly undertook as Financing Participants, the acquisition, construction, and equipping of OMEGA JV5, including such portions of OMEGA JV5 as have been acquired, constructed or equipped by AMP-Ohio.

OMEGA JV5 was created to construct a 42 Megawatt (MW) run-of-the-river hydroelectric plant (including 40MW of backup generation) and associated transmission facilities (on the Ohio River near Bellville, West Virginia Locks and Dam) and sells electricity from its operations to OMEGA JV5 participants.

Pursuant to the Agreement each participant has an obligation to pay its share of debt service on the Beneficial Interest Certificates (Certificates) from the revenues of its electric system, subject only to the prior payment of Operating & Maintenance Expenses (O&M) of each participant's System, and shall be on a parity with any outstanding and future senior electric system revenue bonds, notes or other indebtedness payable from any revenues of the System. On dissolution of OMEGA JV5, the net assets will be shared by the financing participants on a percentage of ownership basis. Under the terms of the Agreement each participant is to fix, charge and collect rates, fees and charges at least sufficient in order to maintain a debt coverage ratio equal to 110% of the sum of OMEGA JV5 debt service and any other outstanding senior lien electric system revenue obligations. As of December 31, 2009, the City has met their debt coverage obligation.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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**NOTE 12 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (Continued)**

**A. Joint Ventures with an Equity Interest (Continued)**

The Agreement provides that the failure of any JV5 participant to make any payment due by the due date thereof constitutes a default. In the event of a default, OMEGA JV5 may take certain actions including the termination of a defaulting JV5 Participant's entitlement to Project Power. Each Participant may purchase a pro rata share of the defaulting JV5 Participant's entitlement to Project Power, which together with the share of the other non-defaulting JV5 Participants, is equal to the defaulting JV5 Participant's ownership share of the Project, in kilowatts ("Step Up Power") provided that the sum of any such increases shall not exceed, without consent of the non-defaulting JV5 Participant, an accumulated maximum kilowatts equal to 25% of such non-defaulting JV5 Participant's ownership share of the project prior to any such increases.

OMEGA JV5 is managed by AMP-Ohio, which acts as the joint venture's agent. During 1993 and 2001 AMP-Ohio issued \$153,415,000 and \$13,899,981 respectively of 30 year fixed rate Beneficial Interest Certificates (Certificates) on behalf of the Financing Participants of OMEGA JV5. The 2001 Certificates accrete to a value of \$56,125,000 on February 15, 2030. The net proceeds of the bond issues were used to construct the OMEGA JV5 Project. On February 17, 2004 the 1993 Certificates were refunded by issuing 2004 Beneficial Interest Refunding Certificates in the amount of \$116,910,000, which resulted in a savings to the membership of \$34,951,833 from the periods 2005 through 2024.

The City's net investment and its share of operating results of OMEGA JV5 are reported in the City's electric fund (an enterprise fund). The City's net investment to date in OMEGA JV5 was \$235,049 at December 31, 2009. Complete financial statements for OMEGA JV5 may be obtained from AMP-Ohio or from the State Auditor's website at [www.auditor.state.oh.us](http://www.auditor.state.oh.us).

## **CITY OF BRYAN, OHIO**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 12 - JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (Continued)**

##### **B. Joint Venture without Equity Interest**

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

The main source of revenue for the Task Force is from federal grants and local matching shares by the entities. The City has an ongoing financial responsibility to the Task Force. The City has indirect access to the net resources of the Task Force since the City is able to influence the Task Force to use its surplus resources to undertake projects of interest to the City's residents. This access to the net resources of the Task Force has not been explicitly defined, nor is it currently measurable. The City contributed \$25,210 to the Task Force in 2009. Complete financial statements for the Task Force can be obtained through the Defiance County Sheriff's Office located at 113 Biede Street, Defiance, Ohio 43512.

##### **C. Jointly Governed Organization**

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

MVPO is governed by a Board consisting of fifteen members. The Board is made up of one County Commissioner from each member county as well as one township representative and one municipal representative for each of the five member counties. The main source of revenue is fees charged by MVPO to administer CDBG grants and a per capita amount from each county. In 2009, the City paid administrative fees of \$54,528 to MVPO.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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**NOTE 13 – PURCHASE COMMITMENT**

**A. Prairie State Project**

The Prairie State Energy Campus (the “PSEC”) will consist of a supercritical, coal-fired, mine mouth generating facility intended to have a minimum net rated electric generating capacity of approximately 1,582 MW, related equipment and facilities and associated coal reserves. The PSEC Owners (as defined herein), including AMP-Ohio, own the PSEC. The generating facilities are being constructed pursuant to a Target Price Engineering, Procurement and Construction Agreement with Bechtel Power Corporation. The generating units and the mining facilities are scheduled to be in commercial operation by December 2012.

AMP-Ohio’s 23.26% Ownership Interest in the PSEC entitles AMP-Ohio to approximately 368 MW of the capacity and output from the PSEC and a proportionate share of the adjacent coal reserves and mining facilities. The City has passed appropriate legislation and executed a power sales contract to participate in this project and has been allocated approximately 7.5 MW of the project.

In addition to AMP-Ohio’s Ownership Interest in the PSEC, other undivided interests therein are owned by the Kentucky Municipal Power Agency (“KMPA”); the Northern Illinois Municipal Power Agency (“NIMPA”); the Illinois Municipal Electric Agency (“IMEA”); the Indiana Municipal Power Agency (“IMPA”); Lively Grove Energy Partners, LLC (“Lively Grove Energy”), currently a wholly-owned indirect subsidiary of Peabody Energy; the Missouri Joint Municipal Electric Utility Commission (“MJMEUC”); and Prairie Power, Inc. (“PPI”) and the Southern Illinois Power Cooperative (“SIPC”), both not for profit electric generation and transmission cooperatives (collectively, and together with AMP 386 LLC, the “PSEC Owners”).

<b>Owner</b>	<b>Ownership Interest</b>
AMP-Ohio	23.26 %
IMEA	15.17
IMPA	12.64
MJMEUC	12.33
PPI	8.22
SIPC	7.90
KMPA	7.82
NIMPA	7.60
Lively Grove Energy	5.06
TOTAL	100.00 %

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 13 – PURCHASE COMMITMENT (Continued)**

##### **A. Prairie State Project (Continued)**

On January 22, 2008, AMP-Ohio initiated a tax-exempt commercial paper (“CP”) program, with an authorized par amount of \$350 million, which is secured by a letter of credit issued under its Line of Credit. The CP was utilized to provide interim financing for the Prairie State Project. As of February 15, 2009, no portion of the authorized par amount of the CP Program was currently being used to fund any of the PSEC project costs. Currently, AMP-Ohio does not expect to use the CP Program for future funding of the PSEC project costs. On February 12, 2009, AMP-Ohio resolved to increase the authorized par amount of the CP Program to \$400 million.

On April 2, 2008, AMP-Ohio issued its Prairie State Energy Campus Project Revenue Bond Anticipation Notes, Series 2008 due April 1, 2009, in the principal amount of \$120,000,000. The proceeds were issued to fund a portion of the AMP-Ohio’s project costs.

AMP-Ohio plans to use its Line of Credit to fund Project costs not eligible for tax-exempt financing. Once all such expenditures have been made, AMP-Ohio expects to issue an estimated \$56 million principal amount of Taxable Bonds to repay its draw on the Line of Credit.

On July 2, 2008, AMP-Ohio issued its Prairie State Energy Campus Project Revenue Bonds, Series 2008A, in the principal amount of \$760,655,000. The Bond proceeds will be used to (i) refund all or a portion of its Commercial Paper Bond Anticipation Notes; (ii) make a deposit to the 2008A Acquisition and Construction Account within the Acquisition and Construction Subfund under the Indenture to finance capital expenditures, costs and expenses associated with the PSEC; (iii) fund capitalized interest on the Series 2008 Bonds with respect to each of the PSEC units for a period extending six months beyond the respective, scheduled in-service dates for such Units of August 1, 2011 and May 1, 2012; (iv) fund deposit to the Parity Common Reserve Account for the Series 2008 Bonds; and (v) pay the costs of issuance of the Series 2008 Bonds. The Insured Series 2008 Bonds have been rated “Aaa” by Moody’s, “AAA” by Fitch and “AAA” by S&P with the understanding that the Policy will be issued by the insurer (Assured Guaranty). In addition, AMP-Ohio received underlying ratings with respect to the Insured Series 2008 Bonds and ratings on the uninsured Series 2008 Bonds of “A1” by Moody’s, “A” by Fitch and “A” by S&P.

On March 31, 2009, AMP-Ohio issued its Prairie State Energy Campus Project Revenue Bonds, Series 2009A, in the principal amount of \$166,565,000. The Bond proceeds were issued to (i) pay at their maturity the principal and interest on AMP-Ohio’s Prairie State Bond Anticipation Notes, Series 2008; (ii) make a deposit to the 2009A Acquisition and Construction Account under the Indenture to finance capital expenditures, costs and expenses associated with the Prairie State Energy Campus; (iii) fund capitalized interest on the Series 2009A Bonds; (iv) fund a deposit to the Parity Common Reserve Account; and (v) pay the costs of issuance of the Series 2009A Bonds. The 2009A Bonds were insured by Assured Guaranty with a rating of “Aa2” by Moody’s, “AAA” by Fitch and “AAA” by S&P. In addition, AMP-Ohio received underlying ratings with respect to these Series 2009A Bonds of “A1” by Moody’s, “A” by Fitch and “A” by S&P.



## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 13 – PURCHASE COMMITMENT (Continued)**

##### **B. American Municipal Power Generating Station (AMPGS)**

AMP-Ohio is currently developing a twin unit, supercritical boiler, coal-fired, steam and electric generating facility having an aggregate net rated electric generating capacity of approximately 1000 MW, to be known as the American Municipal Power Generating Station (“AMPGS”) in Meigs County, in southeastern Ohio on the Ohio River. AMP-Ohio has options on the site and has engaged an independent engineering firm for owner engineer services in connection with its efforts to obtain and evaluate proposals from three potential engineer, procure, construct (“EPC”) contractors for AMPGS. AMP-Ohio is currently negotiating with one of those EPC contractors. To the extent that AMP-Ohio’s Members do not subscribe for the full capacity in the AMPGS, AMP-Ohio expects to sell undivided ownership interests to unrelated parties. AMP-Ohio has received an air permit from the Ohio Environmental Protection Agency for the AMPGS. That permit was appealed to the Ohio Environmental Review Appeals Commission in two separate appeals. One of those appeals has been dismissed and the other remains in litigation. In addition, the Ohio Power Siting Board has issued a Certificate of Environmental Compatibility and Public Need for the AMPGS. Certain parties to that proceeding may appeal that Certificate to the Ohio Supreme Court. The appeal time ended June 27, 2008.

On November 3, 2008, the participating communities in the AMPGS project approved giving Limited Notice To Proceed (LNTP) to the EPC contractor on the project. Notice was provided following a full participants meeting in Columbus. The notification means the EPC contractor can start preliminary engineering and procurement of equipment related to the project. The EPC contractor can get started on preliminary work to keep the project moving forward. Permitting is proceeding along anticipated timelines.

As of January 1, 2009, AMP-Ohio estimated the total cost of AMPGS, including capitalization of all interest expense prior to the commercial operation date in 2014, will be approximately \$3.94 billion dollars. Should AMP-Ohio decide to permit unrelated parties to acquire an undivided ownership interest in AMPGS, its share of the expenses for a smaller ownership interest would be reduced proportionately.

The City has passed appropriate legislation and executed a power sales contract to participate in this project and has been allocated 7.5 MW of this project.

##### **C. Hydroelectric Projects**

AMP-Ohio is currently developing three hydroelectric projects, the Cannelton hydroelectric generating facility, the Smithland hydroelectric generating facility and the Willow Island hydroelectric generating facility (the “Hydro Projects”), all on the Ohio River, with an aggregate generating capacity of approximately 208 MW. Each of the Hydro Projects entails the installation of run-of-the-river hydroelectric generating facilities on existing United States Army Corps of Engineers’ dams and includes associated transmission facilities. The Hydro Projects, including associated transmission facilities, will be constructed and operated by AMP-Ohio.

## ***CITY OF BRYAN, OHIO***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended December 31, 2009***

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#### **NOTE 13 – PURCHASE COMMITMENT (Continued)**

##### **C. Hydroelectric Projects (Continued)**

AMP-Ohio has obtained or expects one of its Members to hold licenses from the Federal Energy Regulatory Commission (FERC) for the Hydro Projects.

As of the date hereof, AMP-Ohio intends to own a 100% undivided ownership interest in the Hydro Projects. Under the terms of the power sales contract between AMP-Ohio and 79 of its Members relating to the Hydro Projects, AMP-Ohio may sell an up to 20% undivided ownership interest in the Hydro Projects.

AMP-Ohio awarded Voith Siemens Hydro Power Generation a contract in June 2008 to manufacture the eight turbines and generators required for the Initial Projects. AMP-Ohio has also let certain contracts, including contracts for the construction of the required cofferdams, for the Cannelton facility and expects to award similar contracts for the Smithland facility in the 3rd quarter of 2009 and for the Willow Island facility in the 4th quarter of 2009 when the permits required to commence construction of such facilities are received.

On April 15, 2009, AMP-Ohio issued notes (“Hydroelectric Projects Revenue Bond Anticipation Notes, Series 2009A”) to (i) refund all of its Commercial Paper Bond Anticipation Notes, Series 2008A, issued to finance a portion of the capital expenditures, costs and expenses associated with three hydroelectric facilities to be constructed on existing dams on the Ohio River and owned by AMP-Ohio (the “Projects”), (ii) fund a portion of its additional costs of constructing and placing the Projects into service, and (iii) pay costs of issuance of the Notes.

AMP-Ohio intends to refund the Notes and to finance costs associated with one or more of the Hydro Projects by issuing long term bonds (“*Hydroelectric Bonds*”). The Hydroelectric Bonds will be payable from amounts received by AMP-Ohio under a take-or-pay power sales contract with 79 of its members. In a feasibility report prepared for AMP-Ohio in February 2009, the consulting engineer for the Hydro Projects projected that the aggregate principal of bonds that AMP-Ohio would be required to issue to finance the Hydro Projects, including capitalized interest to their estimated in-service dates in 2012 and 2013, will be approximately \$1.4 billion.

The City has passed appropriate legislation and executed a power sales contract to participate in this project and has been allocated 1.8 MW of this project.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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**NOTE 14 - CONTINGENCIES**

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

**NOTE 15 – OPERATING LEASES**

The Board of Public Affairs passed a resolution in 2001 approving the lease of the fiber – coax plant owned by the electric fund to the communication fund which uses part of this infrastructure to deliver its services. According to this resolution, the communication fund is to pay the electric fund \$9 per month for each internet customer and \$3 per month for each cable customer. In 2009, the communication fund paid \$209,301 in lease payments to the electric fund for the use of its fiber – coax plant.

In January 2008, an agreement was made for a fifteen (15) year lease of fiber optic facilities between Bryan Municipal Utilities and Community Hospitals and Wellness Centers. An amount of \$425,000 was received prior to the commencement of the term and another payment of \$425,000 was made upon completion of the project. The lump sum of \$850,000 represents the net present value of a fifteen (15) year lease of the Community Hospital and Wellness Centers leased fibers.

Revenue from the lease agreement is being recognized as follows:

<u>Year Ending December 31,</u>	<u>Operating Lease Revenue Recognition</u>
2010	\$56,667
2011	56,667
2012	56,667
2013	56,667
2014	56,667
2015 - 2019	283,335
2020 - 2023	226,663
Total	<u><u>\$793,333</u></u>

The cost of the fiber optic extension is \$327,423, with a 50 year life and accumulated depreciation of \$9,822 at December 31, 2009.

**CITY OF BRYAN, OHIO**

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***Notes to the Basic Financial Statements  
For the Fiscal Year Ended December 31, 2009***

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**NOTE 16 - CONDUIT DEBT OBLIGATIONS**

The City has issued Revenue Bonds to provide financial assistance to the Community Hospitals and Wellness Centers. The monies are being used primarily for construction, renovation and improvements to these facilities. The City has no obligation for the repayment of this debt. The bonds are not bonded indebtedness of the City and are therefore not reported on the City's balance sheet. At December 31, 2009, the outstanding bonds have a principal amount payable of \$10,000,000.

**CITY OF BRYAN  
WILLIAMS COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Assistance to Firefighters Grant		97.044	<u>\$197,939</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Bullet Proof Vest Partnership Grant		16.607	<u>2,190</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Department of Development</i>			
Home Investment Partnerships Program (Chip)	A-C-07-098-2	14.239	323,717
Community Development Block Grant (Home)	A-C-07-098-1	14.228	30,118
Community Development Block Grant (Revitalization)	A-T-07-098-1	14.228	212,887
Community Development Block Grant (Revolving Loans )		14.228	<u>204,577</u>
Total			<u>447,582</u>
Total U.S. Department of Housing and Urban Development			<u><b>771,299</b></u>
<b>Total</b>			<u><b>\$971,428</b></u>

*The accompanying notes are an integral part of this schedule.*

**CITY OF BRYAN  
WILLIAMS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the City of Bryan, Williams County, Ohio, (the City) federal award programs' disbursements. The schedule has been prepared on the cash basis of accounting.

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

The City has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons and also to lend money to eligible persons to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Department of Development. The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans; and therefore, are reported as federal expenditures in the year of disbursement. Prior year outstanding loan balances are reported in the schedule below.

These loans are collateralized by mortgages on the property or Uniform Commercial Fillings (UCC) that collateralize machinery and equipment.

Activity in the CDBG revolving loan fund during 2009 is as follows:

Beginning loans receivable balance as of January 1, 2009	\$1,585,542
Loans made	187,000
Loan principal repaid	<u>(150,783)</u>
Ending loans receivable balance as of December 31, 2009	\$1,621,759
Cash balance on hand in the revolving loan fund as of December 31, 2009	\$461,065
Administrative costs expended during 2009	\$17,577

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



**Mary Taylor, CPA**  
Auditor of State

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

City of Bryan  
Williams County  
321 West Bryan Street  
Bryan, Ohio 43506-0190

To the Members of City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bryan, Williams County, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

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

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

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

identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated August 10, 2010.

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



**Mary Taylor, CPA**  
Auditor of State

August 10, 2010





# Mary Taylor, CPA

Auditor of State

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

City of Bryan  
Williams County  
321 West Bryan Street  
Bryan, Ohio 43506-0190

To the Members of City Council:

### **Compliance**

We have audited the compliance of the City of Bryan, Williams County (the City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the City's major federal programs. The City's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Bryan, Williams County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2009.

### **Internal Control Over Compliance**

One Government Center / Suite 1420 / Toledo, OH 43604-2246  
Telephone: (419) 245-2811 (800) 443-9276 Fax: (419) 245-2484  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

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

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

We noted a matter involving federal compliance not requiring inclusion in this report, that we reported to the City's management in a separate letter dated August 10, 2010.

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



**Mary Taylor, CPA**  
Auditor of State

August 10, 2010

**CITY OF BRYAN  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	<b>Unqualified</b>
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	<b>No</b>
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	<b>No</b>
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	<b>No</b>
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	<b>No</b>
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	<b>Unqualified</b>
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510(a)?</b>	<b>No</b>
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	CDBG Downtown Revitalization Grant CFDA 14.228 Home Investment Partnership Grant CFDA 14.239
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	<b>No</b>

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

None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None



**Mary Taylor, CPA**  
Auditor of State

**CITY OF BRYAN**

**WILLIAMS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 31, 2010**