

***VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO***

***AUDIT REPORT***

***FOR THE YEARS ENDED DECEMBER 31, 2002 & 2003***

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





**Auditor of State  
Betty Montgomery**

Village Council  
Village of Oak Harbor  
P.O. Box 232  
Oak Harbor, Ohio 43449

We have reviewed the Independent Auditor's Report of the Village of Oak Harbor, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2002 through December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Oak Harbor is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

July 12, 2004

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**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**Audit Report**  
**For the Years Ended December 31, 2002 & 2003**

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**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**Audit Report**  
**For the Years Ended December 31, 2002 & 2003**

**ELECTED OFFICIALS**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY</u>	<u>SURETY PERIOD</u>
Thomas C. Leaser	Mayor	1/1/00 to 12/31/03	(A)	1/5/00 to 12/31/04
Marsha Finke	Council	1/1/00 to 12/31/03		
Angela Petersen	Council	3/19/01 to 12/31/03		
Fred Conley	Council	1/1/02 to 12/31/05		
Donna Wendt	Council	1/1/02 to 12/31/05		
Tracey St. Clair	Council	1/18/02 to 12/31/05		
William Edge	Council	1/1/02 to 12/31/05		

**Statutory Legal Council**

Vicki B. Ruffing  
Village Solicitor  
16 W. Church Street  
Milan, Ohio 44846

(A) \$1,000, The Cincinnati Insurance Company

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**Audit report**  
**For Years Ended December 31, 2002 and 2003**

**APPOINTED OFFICIALS**

<u>NAME</u>	<u>TITLE</u>	<u>TERM OF OFFICE</u>	<u>SURETY PERIOD</u>
Timothy Wilkins	Village Administrator	Continuous	
Steve Weirich	Police Chief	Continuous	(A)
Sandra Baumgartner	Fiscal Officer	Continuous	(B)

(A) \$3,000, The Ohio Casualty Co.

(B) \$15,000, The Cincinnati Insurance Co.

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

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

**The Honorable Mayor and Members of Village Council  
Village of Oak Harbor  
Oak Harbor, Ohio**

We have audited the accompanying financial statements of the Village of Oak Harbor (the Village), as of and for the years ended December 31, 2002 and 2003 as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash, investments and fund cash balances of the Village, as of December 31, 2002 and 2003, and the receipts, disbursements, and changes in fund cash balances, its combined statements of receipts-budget and actual and combined statements of disbursements and encumbrances compared with expenditure authority for the years then ended in conformity with the basis of accounting referred to above.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 8, 2004 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

*Charles E. Harris & Associates, Inc.*  
June 8, 2004

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**COMBINED STATEMENT OF CASH, INVESTMENTS AND FUND CASH**  
**BALANCES - ALL FUND TYPES**  
**As of December 31, 2002 and 2003**

	<u>2002</u> <u>Balances</u>	<u>2003</u> <u>Balances</u>
Cash and Cash Equivalents	\$ 887,284	\$ 1,234,813
Investments	<u>2,711,000</u>	<u>2,711,000</u>
	<u>\$ 3,598,284</u>	<u>\$ 3,945,813</u>

Cash Balances By Fund Class

Governmental Fund Types:

General Fund	\$ 779,284	\$ 748,260
Special Revenue Funds	335,731	351,177
Debt Service Funds	2,504	2,504
Capital Projects Funds	90,000	99,150

Proprietary Fund Type:

Enterprise Funds	2,389,682	2,743,632
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Fiduciary Fund Type:

Expendable Trust	<u>1,083</u>	<u>1,090</u>
<b>Total</b>	<b>\$ <u>3,598,284</u></b>	<b>\$ <u>3,945,813</u></b>

See accompanying Notes to the Financial Statements.

VILLAGE OF OAK HARBOR  
 OTTAWA COUNTY, OHIO  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
 CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
 For the Year Ended December 31, 2002

	Governmental Fund Types				Fiduciary	(Memorandum
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	Only) Total
<b>Receipts:</b>						
Taxes	\$ 625,893	\$ 99,688	-	-	-	\$ 725,581
Intergovernmental	114,521	129,509	-	-	-	244,030
Special Assessments	690	1,605	-	-	-	2,295
Charges for Services	190,957	-	-	-	\$ 750	191,707
Fines, Licenses, and Permits	8,846	3,788	-	-	-	12,634
Miscellaneous	66,936	2,768	-	\$ 130	90	69,924
<b>Total Receipts</b>	<b>1,007,843</b>	<b>237,358</b>	<b>-</b>	<b>130</b>	<b>840</b>	<b>1,246,171</b>
<b>Disbursements:</b>						
Security of Persons & Property	535,283	914	-	-	-	536,197
Public Health Services	6,613	-	-	-	-	6,613
Leisure Time Activities	39,795	-	-	-	-	39,795
Community Environment	1,111	-	-	-	210	1,321
Transportation	141,126	152,595	-	-	-	293,721
General Government	205,917	620	-	-	-	206,537
Capital Outlay	88,691	91,062	-	13,937	-	193,690
<b>Total Disbursements</b>	<b>1,018,536</b>	<b>245,191</b>	<b>-</b>	<b>13,937</b>	<b>210</b>	<b>1,277,874</b>
<b>Excess of Receipts Over/(Under)</b>						
Disbursements	(10,693)	(7,833)	-	(13,807)	630	(31,703)
<b>Other Financing Sources/(Uses):</b>						
Transfers-In	63	5,000	-	60,000	-	65,063
Transfers-Out	(172,934)	-	-	-	(63)	(172,997)
Other Uses	(4,019)	-	-	-	(291)	(4,310)
<b>Total Other Financing Sources/(Uses)</b>	<b>(176,890)</b>	<b>5,000</b>	<b>-</b>	<b>60,000</b>	<b>(354)</b>	<b>(112,244)</b>
<b>Excess of Receipts &amp; Other Financing</b>						
<b>Sources Over/(Under) Disbursements</b>						
<b>and Other Financing Uses</b>	<b>(187,583)</b>	<b>(2,833)</b>	<b>-</b>	<b>46,193</b>	<b>276</b>	<b>(143,947)</b>
<b>Fund Balance January 1, 2002</b>	<b>966,867</b>	<b>338,564</b>	<b>\$ 2,504</b>	<b>43,807</b>	<b>807</b>	<b>1,352,549</b>
<b>Fund Balance December 31, 2002</b>	<b>\$ 779,284</b>	<b>\$ 335,731</b>	<b>\$ 2,504</b>	<b>\$ 90,000</b>	<b>\$ 1,083</b>	<b>\$ 1,208,602</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND  
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUND  
For the Year Ended December 31, 2003

	Governmental Fund Types				Fiduciary Fund Type	(Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total
<b>Receipts:</b>						
Taxes	\$ 848,836	\$ 108,016	-	-	-	\$ 956,852
Intergovernmental	128,481	138,604	-	\$ 2,393	-	269,478
Special Assessments	253	7,470	-	-	-	7,723
Charges for Services	75,549	-	-	-	\$ 3,250	78,799
Fines, Licenses, and Permits	7,024	1,546	-	-	-	8,570
Miscellaneous	151,692	1,920	-	40	181	153,833
<b>Total Receipts</b>	<b>1,211,835</b>	<b>257,556</b>	<b>-</b>	<b>2,433</b>	<b>3,431</b>	<b>1,475,255</b>
<b>Disbursements:</b>						
Security of Persons & Property	542,638	570	-	-	-	543,208
Public Health Services	6,712	-	-	-	-	6,712
Leisure Time Activities	25,212	-	-	-	-	25,212
Community Environment	1,267	-	-	-	709	1,976
Transportation	195,625	164,541	-	-	-	360,166
General Government	202,572	591	-	-	-	203,163
Capital Outlay	27,490	78,408	-	66,508	-	172,406
<b>Total Disbursements</b>	<b>1,001,516</b>	<b>244,110</b>	<b>-</b>	<b>66,508</b>	<b>709</b>	<b>1,312,843</b>
<b>Excess of Receipts Over/(Under) Disbursements</b>	<b>210,319</b>	<b>13,446</b>	<b>-</b>	<b>(64,075)</b>	<b>2,722</b>	<b>162,412</b>
<b>Other Financing Sources/(Uses):</b>						
Sale of Fixed Assets	3,143	-	-	13,225	-	16,368
Transfers-In	115	2,000	-	60,000	-	62,115
Transfers-Out	(115,017)	-	-	-	(115)	(115,132)
Other Uses	(129,584)	-	-	-	(2,600)	(132,184)
<b>Total Other Financing Sources/(Uses)</b>	<b>(241,343)</b>	<b>2,000</b>	<b>-</b>	<b>73,225</b>	<b>(2,715)</b>	<b>(168,833)</b>
<b>Excess of Receipts &amp; Other Financing Sources Over/(Under) Disbursements and Other Financing Uses</b>	<b>(31,024)</b>	<b>15,446</b>	<b>-</b>	<b>9,150</b>	<b>7</b>	<b>(6,421)</b>
<b>Fund Balance January 1, 2003</b>	<b>779,284</b>	<b>335,731</b>	<b>\$ 2,504</b>	<b>90,000</b>	<b>1,083</b>	<b>1,208,602</b>
<b>Fund Balance December 31, 2003</b>	<b>\$ 748,260</b>	<b>\$ 351,177</b>	<b>\$ 2,504</b>	<b>\$ 99,150</b>	<b>\$ 1,090</b>	<b>\$ 1,202,181</b>

See accompanying Notes to the Financial Statements.

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN FUND CASH BALANCES - PROPRIETARY FUND TYPE**  
**For the Year Ended December 31, 2002**

		<u>Proprietary</u> <u>Fund Type</u> <u>Enterprise</u>
<b>Receipts:</b>		
Charges for Services	\$	3,292,512
Miscellaneous		24,733
		<hr/>
<b>Total Receipts</b>		<b>3,317,245</b>
 <b>Disbursements:</b>		
Personal Services		696,102
Travel Transportation		1,943
Contractual Services		1,763,314
Materials and Supplies		72,805
Capital Outlay		279,223
		<hr/>
<b>Total Disbursements</b>		<b>2,813,387</b>
 <b>Excess Receipts Over/(Under) Disbursements</b>		 <b>503,858</b>
 <b>Other Financing Uses:</b>		
<b>Debt Service:</b>		
Principal		(86,978)
Interest		(128,717)
Other Non-Operating Expenses		(6,057)
		<hr/>
<b>Total Other Financing Uses</b>		<b>(221,752)</b>
 <b>Excess of Receipts Over/(Under) Disbursements</b> <b>and Other Financing Uses Before Interfund Transfers</b>		 <b>282,106</b>
 Transfer-In		 107,934
		<hr/>
<b>Net Receipts Over/(Under) Disbursements</b>		<b>390,040</b>
 Fund Balance January 1, 2002		 1,999,642
		<hr/>
<b>Fund Balance December 31, 2002</b>	<b>\$</b>	<b>2,389,682</b>
		<hr/> <hr/>

See accompanying Notes to the Financial Statements.

VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - PROPRIETARY FUND TYPE  
For the Year Ended December 31, 2003

	Proprietary Fund Type Enterprise
<b>Receipts:</b>	
Charges for Services	\$ 3,300,610
Miscellaneous	11,973
<b>Total Receipts</b>	<b>3,312,583</b>
 <b>Disbursements:</b>	
Personal Services	793,962
Travel Transportation	2,167
Contractual Services	1,782,799
Material and Supplies	76,580
Capital Outlay	142,225
<b>Total Disbursements</b>	<b>2,797,733</b>
<b>Excess Receipts Over/(Under) Disbursements</b>	<b>514,850</b>
 <b>Other Financing Sources/(Uses):</b>	
Sale of Fixed Assets	6,298
Debt Service:	
Principal	(92,682)
Interest	(120,718)
Other Non-Operating Expenses	(6,815)
<b>Total Other Financing Sources/(Uses)</b>	<b>(213,917)</b>
<b>Excess of Receipts and Other Financing Sources Over/ (Uses) Disbursements and Other Financing Uses Before Interfund Transfers</b>	<b>300,933</b>
Transfers-In	53,017
<b>Net Receipts Over/(Under) Disbursements</b>	<b>353,950</b>
<b>Fund Balance January 1, 2003</b>	<b>2,389,682</b>
<b>Fund Balance December 31, 2003</b>	<b>\$ 2,743,632</b>

See accompanying Notes to the Financial Statements.

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2002**

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b><u>Governmental Fund Types:</u></b>			
General Fund	\$ 1,066,050	\$ 1,007,906	\$ (58,144)
Special Revenue	307,312	242,358	(64,954)
Capital Projects	137,100	60,130	(76,970)
<b><u>Fiduciary Fund Types:</u></b>			
Expendable Trust Funds	2,750	840	(1,910)
<b><u>Proprietary Fund Types:</u></b>			
Enterprise Funds	<u>3,376,294</u>	<u>3,425,179</u>	<u>48,885</u>
<b>Total (Memorandum Only)</b>	<b>\$ <u>4,889,506</u></b>	<b>\$ <u>4,736,413</u></b>	<b>\$ <u>(153,093)</u></b>

See Accompanying Notes to the Financial Statements.

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2003**

<u>Fund Types/Funds:</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
<b><u>Governmental Fund Types:</u></b>			
General Fund	\$ 1,126,156	\$ 1,215,093	\$ 88,937
Special Revenue	404,036	259,556	(144,480)
Capital Projects	158,695	75,658	(83,037)
<b><u>Fiduciary Fund Types:</u></b>			
Expendable Trust Funds	3,250	3,431	181
<b><u>Proprietary Fund Types:</u></b>			
Enterprise Funds	<u>3,474,248</u>	<u>3,371,898</u>	<u>(102,350)</u>
<b>Total (Memorandum Only)</b>	<b>\$ <u>5,166,385</u></b>	<b>\$ <u>4,925,636</u></b>	<b>\$ <u>(240,749)</u></b>

See Accompanying Notes to the Financial Statements.



VILLAGE OF OAK HARBOR  
 OTTAWA COUNTY, OHIO  
 COMBINED STATEMENT OF DISBURSEMENTS AND  
 ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
 For the Year Ended December 31, 2002

Fund Types/Funds	Carryover Appropriations	Year Ending 2002 Appropriations	Total	Actual 2002 Disbursements	Encumbrances as of 12/31/02	Total	Variance Favorable/ (Unfavorable)
<b>Governmental Funds:</b>							
General Fund	\$ 86,704	\$ 1,946,213	\$ 2,032,917	\$ 1,195,489	\$ 126,398	\$ 1,321,887	\$ 711,030
Special Revenue Funds	13,375	632,502	645,877	245,191	51,468	296,659	349,218
Debt Service Fund	-	2,504	2,504	-	-	-	2,504
Capital Projects Funds	3,749	177,158	180,907	13,937	4,300	18,237	162,670
<b>Fiduciary Funds:</b>							
Expendable Trust Funds	-	3,557	3,557	564	-	564	2,993
<b>Proprietary Funds:</b>							
Enterprise Funds	314,737	5,061,199	5,375,936	3,035,139	210,020	3,245,159	2,130,777
<b>Total (Memorandum Only)</b>	<b>\$ 418,565</b>	<b>\$ 7,823,133</b>	<b>\$ 8,241,698</b>	<b>\$ 4,490,320</b>	<b>\$ 392,186</b>	<b>\$ 4,882,506</b>	<b>\$ 3,359,192</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF OAK HARBOR  
 OTTAWA COUNTY, OHIO  
 COMBINED STATEMENT OF DISBURSEMENTS AND  
 ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY  
 For the Year Ended December 31, 2003

Fund Types/Funds	Carryover Appropriations	Year Ending 2003 Appropriations	Total	Actual 2003 Disbursements	Encumbrances as of 12/31/03	Total	Variance Favorable/ (Unfavorable)
<b>Governmental Funds:</b>							
General Fund	\$ 126,398	\$ 1,779,042	\$ 1,905,440	\$ 1,246,117	\$ 97,757	\$ 1,343,874	\$ 561,566
Special Revenue Funds	51,468	688,300	739,768	244,110	29,353	273,463	466,305
Debt Service Fund	-	2,504	2,504	-	-	-	2,504
Capital Projects Funds	4,300	244,395	248,695	66,508	12,020	78,528	170,167
<b>Fiduciary Funds:</b>							
Expendable Trust Funds	-	4,333	4,333	3,424	-	3,424	909
<b>Proprietary Funds:</b>							
Enterprise Funds	210,020	5,653,910	5,863,930	3,017,948	326,054	3,344,002	2,519,928
<b>Total (Memorandum Only)</b>	<b>\$ 392,186</b>	<b>\$ 8,372,484</b>	<b>\$ 8,764,670</b>	<b>\$ 4,578,107</b>	<b>\$ 465,184</b>	<b>\$ 5,043,291</b>	<b>\$ 3,721,379</b>

See accompanying Notes to the Financial Statements.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. DESCRIPTION OF THE ENTITY**

The Village of Oak Harbor, (the Village) 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. The Village is directed by a publicly-elected, six-member Council. The Village provides general governmental services, including sewer, electric utilities, park operations (leisure time activities), and police services.

The Village's management believes these financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

**B. REPORTING ENTITY**

In evaluating how to define the Village for financial reporting purposes, management has considered all agencies, departments and organizations making up the Village of Oak Harbor (the primary government) and its potential component units consistent with Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." There were no significant changes in the reporting entity related to the implementation of this statement for the current audit period.

Component units are legally separate organizations for which the Village, as the primary government, is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and 1) the Village is able to significantly influence the programs or services performed or provided by the organization; or 2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the issuance of debt, or the levying of taxes.

Based on the above definitions, the Village has determined that there were no component units required to be included the financial statements.

**C. BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

The statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

D. INVESTMENTS AND INACTIVE FUNDS

Investment procedures are restricted by the provisions of the Ohio Revised Code. Purchased investments are valued at purchase cost. Interest earned is recognized and recorded when received. See Note 2 for further description.

E. FUND ACCOUNTING

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

Governmental Fund Types:

General Fund: The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds: To account for the proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

Debt Service Fund: This fund is used to accumulate resources for the payment of bond and note debt.

Capital Projects Funds: This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds).

Proprietary Fund Types:

Enterprise Funds: These funds account for operations that are similar to private business enterprise where management intends that the significant costs of providing certain goods or services will be recovered through user charges.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

E. **FUND ACCOUNTING** - (continued)

**Fiduciary Fund Types:**

These funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following are the Village's fiduciary fund types:

**Expendable Trust Fund:** Trust funds are used to account for resources restricted by legally binding trust agreements.

F. **BUDGETARY PROCESS**

1. **Budget**

A budget of estimated cash receipts and disbursements is prepared by the Clerk/Treasurer, approved by Council, and submitted to the county auditor, as secretary of the County Budget Commission, by July 15 of each year, for the period January 1 to December 31 of the following year.

2. **Estimated Resources**

The county auditor calculates the estimated revenues available to the Village. She prepares a certificate of estimated resources based upon this calculation and upon the other financial information supplied in the budget sent by the Village. The certificate is approved by the county budget commission and sent to the Village Treasurer.

Prior to December 31, the Village must revise its budget so that the total budgeted expenditures for a fund will not exceed the amount of stated in the certificate of estimated resources. The revised budget serves as the basis for the annual appropriation measure.

On or about January 1, the Clerk/Treasurer sends the county auditor a certificate to which includes the actual unencumbered balances from the preceding year. The county auditor prepares an amended certificate, submits it to the county budget commission for approval. This amended certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Clerk/Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificates issued during 2002 and 2003.

**VILLAGE OF OAK HARBOR**  
**OTTAWA COUNTY, OHIO**  
**Notes to the Financial Statements**  
**For the Years Ended December 31, 2002 and 2003**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (continued)

F. **BUDGETARY PROCESS** – (continued)

2. **Estimated Resources** – (continued)

Budget receipts, as shown in the accompanying financial statements, do not include the unencumbered fund balances as of January 1, 2002 and 2003. However, those fund balances are available for appropriation.

3. **Appropriations**

A temporary appropriation measure to control cash expenditures may be passed on or about January 1 of each year for the period January 1 to March 31. An annual appropriation measure must be passed by March 31 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

The legal level of budgetary control is at the object level in all funds. Any budgetary modifications at this level may only be made by ordinance of the Village Council.

4. **Encumbrances**

The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Unencumbered appropriations lapse at year end.

Encumbered appropriations are carried forward to the succeeding fiscal year without being re-appropriated. In the budgetary financial statements, encumbrances are added to budgetary expenditures and compared to current year appropriations plus prior year carry-over appropriations.

G. **Property, Plant and Equipment**

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

H. **Unpaid Vacation and Sick Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities on the accompanying financial statements.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

I. Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Village maintains a cash and investment pool used by all funds. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 2002 and 2003."

Legal Requirements

State statutes classify monies held by the Village into three categories.

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

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

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

1. United States treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligations guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency services shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities, subject to the repurchase agreement, must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that term of the agreement must not exceed thirty days;

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

**2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)**

**Legal Requirements - (continued)**

4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in the is division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Village, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Clerk/Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

**Deposits:** At year end, the carrying amount of the Village's deposits were \$2,896,184 in 2002 and \$2,867,189 in 2003 and the bank balance was \$ 2,922,504 in 2002 and \$ 2,936,692 in 2003. Of the bank balance,

1. \$200,000 was covered by federal depository insurance in 2002 and \$200,000 was covered in 2003; and
2. \$2,722,504 in 2002 and \$2,736,692 in 2003 was uninsured, but collateralized by U.S. Government securities pooled by the depository not in the Village's name. As with all deposits, there is a risk of loss of resources, but management believes this collateral gives the Village its safest deposit of money.



**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

2. **EQUITY IN POOLED CASH AND CASH EQUIVALENTS** - (continued)

**Investments:**

The Village's investments are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or by its trust department but not in the Village's name.

The following list represents all investments of the Village, categorized by risk category using the definitions above as of December 31, 2002 and 2003.

<u>2002</u>		<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreement	Category 3	<u>\$702,100</u>	<u>\$702,100</u>
	Total:	<u>\$702,100</u>	<u>\$702,100</u>

<u>2003</u>		<u>Carrying Amount</u>	<u>Fair Value</u>
Repurchase Agreement	Category 3	<u>\$1,078,624</u>	<u>\$1,078,624</u>
	Total:	<u>\$1,078,624</u>	<u>\$1,078,624</u>

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB 3 is as follows:

<u>2002</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement 9	\$ 887,284	\$ 2,711,000
Investments:		
Certificates of Deposit (with maturities greater than 3 months)	2,711,000	(2,711,000)
Repurchase Agreement	<u>(702,100)</u>	<u>\$ 702,100</u>
GASB Statement 3	<u>\$ 2,896,184</u>	<u>\$ 702,100</u>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (continued)

<u>2003</u>	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
GASB Statement 9	\$ 1,234,813	\$ 2,711,000
Investments:		
Certificates of Deposit (with maturities greater than 3 months)	2,711,000	(2,711,000)
Repurchase Agreements	<u>(1,078,624)</u>	<u>1,078,624</u>
GASB Statement 3	<u>\$ 2,867,189</u>	<u>\$ 1,078,624</u>

3. PROPERTY TAX

Real property taxes are levied on assessed values which equal 35 percent of appraised value. The county auditor reappraises all real property every six years with a triennial update. The last update was completed for tax year 2000.

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

The full tax rate applied to real property for the years ended December 31, 2001 and 2002 (received in 2002 and 2003) were \$8.30 for each year per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$5.84 for 2002 and 2003, respectively, per \$1,000 of assessed valuation for real property classified as residential/ agricultural and \$7.16 for 2002 and 2003, respectively, per \$1,000 of assessed valuation for commercial property. Real property owners' tax bills are further reduced by homestead and rollback deductions when applicable. The amount of these homestead and rollback reductions is reimbursed to the Village by the State of Ohio.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

3. **PROPERTY TAX** - (continued)

The following represents the assessed property values for the revenues received during the years 2002 and 2003:

	2002		2003
<b>Real Property</b>			
Residential/Agricultural	\$ 29,980,140	\$	30,445,310
Commercial/Industrial	5,332,430		5,316,950
Public Utilities	19,730		17,360
 <b>Tangible Personal Property</b>			
Personal Property	3,288,435		911,020
Public Utilities	786,980		2,835,691
 <b>Total Valuation</b>	<b>\$ 39,407,715</b>	<b>\$</b>	<b>39,526,331</b>

The Ottawa County Treasurer collects property tax on behalf of all taxing Villages within the county. The Ottawa County Auditor periodically remits to the taxing Villages their portions of the taxes collected.

4. **DEBT**

Debt activity for the year ended December 31, 2002 was as follows:

	Balance 1/01/02		Additions		Deletions		Balance 12/31/02
<b>OWDA Loan – Water System Imp.</b>							
Interest Rate 5.5%	\$ 41,844	\$ -		\$ (13,181)		\$ 28,663	
1/1/05 maturity							
<b>OWDA Loan - WWTP/Storm Drain</b>							
Interest Rate 7.51%							
1/1/15 maturity	966,795	-		(43,835)		922,960	
<b>OWDA Loan – Sludge Handling</b>							
Interest Rate 4.25%							
1/1/21 maturity	975,199	-		(29,962)		945,237	
 <b>Total Debt</b>	<b>\$ 1,983,838</b>	<b>\$ -</b>		<b>\$ (86,978)</b>		<b>\$ 1,896,860</b>	

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

4. **DEBT** - (continued)

Debt Activity for the year ended December 31, 2003 was as follows:

	<u>Balance</u> <u>1/01/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/03</u>
<b>OWDA Loan- Water System Imp</b>				
<b>Interest Rate 5.5%</b>				
1/1/05 maturity	\$ 28,663	\$ -	\$ (13,905)	\$ 14,758
<b>OWDA Loan –WWTP/Storm Drain</b>				
<b>Interest Rate 7.51%</b>				
1/1/15 maturity	922,960	-	(47,127)	875,833
<b>OWDA Loan – Sludge Handling</b>				
<b>Interest Rate 4.25%</b>				
1/1/21 maturity	<u>945,237</u>	<u>-</u>	<u>(31,650)</u>	<u>913,587</u>
 <b>Total Debt</b>	 <b>\$ 1,896,860</b>	 <b>\$ -</b>	 <b>\$ (92,682)</b>	 <b>\$ 1,804,178</b>

Principal and interest requirements to retire long-term obligations outstanding at December 31, 2003 are as follows:

<u>Year</u>	<u>O.W.D.A.</u>
2004	\$ 215,694
2005	207,954
2006	200,214
2007	200,214
2008	200,214
Subsequent	<u>1,862,252</u>
 <b>Total</b>	 <b><u>\$2,886,542</u></b>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

**5. RISK MANAGEMENT**

The Village of Oak Harbor has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public Officials liability
- Law Enforcement Liability
- Vehicles

All employees of the Village are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The Village pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Also, the Village did not reduce its insurance coverages significantly during the years.

**6. RETIREMENT SYSTEMS**

The Ohio Public Employees Retirement System (OPERS) is a state operated, cost sharing, multiple employer public employee retirement system. OPERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. OPERS also provides survivor and disability benefits to vested employees.

Contributions rates are prescribed by the Ohio Revised Code. The Village's OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% for 2002 and 2003 of participant's gross salaries. The Village has paid all contributions required through December 31, 2003.

Police officers of the Village are members of the Ohio Police and Fire Pension Fund (OP&F), a state operated, cost sharing, multiple-employer defined benefit pension plan. OP &F provides retirement and disability benefits to plan members and beneficiaries.

The Ohio Revised Code prescribes contributions. The Village's OP & F members contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% of the participant's gross salaries through December 31, 2002 and 2003 for police officers. The Village has paid all contributions required through December 31, 2003.

The Village does not have a fire department.

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

**7. LOCAL INCOME TAX**

This locally levied tax of 1 percent is applied to gross salaries, wages and other personal service compensation earned by residents both in and out of the Village and to earnings of nonresidents (except certain transients) earned in the Government. It also applies to net income of business organizations conducted within the Village. Tax receipts are credited to the General Fund and equaled \$ 514,214 for 2002 and \$729,896 for 2003.

**8. JOINT VENTURES**

**Ohio Municipal Electric Generation Agency Joint Venture 2**

The Village is a participant with thirteen subdivisions within the State of Ohio in a joint venture to provide supplemental reserve electric power to the participants on a cooperative basis. The Ohio Municipal Electric Generation Agency Joint Venture 2 (JV2) was created for that purpose. On dissolution of the joint venture, the net assets of JV2 will be shared by the participants on a percentage basis. The JV2 is managed by AMP-Ohio who acts as the joint venture's agent. The participants are obligated by the agreement to remit monthly costs incurred from using electricity generated by the joint venture. In accordance with the joint venture agreement, the Village remitted \$10,880 for the year 2002 and \$10,930 for the year 2003 to the joint venture. The Village of Oak Harbor's net investment and its share of the operating results of JV2 ownership share of the project is .55 percent. Complete financial statements for JV2 can be obtained from AMP-Ohio at 602 Dempsey Road, Westerville, Ohio 43081, or from the Village's Administrator.

**Ohio Municipal Electric Generation Agency Joint Venture 5**

The Village is a participant with forty-two other municipalities within the State of Ohio in a joint venture to construct a hydroelectric plan and associated transmission facilities in West Virginia on the Ohio River at the Belleville Locks and Dam and receive electricity from its operation. The Ohio Municipal Electric Generation Agency Joint Venture 5 (JV5) was created for that purpose. On the dissolution of the joint venture, the net assets of JV5 will be shared by the participants on a percentage basis. The JV5 is managed by AMP-Ohio who 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 and a portion of the \$153,415,000 certificates of beneficial interest debt that was issued to construct the fixed asset. In accordance with the joint venture agreement, the Village remitted \$169,396 and 167,204, for the years 2002 and 2003 respectively, to the joint venture. The Village of Oak Harbor's net investment and its share of the operating results of JV5 ownership share of the projects is .94 percent. Complete financial statements for JV5 can be obtained from AMP-Ohio at 601 Dempsey Road, Westerville, Ohio 43081 or from the Village Administrator. Each member is required to make debt service payments for the project based on their percentage of ownership. Payments began in 1994. The Village of Oak Harbor's share of this debt service is as follows:

<u>Year Ending December 31,</u>	<u>Participant Debt Service</u>
2004	\$ 102,561
2005	86,127
2006	86,195
2007	86,148
2008	86,188
Subsequent	<u>1,378,291</u>
<b>Total</b>	<b>\$ <u>1,825,510</u></b>

**VILLAGE OF OAK HARBOR  
OTTAWA COUNTY, OHIO  
Notes to the Financial Statements  
For the Years Ended December 31, 2002 and 2003**

8. **JOINT VENTURES** – (continued)

**Ohio Municipal Electric Generation Agency Joint Venture 5** - (continued)

In April, 2004, Joint Venture 5 outstanding debt was refinanced resulting in lower debt payments in subsequent years.

9. **CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Ohio. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects, to be immaterial.

The Village may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village Solicitor, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

10. **FUND TRANSFERS**

The transfers-out of \$63 in 2002 and \$115 in 2003 are comprised of unclaimed funds held by the Village in excess of five years and transferred to the General Fund in compliance with the Ohio Revised Code requirements.

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

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and Members of Village Council  
Village of Oak Harbor  
Oak Harbor, Ohio

We have audited the accompanying financial statements of the Village of Oak Harbor (the Village), as of and for the years ended December 31, 2002 and 2003, and have issued our report thereon dated June 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management in a separate letter dated June 8, 2004.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



**However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village in a separate letter dated June 8, 2004.**

**This report is intended solely for the information and use of management, the Honorable Mayor and Members of Council and is not intended to be and should not be used by anyone other than these specified parties.**

*Charles E. Harris & Associates, Inc.*

June 8, 2004

**STATUS OF PRIOR YEAR'S CITATIONS AND RECOMMENDATIONS**

**The prior audit report, for the years ended December 31, 2000 and 2001 did not include material citations or recommendations.**



**Auditor of State  
Betty Montgomery**

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**VILLAGE OF OAK HARBOR**

**OTTAWA 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  
JULY 27, 2004**