



**VILLAGE OF FLORIDA  
HENRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007**



**Mary Taylor, CPA**  
Auditor of State



VILLAGE OF FLORIDA  
HENRY COUNTY

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**Mary Taylor, CPA**  
Auditor of State

Village of Florida  
Henry County  
117 Chester Street  
Napoleon, Ohio 43545-9201

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

August 25, 2008

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Village of Florida  
Henry County  
117 Chester Street  
Napoleon, Ohio 43545-9201

To the Village Council:

We have audited the accompanying financial statements of the Village of Florida, Henry County, (the Village) as of and for the years ended December 31, 2007 and 2006. 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 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2007 and 2006, or its changes in financial position or cash flows, where applicable for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Florida, Henry County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2008, 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 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.



**Mary Taylor, CPA**  
Auditor of State

August 25, 2008



**VILLAGE OF FLORIDA  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$17,858			\$17,858
Intergovernmental	32,525	\$13,233	\$5,955	51,713
Charges for Services		10		10
Fines, Licenses and Permits	1,198			1,198
Earnings on Investments	9,874	321		10,195
Miscellaneous	2,016			2,016
Total Cash Receipts	<u>63,471</u>	<u>13,564</u>	<u>5,955</u>	<u>82,990</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	4,322			4,322
Leisure Time Activities	15,351			15,351
Basic Utility Service	1,641	5,112		6,753
Transportation		4,282		4,282
General Government	26,774			26,774
Debt Service:				
Redemption of Principal			3,987	3,987
Interest and Fiscal Charges			1,968	1,968
Capital Outlay	33,046		38,366	71,412
Total Cash Disbursements	<u>81,134</u>	<u>9,394</u>	<u>44,321</u>	<u>134,849</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(17,663)	4,170	(38,366)	(51,859)
Fund Cash Balances, January 1	<u>25,416</u>	<u>56,507</u>	<u>38,527</u>	<u>120,450</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$7,753</b></u>	<u><b>\$60,677</b></u>	<u><b>\$161</b></u>	<u><b>\$68,591</b></u>
Reserve for Encumbrances, December 31	<u>\$446</u>			<u>\$446</u>

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

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$181,628		\$181,628
<b>Operating Cash Disbursements:</b>			
Personal Services	38,706		38,706
Employee Fringe Benefits	4,316		4,316
Contractual Services	124,494		124,494
Supplies and Materials	11,760		11,760
Total Operating Cash Disbursements	179,276		179,276
Operating Income	2,352		2,352
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental	58,533		58,533
Special Assessments	46,000		46,000
Miscellaneous Receipts	760		760
Other Non-Operating Cash Receipts		\$16,110	16,110
Total Non-Operating Cash Receipts	105,293	16,110	121,403
<b>Non-Operating Cash Disbursements:</b>			
Capital Outlay	3,861		3,861
Redemption of Principal	18,489		18,489
Interest and Other Fiscal Charges	69,529		69,529
Other Non-Operating Cash Disbursements		16,273	16,273
Total Non-Operating Cash Disbursements	91,879	16,273	108,152
Excess of Cash Receipts Over/(Under) Cash Disbursements	15,766	(163)	15,603
Fund Cash Balances, January 1	307,338	1,440	308,778
<b>Fund Cash Balances, December 31</b>	<b>\$323,104</b>	<b>\$1,277</b>	<b>\$324,381</b>
Reserve for Encumbrances, December 31	\$616		\$616

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

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Local Taxes	\$14,495			\$14,495
Intergovernmental	23,556	\$13,752	\$36,846	74,154
Special Assessments			343,717	343,717
Charges for Services	3,093	157		3,250
Earnings on Investments	11,512	657		12,169
Miscellaneous	212			212
Total Cash Receipts	<u>52,868</u>	<u>14,566</u>	<u>380,563</u>	<u>447,997</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	3,544			3,544
Leisure Time Activities	7,685			7,685
Basic Utility Service	904	2,600		3,504
Transportation		5,844		5,844
General Government	27,626			27,626
Debt Service:				
Redemption of Principal			1,409,000	1,409,000
Capital Outlay			140,206	140,206
Total Cash Disbursements	<u>39,759</u>	<u>8,444</u>	<u>1,549,206</u>	<u>1,597,409</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>13,109</u>	<u>6,122</u>	<u>(1,168,643)</u>	<u>(1,149,412)</u>
<b>Other Financing Receipts</b>				
Proceeds from Sale of Public Debt:				
Sale of Bonds			1,065,283	1,065,283
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	13,109	6,122	(103,360)	(84,129)
Fund Cash Balances, January 1	<u>12,307</u>	<u>50,385</u>	<u>141,887</u>	<u>204,579</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$25,416</b></u>	<u><b>\$56,507</b></u>	<u><b>\$38,527</b></u>	<u><b>\$120,450</b></u>
Reserve for Encumbrances, December 31	<u>\$526</u>			<u>\$526</u>

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

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$133,475		\$133,475
Miscellaneous	429		429
Total Operating Cash Receipts	<u>133,904</u>		<u>133,904</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	30,325		30,325
Employee Fringe Benefits	4,177		4,177
Contractual Services	90,151		90,151
Supplies and Materials	12,727		12,727
Total Operating Cash Disbursements	<u>137,380</u>		<u>137,380</u>
Operating Loss	<u>(3,476)</u>		<u>(3,476)</u>
<b>Non-Operating Cash Receipts:</b>			
Intergovernmental	1,521		1,521
Special Assessments	3,166		3,166
Earnings on Investments	18		18
Miscellaneous Receipts	56		56
Other Non-Operating Cash Receipts		\$16,383	16,383
Total Non-Operating Cash Receipts	<u>4,761</u>	<u>16,383</u>	<u>21,144</u>
<b>Non-Operating Cash Disbursements:</b>			
Redemption of Principal	6,800		6,800
Interest and Other Fiscal Charges	8,080		8,080
Other Non-Operating Cash Disbursements		16,292	16,292
Total Non-Operating Cash Disbursements	<u>14,880</u>	<u>16,292</u>	<u>31,172</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	(13,595)	91	(13,504)
Fund Cash Balances, January 1	<u>320,933</u>	<u>1,349</u>	<u>322,282</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$307,338</u></b>	<b><u>\$1,440</u></b>	<b><u>\$308,778</u></b>
Reserve for Encumbrances, December 31	<u>\$536</u>		<u>\$536</u>

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

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Florida, Henry County, (the Village) as a body corporate and politic. A publicly-elected six-member Council governs the Village. The Village provides water and sewer utilities, and park operations. The Village contracts with the Henry County Sheriff's department to provide security of persons and property. The Village contracts with Richland Township – Jewell Rescue and Flatrock Township to receive fire protection and emergency medical services.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual fund reports.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

State Highway Fund – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing state highways.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Special Assessment Construction Fund – This fund received proceeds of mortgage revenue bonds. The proceeds were used to payoff the Ohio Water Development Authority (OWDA) loans.

**4. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

**5. Fiduciary Funds (Agency Fund)**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Agency Fund.

Sewer System Agency Fund – This fund is used to account for the collection and distribution of sewer fees collected from Okolona utility customers on behalf of the Henry County Soil and Water Conservation District.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2007 and 2006 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The Village maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$204,269	\$219,776
STAR Ohio	188,703	209,452
Total deposits and investments	<u>\$392,972</u>	<u>\$429,228</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December, 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$63,471	\$63,471
Special Revenue		13,564	13,564
Capital Projects		5,955	5,955
Enterprise		286,921	286,921
Total		<u>\$369,911</u>	<u>\$369,911</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,476	\$81,580	(\$8,104)
Special Revenue	17,500	9,394	8,106
Capital Projects	38,366	44,321	(5,955)
Enterprise	283,217	271,771	11,446
Total	<u>\$412,559</u>	<u>\$407,066</u>	<u>\$5,493</u>

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General		\$52,868	\$52,868
Special Revenue		14,566	14,566
Capital Projects		1,445,846	1,445,846
Enterprise		138,665	138,665
Total		<u>\$1,651,945</u>	<u>\$1,651,945</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General		\$40,285	(\$40,285)
Special Revenue		8,444	(8,444)
Capital Projects		1,549,206	(1,549,206)
Enterprise		152,796	(152,796)
Total		<u>\$1,750,731</u>	<u>(\$1,750,731)</u>



**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

**5. DEBT**

Debt outstanding at December 31, 2007, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan	\$194,677	1.50 - 2.88%
Mortgage Revenue Bonds Series 1981	147,600	5.00%
Mortgage Revenue Bonds Series 2006	1,059,217	4.50%
Total	<u>\$1,401,494</u>	

The Mortgage Revenue Bonds Series 1981 were issued for the construction of a municipal waterworks system. The bonds will be repaid in annual installments until 2021. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover the United States Department of Agriculture (USDA) debt service requirements.

The mortgage revenue bond covenant requires the Village to establish and fund a debt service reserve fund, included as an Enterprise fund. The balance in the fund at December 31, 2007 is \$32,966.

The Mortgage Revenue Bonds Series 2006 were issued for the purpose of retiring an interim loan for the purpose of sanitary sewer improvements. The bonds will be repaid in semi-annual installments until 2046. The Village has agreed to set utility rates sufficient to cover the United State Department of Agriculture (USDA debt service requirements).

The Ohio Water Development Authority (OWDA) loan relates to a sewer system expansion project the Ohio Environmental Protection Agency mandated. The loan will be paid off in 2036.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**5. DEBT – (CONTINUED)**

Amortization of the above debt, including interest, follows:

<u>Year ending December 31:</u>	<u>Mortgage Revenue Bonds Series 1981</u>	<u>Mortgage Revenue Bonds Series 2006</u>	<u>OWDA Loan</u>
2008	\$14,880	\$65,300	\$8,303
2009	14,905	65,254	8,304
2010	14,810	65,298	8,303
2011	14,900	65,231	8,304
2012	14,965	65,251	8,303
2013-2017	74,670	326,128	41,517
2018-2022	59,670	325,954	41,517
2023-2027		325,671	41,517
2028-2032		289,475	41,517
2033-2037		145,612	33,213
2038-2042		145,655	
2042-2046		116,460	
Total	<u>\$208,800</u>	<u>\$2,001,289</u>	<u>\$240,798</u>

**6. RETIREMENT SYSTEM**

The employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5% and 9%, respectively, of their gross salaries and the Village contributed an amount equaling 13.85% and 13.7% of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

**7. RISK POOL MEMBERSHIP**

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**7. RISK POOL MEMBERSHIP – (CONTINUED)**

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except the Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31:

	<b>2007</b>	<b>2006</b>
Assets	\$11,136,455	\$9,620,148
Liabilities	<u>(4,273,553)</u>	<u>(3,329,620)</u>
Members' Equity	<u>\$6,862,902</u>	<u>\$6,290,528</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**8. COMPLIANCE**

- Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund, State Highway Fund, Sanitary Sewer Construction Fund, Sewer Special Assessment Fund, Sanitary Sewer Fund, and the Storm Sewer Fund for the year ended December 31, 2007 and for all funds for the year ended December 31, 2006.
- Posted appropriations exceeded the legally adopted appropriations in the General Fund, State Highway Fund, Sanitary Sewer Construction Fund, Sewer Fund, and Storm Sewer Fund for the year ended December 31, 2007, and for all funds for the year ended December 31, 2006.
- Appropriations exceeded estimated resources in all funds for the years ended December 31, 2007 and 2006, contrary to Ohio law.
- Contrary to Ohio Law, the Village did not appropriate and post \$5,955 and \$44,045, respectively, of Ohio Public Works Commission (OPWC) money sent directly to the vendor by OPWC for the years ended December 31, 2007 and 2006.
- Contrary to Ohio Law, twenty-five percent of expenditures were not certified by the Clerk-Treasurer.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**8. COMPLIANCE – (CONTINUED)**

- Contrary to the Village resolution, interest earned on certain enterprise accounts was not transferred to the Enterprise Funds. On July 21, 2008, this resolution was retroactively repealed as of January 1, 2006.
- Contrary to federal regulations, the Village did not submit a statement of budget, income, and equity to the United States Department of Agriculture (USDA) for 2006 and 2007.
- Contrary to the Ohio Water Development Authority (OWDA) Loan Agreement, the Village did not provide an annual report of operations and income to OWDA for 2006.
- Contrary to USDA loan agreement, the Village did not charge adequate water rates to meet the requirements for maintaining, repairing, and operating the system, and the retirement of debt.



# 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*

Village of Florida  
Henry County  
117 Chester Street  
Napoleon, Ohio 43545-9201

To the Village Council:

We have audited the financial statements of the Village of Florida, Henry County, (the Village) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 25, 2008, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. 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 Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-002, 2007-004, 2007-007, 2007-011, 2007-012, and 2007-013.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiencies described above are also material weaknesses.

We also noted certain matters that we reported to the Village's management in a separate letter dated August 25, 2008.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Village'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 instances of noncompliance that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-001 through 2007-010.

We also noted certain noncompliance not requiring inclusion in this report that we reported to the Village's management in a separate letter dated August 25, 2008.

We intend this report solely for the information and use of the audit committee, management, and Village Council. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

August 25, 2008

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2007-001**

**Noncompliance Citation**

Village of Florida Resolution 00-03 requires interest earned on certain Enterprise Funds be posted to the General Fund and then an equal amount to be transferred back to the specified Enterprise Funds.

The Clerk-Treasurer posted interest earned from the Village's Enterprise Funds directly to the General Fund. The Village, however, did not transfer the portion of the interest specified in **Resolution 00-03** back to the Enterprise Funds during this audit period. For the years ended December 31, 2007 and 2006, \$8,925 and \$9,937, respectively, of interest originally credited to the General Fund was not transferred to the Enterprise Funds.

We recommend the Clerk-Treasurer follow Village resolutions and ordinances when posting transactions. On July 21, 2008, Council passed an Ordinance to retroactively repeal Resolution 00-3 as of January 1, 2006, and to no longer require interest to be transferred back to the Enterprise Funds.

**FINDING NUMBER 2007-002**

**Noncompliance Citation and Material Weakness**

Chapter 5705 of the Revised Code sets forth a method to provide for a uniform budget and appropriation process in order to assure the government entity expends no more than it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriation fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded per Ohio Revised Code § 5705.42. Thus, a mechanism is still required to account for receipt and expenditure. The mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation per Ohio Revised Code § 5705.40. An original appropriation measure must be passed by the taxing authority, and any amendment of, or supplement to, the measure also requires legislative action per Ohio Revised Code § 5705.38. Additionally, Ohio Revised Code § 5705.41(B) states no expenditure shall be made unless it has been appropriated.

In 2007 and 2006, the Village was the beneficiary of \$5,955 and \$44,045 of Ohio Public Works Commission (OPWC) money sent directly to the vendor by OPWC. This activity was not recorded on the ledgers of the Village. Since OPWC paid the invoices, the Village did not receive this cash. However, Auditor of State Bulletin 2000-008 and 2002-004 prescribe recording these transactions as receipts and disbursements when the Village applies for a project and has administrative responsibilities. The accompanying financial statements were adjusted to reflect these amounts in a Capital Project Fund. These funds were not appropriated causing expenditures to exceed appropriations in the Capital Projects fund by, \$5,955 in 2007 and \$44,045 in 2006. As stated above, this violates, Ohio Revised Code § 5705.41(B).

We recommend the Village record all benefits received from state or federal grants as a memo receipt and expenditure on the Village's records and appropriate funds for the expenditures. In addition, Village management should review Auditor of State Bulletins 2000-008 and 2002-004

**FINDING NUMBER 2007-003**

**Noncompliance Citation**

Ohio Revised Code § 5705.39 provides appropriations from each fund should not exceed the estimated revenue available for expenditure from that fund as certified by the budget commission in the certificate of estimated resources. Furthermore, no appropriation measure is to become effective until the County Auditor files a certificate with the subdivision that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

There was no evidence the Village obtained a certificate of estimated resources in 2007 and thus did not receive a certificate indicating the appropriations did not exceed estimated resources in 2007. As a result, appropriations exceeded estimated resources in all funds.

Total appropriations in excess of total available resources may result in deficit spending. The Clerk-Treasurer should regularly compare appropriations to the total available resources for expenditure from each fund and submit the necessary modifications to Council for approval. In addition, the Clerk-Treasurer should make sure annual appropriations and all subsequent modifications have been certified by the County Auditor by the end of each fiscal year so each respective measure has been made effective.

**FINDING NUMBER 2007-004**

**Noncompliance Citation and Material Weakness**

Ohio Revised Code § 5705.40 provides appropriations measures may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. The legally adopted appropriations were different than the posted appropriations in the following funds as of December 31, 2007:

Fund	Approved Appropriations	Posted Appropriations	Variance
General Fund	\$ 72,950	\$ 94,032	\$ 21,082
State Highway Fund	2,500	3,200	700
Sanitary Sewer Construction Fund		1,521	1,521
Sewer Fund	59,790	136,566	76,776
Storm Sewer Fund		2,500	2,500

The budgetary disclosures have been adjusted to reflect the Council approved appropriations.

We recommend the Clerk-Treasurer only post appropriation measures which have been formally adopted by the Council in minute records and certified by the County Auditor. We also recommend the Village develop procedures to ensure proper posting to the accounting system and financial statements. Additionally, should the Village need to amend or supplement its original appropriation measure, it should review the applicable Revised Code section and work with its legal counsel to ensure compliance with all appropriate law.



**FINDING NUMBER 2007-005**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(B) states no subdivision shall make any expenditure of money unless it has been lawfully appropriated as provided in such chapter.

Expenditures exceeded appropriations in the following funds at December 31, 2007:

<b>Fund</b>	<b>Appropriations</b>	<b>Expenditures</b>	<b>Variance</b>
General Fund	\$73,476	\$81,580	(\$8,104)
State Highway Fund	2,500	3,200	(700)
Sanitary Sewer Constuction Fund		1,521	(1,521)
Sewer Special Assessments Fund	38,366	42,800	(4,434)
Sanitary Sewer Fund	59,869	106,971	(47,102)
Storm Sewer Fund		1,493	(1,493)

As noted in Finding 2007-007, there was no evidence the Village passed appropriation measures in 2006, consequently, expenditures exceeded appropriation in all funds in 2006.

Failure to pass an appropriation measure, which serves as a tool by which expenditures can be monitored could result in overspending. The Village should obtain a certificate for appropriations from the County Auditor as required so expenditures can be monitored and compliance with the Ohio Revised Code provisions can be attained. Expenditures should be limited to established appropriation limitations. In addition, appropriations should be increased as needed, and if necessary, the corresponding estimated resources should be amended.

**FINDING NUMBER 2007-006**

**Noncompliance Citation**

Ohio Revised Code § 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Clerk-Treasurer is attached thereto. The Clerk-Treasurer must certify the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a Clerk-Treasurer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**1. "Then and Now" certificate** – If the Clerk-Treasurer can certify both at the time the contract or order was made ("then"), and at the time the Clerk-Treasurer is completing the certification ("now"), sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

**FINDING NUMBER 2007-006**  
**(Continued)**

Amounts of less than \$3,000 may be paid by the Clerk-Treasurer without a resolution or ordinance upon completion of the “then and now” certificate, provided the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

**2. Blanket Certificate** – Clerk-Treasurers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**3. Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Clerk-Treasurer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Twenty-five percent of the transactions tested were not certified by the Clerk-Treasurer at the time the commitment was incurred and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village’s funds exceeding budgetary spending limitations, we recommend the Clerk-Treasurer certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, “then and now” certification should be used.

We recommend the Clerk-Treasurer certify purchases to which section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language 5705.41(D) requires to authorize disbursements. The Clerk-Treasurer should sign the certification at the time the Village incurs a commitment, and only when the requirements of 5705.41(D) are satisfied. The Clerk-Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**FINDING NUMBER 2007-007**

**Noncompliance Citation and Material Weakness**

Ohio Revised § 5705.38, requires on or about the first day of each year, the taxing authority of each subdivision or other taxing unit shall pass an appropriation measure, and thereafter during the year it may pass any supplemental appropriation measures as it finds necessary.

Council did not approve appropriations posted to the accounting system in 2006. The following amounts were posted to the system even though there were no legally adopted appropriations as of December 31, 2006:

Fund	Approved Appropriations	Posted Appropriations	Variance
General Fund		47,011	47,011
Street Fund		17,000	17,000
State Highway Fund		2,900	2,900
Sanitary Sewer Construction Fund		300,000	300,000
Sewer Special Assessments Fund		1,409,000	1,409,000
Water Fund		238,830	238,830
Sanitary Sewer Fund		76,260	76,260
Storm Sewer Fund		70,000	70,000

As a result, expenditures made during those years were not legally expended. We recommend the Village Council approve appropriations and file them with the County Auditor in order to obtain a certificate that appropriations do not exceed estimated resources. We also recommend the Village develop procedures to ensure proper posting to the accounting system and financial.

The budgetary disclosures have been adjusted to reflect the Council approved appropriations.

**FINDING NUMBER 2007-008**

**Noncompliance Citation**

7 CFR Part 1780.47(f)(2) requires Villages that receive loans from United States Department of Agriculture (USDA) to submit a statement of budget, income, and equity to the USDA at the beginning of the fiscal year.

There was no evidence the Village submitted a budget, income, and equity for 2006 and 2007, contrary to this regulation. This could result in sanctions being imposed on the Village by USDA.

We recommend the Village submit a budget to USDA annually.

#### **FINDING NUMBER 2007-009**

##### **Noncompliance Citation**

Ohio Water Development Authority (OWDA) Loan Agreement 4258 § 4.3 states the Village will furnish to the Ohio Water Development Authority (OWDA) annually reports of the operation and income of the system and other such documents as the OWDA may request.

There was no evidence the Village filed an annual report with OWDA in 2006. This could result in sanctions being imposed on the Village by OWDA.

We recommend the Village follow the debt covenants and file an annual report with OWDA.

#### **FINDING NUMBER 2007-010**

##### **Noncompliance Citation**

**United State Department of Agriculture (USDA) 1982 Loan Agreement § 12** states the Village shall prescribe and charge such rates as adequate to meet the requirements for maintaining, repairing, and operating of the system and the retirement of debt.

The Village's water operating fund had net losses of \$22,856 and \$37,263 in 2006 and 2007, respectively. This is an indicator the Village is not charging customers enough to meet their operating expenses and debt payments. This may result in an inability to make future debt payments.

We recommend the Village review their utility rates and operating expenses and take appropriate actions to eliminate future net losses in the water operating fund that could result in sanctions being imposed on the Village by OWDA.

#### **FINDING NUMBER 2007-011**

##### **Material Weakness**

##### **Cash Reconciliations**

Prior to the closing out the cashbook records each month, the bank account balances should be reconciled to the cashbook fund balances in a timely manner. This procedure is an important method of detecting errors in the cashbook postings and bank account records. After this procedure is completed, any errors found should be immediately corrected, cashbook records closed, and month end financial information generated by the Clerk-Treasurer's office.

The Village had several "unknown" adjusting factors, ranging from two dollars to \$1,089, in order to get the cash fund balances to reconcile to the bank balances each month during the audit period. This contributed to homestead and rollback monies of \$1,089, which were deposited in September 2007, to not get posted to the UAN system. The financial statements and accounting records have been adjusted to correct these errors.

We recommend the Clerk-Treasurer present evidence to Council each month proving the bank account balances have been reconciled to the cashbook balance without adjusting factors on the reconciliation. In addition, the Audit Committee should periodically verify items appearing on the monthly bank reconciliation, including, but not limited to authentication of outstanding checks and deposits in transit.

## FINDING NUMBER 2007-012

### Material Weakness

#### Monitoring of Financial Activity

Inaccurate posting of transactions impedes the ability of the Council to accurately assess the financial status of the Village. We noted examples such as the following during our audit:

- Special Assessment collections of \$343,717 were posted as Other Financing Sources instead of Special Assessment in 2006
- Homestead and Rollback collection of \$1,089 was not posted to the accounting records by the Village as noted in Finding 2007-011. The monies should have been recorded as Intergovernmental Revenue collections in 2007.
- Estate Tax, Homestead and Rollback, and other intergovernmental revenue were posted as tax revenue in 2006 for \$14,262.

As a result, the financial statements did not correctly reflect the financial activity of the Village. Thirty-nine adjustments were posted to the financial statements and accounting records to correct these and other errors.

We recommend the Clerk-Treasurer post all transactions in accordance with the guidance established by the Ohio Village Handbook issued by the Auditor of State. Further, Council should adopt policies and procedures including a final review of the financial statements by the Clerk-Treasurer and Council to ensure errors and omissions are detected and corrected.

## FINDING NUMBER 2007-013

### Material Weakness

#### Posting Estimated Resources

Estimated resources reported on the accounting system differed from amounts approved by the Council and submitted to the County Budget Commission.

**FINDING NUMBER 2007-013  
(Continued)**

The following variances in estimated resources were noted during the audit period:

FUNDS	Approved Estimated Resources	Posted Estimated Resources	Variance
<b>As of December 31, 2007:</b>			
General Fund		\$ 54,398	\$ 54,398
Street Fund		11,600	11,600
State Highway Fund		1,925	1,925
Permissive Motor Vehicle		1,525	1,525
Water Fund		121,618	121,618
Sewer Fund		96,138	96,138
Storm Sewer Fund		20	20
<b>As of December 31, 2006:</b>			
General Fund		34,698	34,698
Street Fund		10,900	10,900
State Highway Fund		905	905
Permissive Motor Vehicle		750	750
Sanitary Sewer Construction Fund		300,000	300,000
Sewer Special Assessments		70,000	70,000
Water Fund		111,500	111,500
Sewer Fund		87,000	87,000
Storm Sewer Fund		7,275	7,275

Failure to accurately reflect budgetary figures in the accounting records could result in management basing their decisions on inaccurate information and could possibly result in deficit spending. We recommend that the estimated resources posted be based on amounts certified by the County Budget Commission. We also recommend the Village develop procedures to ensure proper posting to the accounting system and financial statements.

The budgetary statements have been adjusted to reflect the lack of County Budget Commission certified estimated resources.

**Officials' Response:**

We did not receive a response from Officials to the findings reported above.

**VILLAGE OF FLORIDA  
HENRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Ohio Rev. Code § 5705.39 for expenditures exceeding appropriations.	No	Repeated in this report as finding 2007-003
2005-002	Ohio Rev. Code § 5705.42 for not appropriating and recording funds spent on behalf of the Village	No	Repeated in this report as finding 2007-002
2005-003	Material Weakness regarding the segregation of duties for the Utility Revenues	Yes	
2005-004	Material Weakness regarding the posting of debt transactions	Yes	
2005-005	Material Weakness regarding the posting of estimated resources	No	Repeated in this report as part of finding 2007-013







**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF FLORIDA**

**HENRY 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  
SEPTEMBER 30, 2008**