Eastern Ohio Regional Wastewater Authority

Audited Financial Statements

December 31, 2010 and 2009

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

Dave Yost • Auditor of State

Board of Trustees
Eastern Ohio Regional Wastewater Authority
6000 North Guernsey Street
Bellaire, Ohio 43906

We have reviewed the *Independent Auditor's Report* of the Eastern Ohio Regional Wastewater Authority, Belmont County, prepared by Rea & Associates, Inc., for the audit period January 1, 2009 through December 31, 2010. 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 Eastern Ohio Regional Wastewater Authority is responsible for compliance with these laws and regulations.

Dave Yost

Dave Yost
Auditor of State

June 14, 2011

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EASTERN OHIO REGIONAL WASTEWATER AUTHORITY
BELMONT COUNTY

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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS
Focused on Your Future.

May 13, 2011

The Board of Trustees
Eastern Ohio Regional Wastewater Authority
6000 North Guernsey St.
Bellaire, Ohio 43906

Independent Auditor's Report

We have audited the accompanying financial statements of the business-type activities of the Eastern Ohio Regional Wastewater Authority (the Authority), Belmont County, Ohio, as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audits 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 basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Eastern Ohio Regional Wastewater Authority as of December 31, 2010 and 2009, and the respective changes in financial position and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2011 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

The Management's Discussion and Analysis on pages 2 through 6 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Rea & Associates, Inc.

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The discussion and analysis of the Eastern Ohio Regional Wastewater Authority's (the "Authority") financial performance provides an overall review of the Authority's financial activities for the fiscal years ended December 31, 2010 and 2009. The intent of this discussion and analysis is to look at the Authority's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Authority's financial performance.

Financial Highlights

Key financial highlights for 2009 and 2010 are as follows:

- Total net assets increased $415,409, which represents a 3.8% increase from 2009. From 2008, net assets increased $226,824, which represnts a 2.1% increase.
- Total assets increased $260,353 from 2009 and $155,504 from 2008.
- Total liabilities decreased by $155,056 from 2009 and $71,320 from 2008.
- Outstanding debt decreased from $3,124,282 in 2008 to $2,980,000 in 2009 and $2,855,000 in 2010.

Using this Annual Report

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of the Statements of Net Assets, the Statements of Revenues, Expenses and Changes in Net Assets, the Statements of Cash Flows and the accompanying notes to the financial statements. These statements report information about the Authority as a whole and about its activities. The Authority utilizes a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to a private-sector business. The statements are presented using the economic resources measurement focus and the accrual basis of accounting.

The Statements of Net Assets presents the Authority's financial position and reports the resources owned by the Authority (assets), obligations owed by the Authority (liabilities) and the Authority net assets (the difference between assets and liabilities). The Statements of Revenues, Expenses and Changes in Net Assets presents a summary of how the Authority's net assets changed during the year. Revenue is reported when earned and expenses are reported when incurred. The Statements of Cash Flows provides information about the Authority's cash receipts and disbursements during the year. It summarizes net changes in cash resulting from operating, investing and financing activities. The notes to the financial statements provide additional information that is essential for a full understanding of the financial statements.

Financial Analysis of the Authority's Financial Position and Results of Operations

Table 1 provides a summary of the Authority's net assets for 2010, 2009 and 2008. The Authority implemented Govermental Accounting Standards Board Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments" in 2003.

(Table 1)
Changes in Net Assets

	2010	2009	Restated 2008
Assets			
Current and Other Assets	$ 4,547,347	$ 4,161,022	$ 3,611,866
Noncurrent Assets	9,856,679	9,982,651	10,376,303
Total Assets	14,404,026	14,143,673	13,988,169
Liabilities			
Long-Term Liabilities	2,720,000	2,855,000	2,980,000
Other Liabilities	389,715	409,771	356,091
Total Liabilities	3,109,715	3,264,771	3,336,091
Net Assets			
Invested in Capital Assets Net of Debt	6,500,123	6,560,808	7,027,099
Restricted	601,096	612,420	615,765
Unrestricted	4,193,092	3,705,674	3,009,214
Total Net Assets	$ 11,294,311	$ 10,878,902	$ 10,652,078

Net assets for 2010 and 2009 increased due to an increase in cash and cash equivalents. The increase in cash occurred to revenue remaining consistent and expenses being controlled. The 2008 amount was restated to reflect the portion of the Authority's receivable that was a noncurrent asset.

Table 2 shows the changes in net assets for fiscal year 2010, 2009 and 2008, as well as revenue and expense comparisons. This will enable the reader to draw further conclusion about the Authority's financial status and possibly project future problems.

(Table 2)
Changes in Net Assets

	2010	2009	2008
Operating Revenues			
Charges for Service	$ 2,726,851	$ 2,732,699	$ 2,719,299
Other Operating Revenue	33,750	32,550	32,401
Non-Operating Revenues			
Interest Income	9,052	13,176	50,341
Gain/(Loss) on Sale of Assets	13,987	(9,925)	(1,639)
Total Revenues	2,783,640	2,768,500	2,800,402
Operating Expenses:			
Cost of Operations	1,464,865	1,617,939	1,541,193
Administrative Expenses	299,133	290,696	284,916
Depreciation Expense	444,534	469,306	506,758
Bad Debt Expense	4,200	4,200	3,800
Non-Operating Expenses:			
Bond and Loan Interest	147,883	151,919	174,967
Amortized Long Term Debt	7,616	7,616	8,720
Total Expenses	2,368,231	2,541,676	2,520,354
Change in Net Assets	415,409	226,824	280,048
Net Assets Beginning of Year	10,878,902	10,652,078	10,372,030
Total Net Assets	$ 11,294,311	$ 10,878,902	$ 10,652,078

As mentioned previously, total long-term debt has been reduced with a corresponding reduction in interest expense. A reduction in the total workforce through attrition has reduced increases to salaries and wages and fringe benefits.

Capital Assets and Debt Administration

Capital Assets

At the end of 2010 and 2009, the Authority had $9,385,921 and $9,552,646 invested in capital assets, net of depreciation, respectively. Table 3 shows fiscal years 2010, 2009 and 2008 balances. Note 6 provides capital asset activity during 2010 and 2009.

(Table 3)
Capital Assets at December 31
(Net of Depreciation)

	2010	2009	2008
Land	$ 122,932	$ 122,932	$ 122,932
Contracts in Progress	146,274	134,930	131,580
Sewer Lines	334,964	393,964	452,805
Pumping & Ejector Stations	398,585	458,036	484,793
Treatment Plant	8,372,258	8,430,210	8,785,257
Furniture and Fixtures	10,908	12,574	19,024
Totals	$ 9,385,921	$ 9,552,646	$ 9,996,391

The Authority replaced its two screw pumps in 2010 at a total cost of $266,465.There were no major capital projects in 2009, depreciation expense accounted for the majority of net decrease in assets.

Debt

The outstanding debt for the Authority as of December 31, 2010 and 2009 was $2,855,000 and $2,980,000 with $135,000 and $125,000 due within one year. Table 4 summarizes outstanding debt

(Table 4)
Outstanding Debt, at December 31

	2010	2009	2008
Bank Loan Payable	$0	$0	$24,282
Revenue Bonds	2,855,000	2,980,000	3,100,000
Total	$ 2,855,000	$ 2,980,000	$ 3,124,282

A brief description of debt issues (year issued, purpose, etc.) and additional information concerning the Authority's debt can be found in Note 7 to the basic financial statements.

Current Financial Issues

The Authority continues to increase efficiencies and automate more of its operations. These improvements continue to aid the Authority in reducing its personnel costs and related fringe benefits. All reductions have been accomplished through attrition. The current sewer rate of $21.00 per month continues to sustain Authority operations and allow for capital improvements as needed. A rate increase to $22.00 per month will be implemented in January 2011.

Contacting the Authority's Finance Department

This financial report is designed to provide our citizens, taxpayers, ratepayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact David I. Thomas, Executive Director, Eastern Ohio Regional Wastewater Authority, 6000 North Guernsey Street, Bellaire, Ohio 43906, by telephone at (740) 676-5911 or e-mail to dthomas@eorwa.org.

Eastern Ohio Regional Wastewater Authority
Belmont County

Statements of Net Assets
December 31, 2010 and 2009

	2010	2009
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 3,382,557	$ 2,992,206
Accounts Receivable (Net of Allowance for Doubtful Accounts)	394,992	379,878
Inventory	1,138	1,808
Prepaid Assets	46,079	45,609
Total Current Assets	3,824,766	3,419,501
Noncurrent Assets:		
Accounts Receivable	470,758	430,005
Capital Assets (Net of Accumulated Depreciation)	9,385,921	9,552,646
Total Noncurrent Assets	9,856,679	9,982,651
Restricted Assets:		
Cash and Cash Equivalents	317,765	329,121
Cash and Cash Equivalents with Fiscal and Escrow Agent	283,331	283,299
Total Restricted Assets	601,096	612,420
Other Assets:		
Loans Receivable	6,009	6,009
Unamortized Long Term Debt, Premium	115,476	123,092
Total Other Assets	121,485	129,101
TOTAL ASSETS	$ 14,404,026	$ 14,143,673
LIABILITIES AND EQUITY:		
Current Liabilities:		
Accrued Wages and Benefits	$ 48,728	$ 57,720
Accounts Payable	56,713	77,128
Revenue Bonds Payable	135,000	125,000
Accrued Interest Payable	11,881	11,881
Other Accrued Liabilities	102,064	94,864
Total Current Liabilites	354,386	366,593
Non-Current Liabilities:		
Revenue Bonds Payable	2,720,000	2,855,000
Severance Payable	35,329	43,178
Total Non-Current Liabilities	2,755,329	2,898,178
TOTAL LIABILITIES	3,109,715	3,264,771
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	6,500,123	6,560,808
Net Assets		
Restricted:		
Restricted for Debt Service	283,331	283,299
Restricted for Capital Improvements	317,765	329,121
Unrestricted	4,193,092	3,705,674
TOTAL NET ASSETS	11,294,311	10,878,902
TOTAL LIABILITIES AND EQUITY	$ 14,404,026	$ 14,143,673

The accompanying notes are an integral part of the basic financial statements.

Eastern Ohio Regional Wastewater Authority
Belmont County

Statements of Revenue, Expenses and Changes in Net Assets
For the Years ended December 31, 2010 and 2009

	2010	2009
Operating Revenues:		
Charges for Services	$ 2,726,851	$ 2,732,699
Other Operating Revenues	33,750	32,550
Total Operating Revenues	2,760,601	2,765,249
Operating Expenses:		
Cost of Operations	1,464,865	1,617,939
Administrative Expenses	299,133	290,696
Depreciation Expenses	444,534	469,306
Bad Debt Expense	4,200	4,200
Total Operating Expenses	2,212,732	2,382,141
Operating Income	547,869	383,108
Non-Operating Revenues:		
Interest Income	9,052	13,176
Gain (Loss) on Sale of Assets	13,987	(9,925)
Total Non-Operating Revenues	23,039	3,251
Non-Operating Expenses:		
Bond and Loan Interest	147,883	151,919
Amortized Long Term Debt, Premium	7,616	7,616
Total Non-Operating Expenses	155,499	159,535
Net Income	415,409	226,824
Net Assets at Beginning of Year	10,878,902	10,652,078
Net Assets at End of Year	$ 11,294,311	$ 10,878,902

The accompanying notes are an integral part of the basic financial statements.

Eastern Ohio Regional Wastewater Authority
Belmont County

Statements of Cash Flows
For the Years Ended December 31, 2010 and 2009

	2010	2009
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities:		
Cash received from customers	$ 2,666,785	$ 2,647,476
Other operating revenues	33,750	32,550
Cash payments for goods and services	(564,833)	(566,539)
Cash payments for employee services and benefits	(1,229,021)	(1,262,959)
Net cash provided by operating activities	906,681	850,528
Cash Flows from Capital and Related Financing Activities:		
Payments for capital acquisitions	(277,809)	(38,197)
Proceeds from sale of equipment	13,987	500
Principal paid on revenue bonds	(125,000)	(120,000)
Interest paid on revenue bonds	(147,883)	(152,862)
Principal paid on bank loans	0	(24,077)
Interest paid on bank loans	0	(120)
Net cash used for capital and related financing activities	(536,705)	(334,756)
Cash Flows from Investing Activities:		
Interest earned on investments	9,052	13,176
Net cash provided by investing activities	9,052	13,176
Net increase in cash and cash equivalents	379,028	528,948
Cash and cash equivalents beginning of year	3,604,626	3,075,678
Cash and cash equivalents at end of year	$ 3,983,654	$ 3,604,626
Reconciliation of Operating Gain to Net Cash Provided by Operating Activities:		
Operating income	$ 547,869	$ 383,108
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	444,534	469,306
Bad debt expense	4,200	4,200
Changes in assets and liabilities:		
(Increase) Decrease in accounts receivable	(60,065)	(85,223)
(Increase) Decrease in inventory	670	1,336
(Increase) Decrease in prepaid expenses	(470)	1,770
Increase (Decrease) in accounts payable	(20,417)	55,944
Increase (Decrease) in accrued liabilities	(9,640)	20,087
Total adjustments	(89,922)	(6,086)
Net Cash Provided by Operating Activities	$ 906,681	$ 850,528

The accompanying notes are an integral part of the basic financial statements.

NOTE 1: DESCRIPTION OF ENTITY

The Belmont County Sewer Authority No. One, which currently operates as the Eastern Ohio Regional Wastewater Authority, Belmont County (the "Authority") was established June 4, 1958 by journal entry in the Court of Common Pleas, Belmont County, Ohio, to provide for the collection and disposal of storm and sanitary sewage. The Authority is governed by an appointed four member Board of Trustees. One Board member is appointed by the City of Martins Ferry, one member each is appointed by the Villages of Bellaire, Bridgeport and Brookside. The Authority provides sewer services to residents of the participating members and its operations are defined by Section 6119.01 of the Ohio Revised Code. The Authority has no component units.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Eastern Ohio Regional Wastewater Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Pursuant to GASB Statement No. 20: *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting,* the Authority follows GASB guidance as applicable to proprietary funds and Financial Accounting Statements Standards Board (FASB) Interpretations, Accounting Principles Board Opinions (APBO), and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. The FASB has codified its standards and the standards issued prior to November 30, 1989 are included in the codification.

A. Basis of Presentation

The Authority's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

The Authority uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority combines the various funds into a single enterprise fund for financial statement reporting purposes.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of management is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. Measurement Focus and Basis of Accounting

All enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. Net assets (i.e., equity) is segregated into invested in capital assets, net of related debt, restricted for purpose, and unrestricted components. The statement of changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow needs of its enterprise activity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The Authority uses the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Unbilled service charges receivable are recognized as revenue at year end. Expenses are recognized at the time they are incurred.

C. Cash and Cash Equivalents

Cash balances of the Authority's enterprise fund, except cash held by a trustee or fiscal agent, are invested in cash and short-term investments in order to provide improved cash management. During the audit period, investments were limited to repurchase agreements, which are reported at cost.

For purposes of the statement of cash flows and for presentation on the Statement of Net Assets, investments with original maturities of three months or less are considered cash equivalents.

D. Restricted Assets

Certain resources are restricted on the Statement of Net Assets for repayment of revenue bonds in accordance with applicable bond covenants and for capital improvements in accordance with an agreement with the State of Ohio.

E. Inventory of Supplies

Inventories are stated at cost and are determined on a first-in, first-out basis. The costs of inventory items are recorded as expenses when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the balance sheet date are recorded as prepaid items using the consumption method. A current asset for prepaid amounts is recorded at the time of payment, and an expense is reported at the time the services are consumed.

G. Property, Plant and Equipment and Depreciation

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not included or capitalized. Property, plant and equipment of the Authority are recorded at their estimated fair values upon the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Authority's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project and the interest earned from temporary investment on debt proceeds. Capitalized interest is amortized on the straight line basis over the estimated useful life of the asset. For 2010 and 2009 there was no capitalized interest.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property, Plant and Equipment and Depreciation (Continued)

Property, plant and equipment reflected are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year. Depreciation has been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Lives
Sewer Lines	50 Years
Buildings	30-45 Years
Building Improvements	10-45 Years
Vehicles	10 Years
Office Equipment	10-15 Years

H. Accounts Receivable

Accounts receivable are reflected at their gross value reduced by the estimated amount that is expected to be uncollectible. Increases to the allowance are recorded by a provision for bad debt expense. The allowance is maintained by management at a level considered adequate to cover possible losses that are currently anticipated based on past experience, general economic conditions, information about specific account situations, and other factors and estimates which are subject to change over time.

Management considers all accounts receivable to be collected in full and may periodically allocate portions of the allowance for specific problem accounts, with the whole allowance available for any debts that occur. An account is charged off by management as a loss when deemed uncollectible, although most delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. The receivables that are certified are not expected to be collected within one year and will make up the noncurrent portion of the accounts receivable.

I. Compensated Absences

Government Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences,* specifies the methods used to accrue liabilities for leave benefits. Vacation and benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through paid time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on the sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The Authority records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The Authority records a liability for accumulated unused sick leave for all employees which meet established eligibility requirements. Upon termination, any unused sick leave will be paid to the employee or his/her estate at the rate of twenty dollars ($20.00) per day up to a maximum of three hundred days.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

The Authority records fund obligations not expected to be financed within one year by available financial resources as long-term debt, which consisted of revenue bonds and a bank loan.

K. Bond Discount and Issuance Costs

The Authority has deferred and elected to amortize bond discount and issuance costs over the life of the bonds using the straight-line method. The election to amortize bond discount and issuance costs using the straight-line method does not materially depart from accounting principles generally accepted in the United States of America (GAAP). Issuance costs are reported as unamortized long-term debt within the financial statements.

L. Net Assets

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

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

M. Revenues and Expenses

Operating revenues and expenses result from providing wastewater conveyance and treatment services. Operating revenues consist of user charges for sewage services based on water consumption and flat rates for residential properties. Operating expenses include the cost of these sewer services, including administrative expenses.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2009, the Authority has implemented GASB Statement No. 52, "*Land Other Real Estate Held as Investments by Endowments,*" GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," and GASB Statement No. 56, "*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*."

NOTE 3: CHANGE IN ACCOUNTING PRINCIPLE (Continued)

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP)for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature.

GASB Statement No. 56 incorporates into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards.

For the year ended December 31, 2010, the Authority has implemented GASB Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets*", GASB Statement No. 53, *"Accounting and Financial Reporting for Derivative Instruments,"* and GASB Statement No. 58, *"Accounting and Financial Reporting for Chapter 9 Bankruptcies."*

GASB Statement No. 51 establishes standards of accounting and financial reporting for intangible assets for all state and local governments. Inconsistencies in the accounting and financial reporting for intangible assets, particularly in the areas of recognition, initial measurement, and amortization, have occurred in practice due to the absence of sufficiently specific authoritative guidance that addresses these questions. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial report of such assets among state and local governments.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The implementation of these GASB Statements did not have an effect on the financial statements of the Authority.

NOTE 4: EQUITY IN POOLED CASH AND CASH EQUIVALENTS

State statutes classify monies held by the Authority 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 Authority treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

NOTE 4: EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)

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

Interim 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 accounts, including passbook accounts.

Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited within the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and 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 securities shall be direct issuances of federal government agencies of 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 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAROhio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and

8. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

NOTE 4: EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)

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 Authority, and must be purchased with 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

According to State law, uninsured public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Authority's name. During 2010 and 2009, the Authority and public depositories complied with the provisions of these statutes.

Undeposited Cash

The Authority had $271 and $300 at December 31, 2010 and 2009, respectively, in undeposited cash on hand. This is included on the statement of net assets of the Authority as part of "Cash and Cash Equivalents."

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Authority.

At fiscal year-end 2010, the carrying amount of the Authority's deposits was $740,069. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2010, $283,332 of the Authority's bank balance of $740.068 was exposed to custodial risk as discussed above, while $456,736 was covered by Federal Deposit Insurance Corporation.

At fiscal year-end 2009, the carrying amount of the Authority's deposits was $482.609. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2009, $283,299 of the Authority's bank balance of $488,924 exposed to custodial risk as discussed above, while $205,625was covered by Federal Deposit Insurance Corporation.

NOTE 4: EQUITY IN POOLED CASH AND CASH EQUIVALENTS (Continued)

As of December 31, 2010, the Authority had the following investment and maturity:

Investment Type	Fair Value	6 Months or Less
Repurchase Agreement	$ 3,255,589	$ 3,255,589

As of December 31, 2009, the Authority had the following investment and maturity:

Investment Type	Fair Value	6 Months or Less
Repurchase Agreement	$ 3,121,717	$ 3,121,717

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the Authority's investment policy limits investments to certificates of deposit and repurchase agreements.

Credit Risk. The Authority's investments in the federal agency securities that underlie the Authority's repurchase agreement were rated Aaa by Moody's Investor Services.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment in repurchase agreements is collateralized by underlying securities pledged by the investment's counterparty, not in the name of the Authority. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The Authority has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk. The Authority places no limit on the amount that may be invested in any one issuer.

NOTE 5: RECEIVABLES

Receivables at year end consisted of accounts (which include billed and unbilled charged services) and interest. Accounts receivable for the audit period, including the applicable allowances for uncollectible accounts (which is applied to the noncurrent portion), are as follows:

	Amounts at 12/31/2010	Amounts at 12/31/2009
Current Portion of Receivable	$ 394,992	$ 379,878
Noncurrent Portion of Receivable	473,858	434,159
Less: Allowance for Doubtful Accounts	(3,100)	(4,154)
Net Receivables	$ 865,750	$ 809,883

NOTE 6: CAPITAL ASSETS

A summary of the Authority's capital assets at December 31, 2010:

	Balance 12/31/2009	Additions	Deletions	Balance 12/31/2010
Non-depreciable:				
Land	$ 122,932	$ 0	$ 0	$ 122,932
Contracts in Progress	134,930	277,809	(266,465)	146,274
	257,862	277,809	(266,465)	269,206
Depreciable:				
Sewer Lines	2,942,031	0	0	2,942,031
Pumping & Ejector Stations	2,442,725	0	0	2,442,725
Treatment Plant	14,752,073	266,465	(45,000)	14,973,538
Office Equipment	48,039	0	0	48,039
	20,184,868	266,465	(45,000)	20,406,333
Total Assets at Historical Cost	20,442,730	544,274	(311,465)	20,675,539
Less: Accumulated Depreciation:				
Sewer Lines	(2,548,067)	(59,000)	0	(2,607,067)
Pumping & Ejector Stations	(1,984,689)	(59,451)	0	(2,044,140)
Treatment Plant	(6,321,863)	(324,417)	45,000	(6,601,280)
Office Equipment	(35,465)	(1,666)	0	(37,131)
Total accumulated depreciation	(10,890,084)	(444,534)	45,000	(11,289,618)
Capital Assets, Net	$ 9,552,646	$ 99,740	$ (266,465)	$ 9,385,921

NOTE 6: CAPITAL ASSETS (Continued)

A summary of the Authority's capital assets at December 31, 2009:

	Balance 12/31/2008	Additions	Deletions	Balance 12/31/2009
Non-depreciable:				
Land	$ 122,932	$ 0	$ 0	$ 122,932
Contracts in Progress	131,580	3,350	0	134,930
	254,512	3,350	0	257,862
Depreciable:				
Sewer Lines	2,942,031	0	0	2,942,031
Pumping & Ejector Stations	2,452,498	0	(9,773)	2,442,725
Treatment Plant	14,835,142	34,848	(117,917)	14,752,073
Office Equipment	66,445	0	(18,406)	48,039
	20,296,116	34,848	(146,096)	20,184,868
Total Assets at Historical Cost	20,550,628	38,198	(146,096)	20,442,730
Less: Accumulated Depreciation:				
Sewer Lines	(2,489,226)	(58,841)	0	(2,548,067)
Pumping & Ejector Stations	(1,967,705)	(24,006)	7,022	(1,984,689)
Treatment Plant	(6,049,726)	(382,939)	110,802	(6,321,863)
Office Equipment	(49,792)	(3,520)	17,847	(35,465)
Total accumulated depreciation	(10,556,449)	(469,306)	135,671	(10,890,084)
Capital Assets, Net	$ 9,994,179	$ (431,108)	$ (10,425)	$ 9,552,646

NOTE 7: LONG-TERM OBLIGATIONS

Debt outstanding at December 31, 2010 consisted of the following:

	Principal	Interest Rate
Water Resource Revenue bonds	$ 2,850,000	3.25%-5.05%
Total	$ 2,850,000	

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

On February 15, 2001, the Authority issued $3,975,000 in Water Resource Revenue Bonds for the purpose of providing funds necessary to retire at maturity the Authority's $3,500,000 Water Resource Revenue Bond Anticipation Notes, which were issued to finance improvements to the Authority's sanitary sewer utility, particularly renovation of the sewage treatment plant. The bonds were issued for a 24-year period with final maturity at December 1, 2025, and are subject to mandatory sinking fund redemption. This is to occur on December 1, 2012, and on each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

December 1	Principal Amount to be Redeemed
2012	$ 140,000
2013	145,000
2014	155,000
2015	160,000
2016	170,000
2017	175,000
2018	185,000
2019	195,000

Unless otherwise called for redemption, the remaining $205,000 principal amount of such Bonds will be payable at stated maturity (December 31, 2020).

The Series 2001 Bonds maturing December 1, 2025 will be subject to mandatory sinking fund redemptions in part on each December 1, commencing December 1, 2020 at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amounts and in the years as follows:

December 1	Principal Amount to be Redeemed
2021	$ 215,000
2022	225,000
2023	240,000
2024	250,000

Unless otherwise called for redemption, the remaining $260,000 principal amount of such Bonds will be payable at stated maturity (December 31, 2025).

On March 6, 2003, the Authority secured a $916,428 bank loan which will be used to retire the 2002 bank loan for working capital and closing costs. The loan was issued for a 14-year period with final maturity on March 15, 2017; however, the Authority elected to pay this off early and the last payment was made in 2009.

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

	Water Resource Revenue Bonds Principal	Water Resource Revenue Bonds Interest
2011	$ 135,000	$ 142,570
2012	140,000	136,765
2013	145,000	129,695
2014	155,000	122,373
2015	160,000	114,545
2016-2020	930,000	442,940
2021-2025	1,190,000	184,250
Total	$ 2,855,000	$ 1,273,138

The water resource revenue bonds, will be paid from revenues derived from user charges. In addition, the water revenue bonds have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be maintained in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties in good condition.

Long-term debt activity for the year ended December 31, 2010:

	BALANCE December 31, 2009	Additions	Reductions	BALANCE December 31, 2010	Amount Due in 2011
Water Resource Revenue Bonds, Series 2001	$ 2,980,000	$ 0	$ 125,000	$ 2,855,000	$ 135,000
Total Debt	$ 2,980,000	$ 0	$ 125,000	$ 2,855,000	$ 135,000

Long-term debt activity for the year ended December 31, 2009:

	BALANCE December 31, 2008	Additions	Reductions	BALANCE December 31, 2009	Amount Due in 2010
Water Resource Revenue Bonds, Series 2001	$ 3,100,000	$ 0	$ 120,000	$2,980,000	$ 125,000
Citizens Bank Loans	24,482	0	24,482	0	0
Total Debt	$ 3,124,482	$ 0	$ 144,482	$2,980,000	$ 125,000

NOTE 8: RISK MANAGEMENT

The Authority is exposed to various risks related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2010 and 2009, the Authority contracted with Westfield Insurance Company for property and general liability insurance, including boiler and machinery coverage.

Vehicles are covered by Westfield Insurance Company and hold $100 and $1,000 deductible. Automobile liability coverage has a $1,000,000 limit for collision and a $1,000,000 limit for bodily harm.

The Authority pays the State Workers' Compensation System a premium based on a rate of $100 of salaries. This rate is calculated based on accident history and administrative costs.

Life insurance, accidental death and dismemberment insurance are provided to employees. In addition, the Authority contracts with the Health Plan for hospitalization and prescription insurance for all employees. The Authority pays 100% of the total monthly premiums. Premiums for 2010 and 2009 are as follows:

	2010	2009
Family Coverage	$ 1,124.70	$ 1,150.65
Single Coverage	383.55	374.90

Dental care coverage is provided by Delta Dental and eye care coverage is provided by Vision Service Plan. Plans are paid from the same funds that pay the employees' salaries.

Settled claims have not exceeded any aforementioned commercial coverage in any one of the past three years nor has there been any reduction in coverage.

NOTE 9: DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement Systems (OPERS). OPERS administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple—employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings; and the Combined Plan—a cost sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, and survivor benefits as well as postretirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

NOTE 9: DEFINED BENEFIT PENSION PLANS (Continued)

The Ohio Revised Code provides statutory authority for member and employee contributions. For 2010 and 2009, member and employer rates were consistent across all three plans. For the years ended December 31, 2010 and 2009, the members of all three plans were required to submit 10.00% of their annual covered salaries. For 2010 and 2009, the employer pension contribution rate for the Authority was 14% of covered payroll.

The Authority's required contribution to PERS for the years ended December 31, 2010, 2009 and 2008 were $76,185, $73,596 and $62,578, respectively. The full amount has been contributed for 2009 and 2008. 92% has been contributed for 2010, with the remainder being reported as a liability.

NOTE 10: POSTEMPLOYMENT BENEFITS

The Ohio Public Employees Retirement System (OPERS) provides postretirement healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plan must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222- 5601 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State statute requires that public employers fund postemployment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2010 and 2009, local government employers contributed 14.0 percent of covered payroll . Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5% from January 1 through February 28, 2010 and 5.0% from March 1 through December 31, 2010. The amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll from January 1 through March 31, 2009 and 5.5 percent of covered payroll from April 1 through December 31, 2009.

The retirement board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were $43,433, $53,215 and $62,578, respectively; 92 percent has been contributed for 2010 and 100 percent for 2009 and 2008.

Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS
Focused on Your Future.

May 13, 2011

The Board of Trustees
Eastern Ohio Regional Wastewater Authority
6000 North Guernsey St.
Bellaire, Ohio 43906

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Eastern Ohio Regional Wastewater Authority (the "Authority") as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated May 13, 2011. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Authority in a separate letter dated May 13, 2011.

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

Rea & Associates, Inc.

Dave Yost • Auditor of State

EASTERN OHIO REGIONAL WASTEWATER AUTHORITY

BELMONT 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
JUNE 28, 2011

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