

AUDITED FINANCIAL STATEMENTS

The University of Akron Foundation

Years ended June 30, 2002 and 2001





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Board of Directors  
University of Akron Foundation  
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We have reviewed the Independent Auditor's Report of the University of Akron Foundation, Summit County, prepared by Ernst & Young LLP, for the audit period July 1, 2001 through June 30, 2002. 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 University of Akron Foundation is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

December 6, 2002

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The University of Akron Foundation

Audited Financial Statements

Years ended June 30, 2002 and 2001

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## Report of Independent Auditors

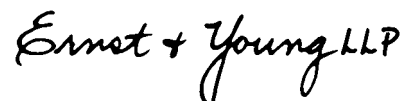
Board of Directors  
The University of Akron Foundation

We have audited the accompanying statements of financial position of The University of Akron Foundation, as of June 30, 2002 and 2001, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of The University of Akron Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The University of Akron Foundation as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2002 on our consideration of the University of Akron Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.



August 17, 2002

The University of Akron Foundation

Statements of Financial Position

	<b>June 30</b>	
	<b>2002</b>	<b>2001</b>
<b>Assets</b>		
Cash	\$ 24,938	\$ 14,301
Accounts and notes receivable	134,891	409,172
Investments	109,408,744	127,793,265
Pledges receivable, net	3,403,475	2,690,073
Beneficial interest in charitable lead trusts	892,571	1,186,945
Beneficial interest in real estate	1,700,000	1,700,000
Property (net of \$157,217 and \$150,800 of accumulated depreciation)	338,264	344,681
Total assets	<u>\$ 115,902,883</u>	<u>\$ 134,138,437</u>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable	\$ 394	\$ 8,162
Contributions payable to the University	39,344	443,253
Deferred revenue	100,000	-
Refundable advances	95,816	124,159
Annuity payment liability	10,324,910	9,391,586
Other liabilities	31,204	117,230
Total liabilities	<u>10,591,668</u>	<u>10,084,390</u>
Net assets:		
Unrestricted	6,193,394	8,608,200
Temporarily restricted	38,308,717	54,964,324
Permanently restricted	60,809,104	60,481,523
Total net assets	<u>105,311,215</u>	<u>124,054,047</u>
Total liabilities and net assets	<u>\$ 115,902,883</u>	<u>\$ 134,138,437</u>

*See notes to the financial statements.*



# The University of Akron Foundation

## Statement of Activities

Year ended June 30, 2002 with Comparative  
Totals for Year ended June 30, 2001

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2002	Total 2001
<b>Revenues, gains, (losses) and other income</b>					
Contributions	\$ 143,452	\$ 3,911,018	\$ 4,454,497	\$ 8,508,967	\$ 11,888,820
Net depreciation in the fair value of investments	(942,956)	(13,346,532)	(1,166,106)	(15,455,594)	(34,957,135)
Change in the fair value of split interest agreements	(1,515)	(76,095)	(2,846,793)	(2,924,403)	(8,143,269)
Change in the value of beneficial interest in perpetual trusts		(184,728)	35,128	(149,600)	-
Dividends and interest	1,662,830	716,435	1,957	2,381,222	2,481,618
Rental income		8,425		8,425	8,875
Other	325	74,937		75,262	115,059
Net assets released from restrictions	7,910,169	(7,583,700)	(326,469)	-	-
Total revenues, gains, (losses) and other income	8,772,305	(16,480,240)	152,214	(7,555,721)	(28,606,032)
<b>Expenses</b>					
Distributions to or for The University of Akron:					
Direct distributions to the University	9,766,704			9,766,704	8,982,054
Distributions on behalf of the University	495,656			495,656	356,797
Administration of the Foundation:					
Services performed by the University personnel	569,491			569,491	569,127
Professional fees	110,241			110,241	118,325
Travel and entertainment	45,374			45,374	51,619
Donor recognition	11,660			11,660	11,832
Depreciation	6,417			6,417	6,417
Office expense	12,898			12,898	7,656
Insurance and taxes	7,233			7,233	4,872
Awards	1,500			1,500	2,000
Miscellaneous	15,187			15,187	4,033
Litigation settlement	144,750			144,750	-
Total expenses	11,187,111			11,187,111	10,114,732
Change in donor designation		(175,367)	175,367	-	-
Change in net assets	(2,414,806)	(16,655,607)	327,581	(18,742,832)	(38,720,764)
Net assets, beginning of year	8,608,200	54,964,324	60,481,523	124,054,047	162,774,811
Net assets, end of year	\$ 6,193,394	\$ 38,308,717	\$ 60,809,104	\$ 105,311,215	\$ 124,054,047

See notes to the financial statements.

# The University of Akron Foundation

## Statement of Activities

Year ended June 30, 2001

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
<b>Revenues, gains, (losses) and other income</b>				
Contributions	\$ 2,014,200	\$ 3,281,897	\$ 6,592,723	\$ 11,888,820
Net depreciation in the fair value of investments	(1,570,493)	(31,289,888)	(2,096,754)	(34,957,135)
Change in the fair value of split interest agreements	(3,254)	(454,028)	(7,685,987)	(8,143,269)
Dividends and interest	2,098,472	381,416	1,730	2,481,618
Rental income		8,875		8,875
Other	311	78,510	36,238	115,059
Net assets released from restrictions	7,532,918	(7,427,256)	(105,662)	-
<b>Total revenues, gains, (losses) and other income</b>	<b>10,072,154</b>	<b>(35,420,474)</b>	<b>(3,257,712)</b>	<b>(28,606,032)</b>
<b>Expenses</b>				
Distributions to or for The University of Akron:				
Direct distributions to the University	8,982,054			8,982,054
Distributions on behalf of the University	356,797			356,797
Administration of the Foundation:				
Services performed by the University				
personnel	569,127			569,127
Professional fees	118,325			118,325
Travel and entertainment	51,619			51,619
Donor recognition	11,832			11,832
Depreciation	6,417			6,417
Office expense	7,656			7,656
Insurance and taxes	4,872			4,872
Awards	2,000			2,000
Miscellaneous	4,033			4,033
<b>Total expenses</b>	<b>10,114,732</b>			<b>10,114,732</b>
Change in donor designation		(111,019)	111,019	-
Change in net assets	(42,578)	(35,531,493)	(3,146,693)	(38,720,764)
Net assets, beginning of year	8,650,778	90,495,817	63,628,216	162,774,811
<b>Net assets, end of year</b>	<b>\$ 8,608,200</b>	<b>\$ 54,964,324</b>	<b>\$ 60,481,523</b>	<b>\$ 124,054,047</b>

*See notes to the financial statements.*

# The University of Akron Foundation

## Statements of Cash Flows

	<b>Years ended June 30</b>	
	<b>2002</b>	<b>2001</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (18,742,832)	\$ (38,720,764)
Adjustment to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net depreciation in the fair value of investments	15,455,594	34,957,135
Change in value of split interest agreements	2,924,403	8,143,269
Depreciation	6,417	6,417
Effect of changes in assets and liabilities:		
Accounts and notes receivable	274,281	(329,181)
Pledges receivable, net	(713,402)	580,752
Beneficial interest in charitable lead trusts	294,374	(1,186,945)
Beneficial interest in real estate	-	(1,700,000)
Accounts payable and other liabilities	(397,703)	203,893
Net cash (used in) provided by operating activities	<u>(898,868)</u>	<u>1,954,576</u>
<b>Cash flow from investing activities</b>		
Change in investments	(23,819)	(2,773,408)
<b>Cash flows from financing activities</b>		
Change in annuity payment liability	<u>933,324</u>	<u>810,564</u>
Net change in cash	10,637	(8,268)
Cash, beginning of year	14,301	22,569
Cash, end of year	<u>\$ 24,938</u>	<u>\$ 14,301</u>

*See notes to the financial statements.*

# The University of Akron Foundation

## Notes to Financial Statements

Years ended June 30, 2002 and 2001

### 1. Summary of Organization

The University of Akron Foundation (the Foundation) is a non-for-profit organization. The Foundation's mission is to provide financial assistance to The University of Akron (the University) by encouraging and administering gifts and bequests.

The Foundation receives contributions from the following support groups of the University:

#### *John R. Buchtel Society (the Society)*

The Society includes seven gift clubs, ranging from the Loyalty Club for annual donors of up to \$99 to the 1870 Benefactors Club for lifetime contributions of \$1 million or more.

#### *Partners in Excellence (the Group)*

The Group constitutes an array of companies, foundations, and business organizations providing financial, technical, and material assistance to the University, including:

- Unrestricted support to the University
- Support for the Crusade for Scholars Program
- Support for the Center for Economic Education
- Support for the Intercollegiate Athletic Program
- Support for Restricted Purposes

### 2. Summary of Significant Accounting Policies

#### **Basis of Accounting**

The accompanying financial statements of the Foundation are prepared on the accrual basis of accounting.

#### **Income Taxes**

The Foundation is an Ohio nonprofit organization, tax-exempt under Section 501(c)(3) of the Internal Revenue Code and exempt from federal, state and local income tax on related income.

The University of Akron Foundation  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value. The fair value of investments are based on quoted market prices. Donated investments including donated property, are recorded as contributions at fair value on the date received. Realized gains (losses) on investments is the difference between the proceeds received and the average cost of investments sold. Net appreciation in the fair value of investments (including realized gains (losses), unrealized gains (losses), and dividends and interest) is included in revenues, gains and other income of unrestricted net assets unless the net appreciation or investment income is restricted by the donor.

**Property**

Property is recorded at cost at date of acquisition or estimated fair value at date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Building and building improvements are generally depreciated over 20 to 40 years.

The University of Akron Foundation  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Pledges Receivable**

The Foundation records pledges and unconditional promises to give as receivables and revenue in the year the pledge is made. Those that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as revenue until the conditions are substantially met.

**Deferred Revenue**

The Chair Emeritus of the Board of Directors has advanced the Foundation \$100,000 through June 30, 2002 in connection with the construction of an amphitheater for the University. The two-year loan bears interest at 2.8% and will be forgiven as other donations are received for the construction of the amphitheater or the remaining portion at the end of the two-year period.

**Fair Value of Financial Instruments**

The carrying values of cash and cash equivalents, accounts receivable and accounts payable and other liabilities are reasonable estimates of fair value due to the short-term nature of these financial instruments. Investments, pledges receivable and annuity payment liability are substantially reported at fair value.

**Credit Risk Concentrations**

Financial instruments which potentially expose the Foundation to concentrations of credit risk include cash and cash equivalents, investments in marketable securities and pledges receivable. As a matter of policy, the Foundation only maintains cash balances with financial institutions having a high credit quality. Concentration of credit risk for investments in marketable securities is mitigated by both the distribution of investment funds among asset managers and the overall diversification of managed investment portfolios. Concentration of credit risk for pledges receivable are generally limited due to the dispersion of these balances over a wide base of donors.

The University of Akron Foundation  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Unrestricted Net Assets**

Unrestricted net assets result from public support and revenue not subject to donor imposed restrictions.

**Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are used to differentiate resources, the use of which has been restricted by the donors to a specific time period or purpose, from resources on which no external restrictions have been placed or which arise as a result of the operations of the Foundation.

Permanently restricted net assets (endowment funds) have been restricted by donors to be held in perpetuity.

**Expenses**

The Foundation's expenses are classified into two categories: (1) distributions to or for The University of Akron and (2) administration of the Foundation. The expenses relating to the administration of the Foundation include both fund raising and management and general activities.

# The University of Akron Foundation

## Notes to Financial Statements (continued)

### 3. Investments

The fair value of investments at June 30, 2002 and 2001, consisted of the following:

	2002	2001
Pooled investment funds managed for the Foundation:		
Oak Associates	\$ 14,038,229	\$ 29,413,082
Trusco	8,412,648	-
Bank One Trust	-	1,864,506
The Common Fund	541,109	3,269,303
Advantage Select	2,477,500	-
Westwood Management Corporation	12,360,591	11,697,528
Dreman Value Management	10,353,955	10,043,396
Sterling Capital	2,664,754	6,384,323
Systematic Financial	5,534,717	12,132,676
Wasatch Advisors	5,481,815	-
Lazard Freres	8,359,485	8,571,748
PIMCO	14,658,612	15,568,895
Metropolitan West	13,726,957	15,768,216
	98,610,372	114,713,673
Mutual funds	1,814,644	2,048,522
U.S. Treasury obligations	147,687	142,390
Bonds	3,880,475	3,619,093
Commercial paper	1,775,000	2,800,000
Common stocks	982,878	2,049,010
Preferred stocks	29,520	29,520
Money market funds	257,429	2,132,347
Insurance policies, cash surrender value	210,732	222,523
Net investment in direct financing leases	7	36,187
Real estate held for sale	1,700,000	-
Total	\$ 109,408,744	\$ 127,793,265

The pooled investment funds are invested in diverse portfolios. Limitations have been placed on the trust fund managers to stay within specified parameters in managing the portfolios. Approximately 69% and 67% of the pooled investment funds were invested in common and preferred stocks in a variety of industries and 31% and 33% were invested in fixed income securities at June 30, 2002 and 2001, respectively.



The University of Akron Foundation

Notes to Financial Statements (continued)

**3. Investments (continued)**

The Foundation appropriates a limited portion of the appreciation on investments held by the pooled endowments for distribution to the University and other funds within the Foundation. Actual distributions from endowments are based on a spending policy set by the Foundation's Board of Directors. Under this spending policy, appropriated income is calculated at 5% of the average market value of endowment investments for the prior three years.

**4. Pledges Receivable**

Unconditional promises to give recorded as pledges receivable at June 30, 2002 and 2001 were as follows:

	<u>2002</u>	<u>2001</u>
Due in less than one year	\$ 1,473,938	\$ 1,184,718
Due in one to five years	<u>2,521,028</u>	<u>1,947,841</u>
	<b>3,994,966</b>	3,132,559
Less amount estimated to be uncollectible	<b>(378,164)</b>	(298,897)
Less unamortized discount	<b>(213,327)</b>	(143,589)
Total pledges receivable, net	<u><b>\$ 3,403,475</b></u>	<u>\$ 2,690,073</u>

As of June 30, 2002, the Foundation has approximately \$16,158,000 in numerous outstanding pledges which are considered to be intentions to give and are contingent upon future events. These pledges are not accrued as contributions receivable or recognized as revenue because they do not represent unconditional promises to give. It is not practicable to estimate the ultimate realizable value of these commitments or the period over which they might be collected.

**5. Contributions Payable to The University**

The Foundation may receive gifts on behalf of the University. The Foundation records a contribution payable to the University for such gifts. In 2002 and 2001, the Foundation recorded approximately \$1,051,000 and \$1,080,000, respectively, of contribution revenue for amounts received on behalf of the University.

# The University of Akron Foundation

## Notes to Financial Statements (continued)

### **6. Split-Interest Agreements**

The Foundation has entered into charitable gift annuity agreements which include provisions requiring the Foundation to pay periodic fixed payments to beneficiaries during their lifetimes. Charitable gift annuities differ from other charitable giving options in that the annuity is a general obligation of the Foundation. Accordingly, if the assets of the gift are exhausted as a result of required payments to beneficiaries, then the unrestricted assets of the Foundation will be utilized to fund future payments.

The Foundation has also entered into unitrust, annuity trust and pooled income agreements which include provisions for the Foundation to pay beneficiaries periodic payments until either the assets of the trust have been exhausted or until death of the beneficiaries. Upon death of the beneficiaries, any remaining property in the trust or pooled income fund will be transferred to the Foundation in accordance with agreements.

The Foundation accounts for such agreements by recording the fair market value of assets donated as of the date of the gift and by recording the actual present value of the annuities payable using applicable IRS tables (discount rate used at June 30, 2002 and 2001 was 6.0%) based on the term of the agreement, as a liability. The balance of the gift is recorded as either unrestricted, temporarily restricted, or permanently restricted contributions, as appropriate.

The Foundation's payments to beneficiaries under the split-interest agreements reduce the annuity liability. Adjustments to the annuity liability are made to report amortization of the discount and record changes in the life expectancy of the beneficiary. These adjustments, as well as the return on the underlying investment assets (fair value of \$19,973,404 at June 30, 2002 and \$25,140,436 at June 30, 2001), are recognized in the statement of activities as changes in the value of split-interest agreements.

# The University of Akron Foundation

## Notes to Financial Statements (continued)

### **7. Beneficial Interest in Lead Trusts**

The Foundation has irrevocable rights to receive a portion of the specified cash flows from certain charitable lead trusts. The recorded beneficial interest in the lead trusts is based on the present value of the future cash flows to the Foundation using a discount rate of 5%. Due to the time restriction of the Foundation's access to the assets held in these trusts, the Foundation's interests in the lead trusts are recorded as temporarily and permanently restricted net assets as applicable. Adjustments to the carrying value of the trusts and income distributions received are recognized as increases or decreases in temporarily and permanently restricted net assets.

### **8. Beneficial Interest in Real Estate**

The Foundation has the irrevocable right to receive ownership of certain real estate. The donor has retained the right to the use of the real estate for the donor's lifetime. The fair value of the real estate (based upon an independent appraisal) is reported as a beneficial interest in real estate and as temporarily restricted net assets. Also, based on the agreement, the Foundation is required to pay periodic fixed payments to the donor during his lifetime. The Foundation recorded the present value of this annuity payable using applicable IRS tables (discount rates used at June 30, 2002 and 2001 was 6.0% and 6.0%, respectively), based on the term of the agreement, as a liability.

### **9. University Services**

The University allocates certain overhead expenses to the Foundation totaling \$550,000 in fiscal 2002 and 2001. These amounts are recorded as services are performed by University personnel in the statement of activities.

### **10. Revocable Trust**

In February 1987, the Foundation was named beneficiary of a revocable trust which has investments totaling \$95,816 at June 30, 2002 and \$124,159 at June 30, 2001 (on a fair value basis). The fair value of the trust's assets have been included in the statements of position as investments and refundable advances. All income of the trust is paid to the Foundation and recognized when received.

The University of Akron Foundation

Notes to Financial Statements (continued)

**11. Net Assets**

Unrestricted net assets at June 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Current operations	\$ 350,056	\$ 910,143
Board designated	5,838,488	7,691,692
Annuity funds	4,850	6,365
Total	<u>\$ 6,193,394</u>	<u>\$ 8,608,200</u>

Temporarily restricted net assets, principally related to scholarships, specific schools within the University, department chairs, and various other purposes related to support of the University at June 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Accumulated appreciation on endowment investments in accordance with the spending policy ( <i>Note 3</i> )	\$ 26,955,889	\$ 43,814,274
Specific purpose funds	8,179,349	8,525,250
Split-interest agreements	613,479	1,413,982
Pledges receivable	2,560,000	1,210,818
Total	<u>\$ 38,308,717</u>	<u>\$ 54,964,324</u>

Permanently restricted net assets, principally related to scholarships, specific schools within the University, department chairs, and various other purposes related to support of the University at June 30, 2002 and 2001 are as follows:

	<u>2002</u>	<u>2001</u>
Endowment funds	\$ 51,235,464	\$ 44,673,765
Split-interest agreements	8,730,166	14,328,503
Pledges receivable	843,474	1,479,255
Total	<u>\$ 60,809,104</u>	<u>\$ 60,481,523</u>

During fiscal 2002, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes of scholarships and development of the University in the amount of \$7,910,169 (\$7,532,918 during fiscal 2001).

## Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Financial Statements in Accordance with Government Auditing Standards

Board of Directors  
The University of Akron Foundation

We have audited the financial statements of The University of Akron Foundation as of and for the year ended June 30, 2002, and have issued our report thereon dated August 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

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

*Ernst + Young LLP*

August 17, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**UNIVERSITY OF AKRON FOUNDATION**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 19, 2002**