

VILLAGE OF ANSONIA

DARKE COUNTY

REGULAR AUDIT

JANUARY 1, 2006 THROUGH DECEMBER 31, 2007

YEARS AUDITED UNDER GAGAS: 2007 AND 2006

CAUDILL & ASSOCIATES CPA's

725 5th Street
Portsmouth, Ohio 45662



Mary Taylor, CPA

Auditor of State

Village Council
Village of Ansonia
202 North Main St.
Ansonia, OH 45303

We have reviewed the *Independent Auditor's Report* of the Village of Ansonia, Darke County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2006 through December 31, 2007. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 3, 2008

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VILLAGE OF ANSONIA
DARKE COUNTY

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Caudill & Associates, CPA's

725 5th Street
Portsmouth, OH 45662

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

Independent Auditor's Report

Members of Council
Village of Ansonia
202 North Main Street
Ansonia, Ohio 45303

We have audited the accompanying financial statements of the Village of Ansonia (The Village), Darke County, Ohio, 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 obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements and also presenting its larger (i.e. major) funds separately for 2007 and 2006. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, 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 of its proprietary funds 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 of the Village 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 aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2007 and 2006. 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 May 30, 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. 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 considered in assessing the results of our audit.

Caudill & Associates, CPA's

Caudill & Associates, CPA's

May 30, 2008

VILLAGE OF ANSONIA
DARKE COUNTY

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

	<u>Governmental Funds Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	
<u>Cash Receipts</u>					
Property and Other Taxes	\$ 230,546	\$ -	\$ -	\$ -	\$ 230,546
Intergovernmental Receipts	87,264	65,410	1,689,108	-	1,841,782
Special Assessments	12,628	-	-	-	12,628
Charges for Services	9,761	42,004	-	-	51,765
Fines Licences & Permit	215	248	-	-	463
Earnings on Investments	6,619	72	60	-	6,751
Miscellaneous	22,140	2,450	-	-	24,590
Total Cash Receipts	369,173	110,184	1,689,168	-	2,168,525
<u>Cash Disbursements:</u>					
Security of Persons and Property	146,235	28,710	-	-	174,945
Public Health Services	9,907	-	-	-	9,907
Leisure Time Activities	5,224	-	-	-	5,224
Community Environment	229	-	-	-	229
Transportation	56,559	58,263	-	-	114,822
General Government	171,150	-	-	-	171,150
Capital Outlay	30,962	16,506	1,604,315	-	1,651,783
Debt Service:					
Principal Payments	70,000	8,100	-	21,300	99,400
Interest & Fiscal Charges	2,169	2,357	-	17,503	22,029
Total Cash Disbursements	492,435	113,936	1,604,315	38,803	2,249,489
Total Receipts Over (Under) Disbursements	(123,262)	(3,752)	84,853	(38,803)	(80,964)
<u>Other Financing Sources / (Uses)</u>					
Proceeds from the Sale of Notes	150,000	-	-	-	150,000
Transfers In	-	10,000	-	38,803	48,803
Transfers Out	(38,803)	(10,000)	-	-	(48,803)
Other Financing Uses	(1,270)	-	-	-	(1,270)
Total Other Financing Sources / (Disbursements)	109,927	-	-	38,803	148,730
Excess of Cash Receipts and Other Financing Sources Over / (Under) Cash Disbursements and Other Financing Uses	(13,335)	(3,752)	84,853	-	67,766
Fund Cash Balance, January 1	52,889	117,803	-	-	170,692
Fund Cash Balance December 31	\$ 39,554	\$ 114,051	\$ 84,853	\$ -	\$ 238,458

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

	PROPRIETARY FUND TYPE
	Enterprise
<i>Operating Cash Receipts</i>	
Charges for Services	\$ 335,223
Total Operating Cash Receipts	335,223
<i>Operating Cash Disbursements</i>	
Personal Services	75,104
Fringe Benefits	386
Contractual Services	100,404
Supplies and Materials	39,157
Capital Outlay	477,391
Total Operating Cash Disbursements	692,442
Operating Income / (Loss)	(357,219)
Non-Operating Cash Receipts	
Intergovernmental	5,000
Proceeds from Sale of Note	379,729
Transfers - In	56,894
Total Non-Operating Cash Receipts	441,623
Non-Operating Cash Disbursements:	
Debt Service - Principal	(57,895)
Debt Services - Interest	(9,587)
Transfers - Out	(56,894)
Total Non-Operating Cash Disbursements	(124,376)
Excess of Cash Receipts and Non-operating Receipts Over/ (Under) Operating Cash Disbursements and Non-operating Cash Disbursements	(39,972)
Fund Cash Balances, January 1	122,270
Fund Cash Balances, December 31	\$ 82,298

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

	<u>Governmental Funds Types</u>				Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	
<u>Cash Receipts:</u>					
Property and Other Taxes	\$ 238,090	\$ 68	\$ -	\$ -	\$ 238,158
Intergovernmental Receipts	81,787	130,129	55,971	-	267,887
Special Assessments	17,579	-	-	-	17,579
Charges for Services	10,318	41,992	-	-	52,310
Fines Licences & Permit	180	250	-	-	430
Earnings on Investments	6,463	67	-	-	6,530
Miscellaneous	15,383	376	-	-	15,759
Total Cash Receipts	369,800	172,882	55,971	-	598,653
<u>Cash Disbursements:</u>					
Security of Persons and Property	139,328	26,086	-	-	165,414
Public Health Services	13,545	-	-	-	13,545
Leisure Time Activities	6,335	-	-	-	6,335
Community Environment	234	-	-	-	234
Transportation	49,721	51,447	-	-	101,168
General Government	151,757	-	-	-	151,757
Capital Outlay	23,585	82,466	55,971	-	162,022
Debt Service:					
Principal Payments	-	7,700	-	19,600	27,300
Interest & Fiscal Charges	-	2,953	-	16,204	19,157
Total Cash Disbursements	384,505	170,652	55,971	35,804	646,932
Total Receipts Over/ (Under) Disbursements	(14,705)	2,230	-	(35,804)	(48,279)
<u>Other Financing Receipts / (Disbursements):</u>					
Proceeds from the Sale of Notes	70,000	-	-	-	70,000
Transfers In	-	2,237	-	35,804	38,041
Transfers Out	(41,107)	-	-	-	(41,107)
Other Financing Uses	(3,609)	-	-	-	(3,609)
Total Other Financing Receipts / (Disbursements)	25,284	2,237	-	35,804	63,325
Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	10,579	4,467	-	-	15,046
Fund Cash Balance, January 1	42,310	113,336	-	-	155,646
Fund Cash Balance, December 31	\$ 52,889	\$ 117,803	\$ -	\$ -	\$ 170,692

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

	PROPRIETARY FUND TYPE
	Enterprise
<i>Operating Cash Receipts</i>	
Charges for Services	\$ 340,333
Miscellaneous	177
	340,510
<i>Operating Cash Disbursements</i>	
Personal Services	63,493
Fringe Benefits	373
Contractual Services	141,291
Supplies and Materials	27,266
Capital Outlay	17,600
	250,023
Operating Income / (Loss)	90,487
Non-Operating Cash Receipts	
Proceeds from the Sale of Notes	66,833
Transfers In	59,011
	125,844
Non-Operating Cash Disbursements:	
Debt Service - Principal	(94,295)
Debt Services - Interest	(12,174)
Transfers Out	(55,945)
	(162,414)
Excess of Cash Receipts and Non-operating Receipts Over/ (Under) Operating Cash Disbursements and Non-operating Cash Disbursements	53,917
Fund Cash Balances, January 1	68,353
Fund Cash Balances, December 31	\$ 122,270

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Ansonia, Darke County, (the Village), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six member Council. The Village provides general governmental services, including water and sewer utilities, refuse services, park operations (leisure time activities), police and fire services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurers' investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains and losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

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

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 state money for constructing, maintaining, and repairing Village streets in conjunction with the state highways in the Village

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. Special Revenue Funds (Continued)

Fire Fund - This fund receives the proceeds of contractual services for providing fire protection to Brown, Richland and York Townships.

3. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Village had the following capital project fund:

Issue II Fund - This fund accounts for construction projects for the Village' Main Street. The Fund recognizes the Village's Issue II funds as revenues and expenses the same amount as capital outlay. The fund also accounts for grants monies received and the Village's local share.

4. Debt Service Funds:

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

Bond Retirement Fund – This fund is used to accumulate resources for the payment of bond and note indebtedness.

5. Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Water Improvement Fund – This fund receives a portion of water receipts, which is used for water system improvement.

Household Waste Fund - This fund receives charges for services from residents for refuse collection.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

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 Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

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 cancelled and reappropriated. The village did not encumber any of the commitments outstanding at year end.

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

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon retirement. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

	2007	2006
Demand deposits	\$198,708	\$176,416
Certificates of deposit	10,000	10,000
	208,708	186,416
STAR Ohio	112,048	106,546
Total deposits and investments	\$320,756	\$292,962

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Village.

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

**VILLAGE OF ANSONIA
DARKE 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	\$518,563	\$519,173	\$610
Special Revenue	116,627	\$120,184	\$3,557
Capital Projects	1,689,168	1,689,168	0
Debt Service	\$38,805	38,803	(2)
Enterprise	815,661	776,846	(38,815)
Total	\$3,178,824	\$3,144,174	(\$34,650)

2007 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$553,387	\$532,508	\$20,879
Special Revenue	218,282	123,936	94,346
Capital Projects	1,689,168	1,604,315	84,853
Debt Service	38,803	38,803	0
Enterprise	922,737	816,818	105,919
Total	\$3,422,377	\$3,116,380	\$305,997

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$439,178	\$439,800	\$622
Special Revenue	167,771	175,119	7,348
Capital Projects	55,971	55,971	0
Debt Service	35,993	35,804	(189)
Enterprise	467,000	466,354	(646)
Total	\$1,165,913	\$1,173,048	\$7,135

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$480,334	\$429,221	\$51,113
Special Revenue	261,715	170,652	91,063
Capital Projects	55,971	55,971	0
Debt Service	35,993	35,804	189
Enterprise	514,757	412,437	102,320
Total	\$1,348,770	\$1,104,085	\$244,685

**VILLAGE OF ANSONIA
DARKE 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 rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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 Public Works Commission	\$373,500	0%
Ohio Water Development Authority #3476	69,476	4.65%
Various Purpose Bond, series 2003	17,400	1.75-4.05%
Osgood Bank, Land Acquisition	72,600	5%
Greenville National Bank, Fire	36,800	5.25%
Second National Bank, Land Acquisition	55,200	5.38%
Peoples Bank	93,000	5%
Ohio Water Development Authority #4202	129,809	4.6%
Ohio Water Development Authority #4701	352,640	0%
Ohio Water Development Authority #4805	84,416	0%
Osgood Bank, series 2007	<u>150,000</u>	4.75%
Total	<u>\$1,434,841</u>	

The Ohio Public Works Commission (OPWC) loan relates to a water treatment plant construction project. The OPWC has approved an interest free loan of \$747,000 to the Village for this project. The loan will be repaid in semi-annual installments of \$18,675 over 20 years. Final payment is due January 1, 2018. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) has authorized a loan (#3476) for the water plant lagoon improvement project in the amount of \$102,159. The loans principal and interest will be repaid in semi-annual payments over a 15 year period with an interest rate of 4.65%, commencing July 2002. Final payment is due January 1, 2017. The loan is collateralized by water and sewer receipts.

The Village issued various purpose bonds, series 2003 for the purpose of paying costs of constructing a water treatment plant and acquiring and installing explosive gas monitoring probes in the amount of \$85,000. Debt payments are to be made from water and sewer revenues. Interest on the bond is payable on June 1 and December 1 of each year, commencing on June 1, 2003 along with a fixed principal payment. Interest rate is 1.75% first year and graduates up to 4.05% by year 2012. Final payment is due December 1, 2012.

The Village issued Taxable Land Acquisition Bond, series 2001 in the principal amount of \$100,000 for the purpose of acquiring real property. Interest on the bond is payable on February and August 1 each year, commencing June 2002 long with a fixed principal payment. Interest rate is 7.75% for the first year and 0.75% plus prime for subsequent years. Final payment is due August 1, 2016.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

5. DEBT (Continued)

Fire Truck Improvement Bond was issued for the amount of \$80,000 for the purpose of refurbishing and equipping a pumper truck for the Village Fire Department. Interest is payable on June and December 1, commencing June 2002 along with a fixed principal payment. Interest rate is 5.25%. Final payment is due December 1, 2011.

The Village issued Taxable Land Acquisition Bond, series 2003 in the principal amount of \$70,000 for the purpose of acquiring real property. The interest on the bond is payable on November 1 each year, commencing November 2004 along with a fixed principal payment. Interest rate is 4.0% for the first year and 2.5% plus one year fixed rate advance as reported by the Federal Home Loan Bank of Cincinnati, Ohio. Current rate is 5.38%. Final payment is due November 1, 2018.

Peoples National Bank, Street improvement note series 2005, in the principal amount of \$110,000 for the purpose of improving West Canal Street, in anticipation of the levy and collection of special assessments. Interest rate is 5.0%, maturing December 1, 2015.

The Ohio Water Development Authority (OWDA) loan #4202 relates to a water project. The OWDA has approved a loan in the amount of \$144,000 at 4.6% interest. The loan will be repaid in semi-annual installments of \$5,545 over 20 years, commencing July 1, 2005 with final payment due on January 1, 2025. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #4701 relates to the sewer separation project. The OWDA has approved a loan in the amount of \$380,254 at 0% interest of which \$362,146 has been disbursed to the Village. The loan will be repaid in semi-annual installments of \$9,506 over 20 years, commencing January 1, 2008 with final payment due on July 1, 2027. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #4805 relates to the sewer separation project. The OWDA has approved a loan in the amount of \$697,641 at 0% interest of which \$84,415 has been disbursed to the Village. The loan will be repaid in semi-annual installments over 20 years, commencing January 1, 2010 with final payment due on July 1, 2029. The loan is collateralized by water and sewer receipts.

The Village issued a street improvement note, series 2007 for the purpose of paying the costs of reconstructing Main Street in the amount of \$150,000. Debt payments are to be paid from property tax receipts. The note will be repaid in semi-annual installments over 20 years, commencing on December 1, 2008 with final payment due on December 1, 2027. Interest rate is 4.75%.

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

<u>Year Ending</u> <u>December 31:</u>	<u>OPWC</u> <u>Loan</u>	<u>OWDA</u> <u>Loans</u>	<u>Fire Truck</u> <u>Bond</u>	<u>Other Notes</u> <u>and Bonds</u>
2008	\$37,350	\$38,733	\$10,432	\$177,156
2009	37,350	38,733	10,486	20,172
2010	37,350	42,954	10,413	20,456
2011	37,350	42,954	10,420	21,012
2012	37,350	42,954	0	21,012
2013-2017	186,750	214,764	0	75,138
2018-2022	18,675	197,857	0	6,340
2023-2027	0	111,641	0	0
2028-2032	0	8,441	0	0
Total	<u>\$392,175</u>	<u>\$739,031</u>	<u>\$41,757</u>	<u>\$341,286</u>

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

6. CAPITAL LEASE

The Village entered into a lease agreement for a 2007 Ford truck. Lease payments are due annually in the amount of \$7,712 including interest at 6.8%. The final lease payment is due August 2008. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Payment</u>
2008	\$7,712
Less amount representing interest	<u>(491)</u>
Present Value of Lease Payments	<u>\$7,221</u>

Under the basis of accounting utilized by the Village, the capital assets are not reflected on the financial statements and payments are allocated and recorded in Enterprise and Special Revenue funds.

7. RETIREMENT SYSTEMS

Ohio Public Employees Retirement System (OPERS), and Ohio Police and Fire (OP&F)

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007, OP&F participants contributed 10% of their wages. For 2007, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2007, OPERS members contributed 9.5% of their gross salaries and the Village contributed an amount equaling 13.85% of participants' gross salaries. The Village has paid all contributions required through December 31, 2007.

8. RISK MANAGEMENT

The Village belongs to the Public Entities Pool of Ohio, (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty insurance for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). The Village pays an annual contribution to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

PEP retains casualty risk up to \$250,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$5,000,000 in the aggregate year. Governments can elect additional coverage from \$2,000,000 with General Reinsurance Corporation, through contracts with PEP. If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000.

Beginning in 2005, Travelers Indemnity Company reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable value. If the stop loss is reached by payment of losses between \$100,000 and \$250,000, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2006 (latest information available) was \$1,682,589.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

8. RISK MANAGEMENT (Continued)

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective Village. Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

Members may withdraw on each anniversary of the date they joined PEP. They must provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contribution, minus the subsequent year's premium. Also upon withdrawal, payments for all property and casualty claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the withdrawal.

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2006 (latest information available):

<u>Casualty Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$30,997,868	\$29,719,675
Liabilities	<u>(15,875,741)</u>	<u>(15,994,168)</u>
Retained Earnings	<u>\$15,122,127</u>	<u>\$13,725,507</u>
<u>Property Coverage</u>	<u>2006</u>	<u>2005</u>
Assets	\$5,125,326	\$4,443,332
Liabilities	<u>(863,163)</u>	<u>(1,068,246)</u>
Retained Earnings	<u>\$4,262,163</u>	<u>\$3,375,086</u>

9. CONTRACTUAL COMMITMENTS / GRANTS

The Village entered into several large contracts in 2006 and 2007. The contracts entered into in 2006 include Warren Fire Equipment for \$25,457 and Choice One Engineering for \$234,165 of which \$16,379 is outstanding as of 12/31/07. The contracts entered into in 2007 include Tumbusch Construction for \$2,073,102 of which \$622,058 is outstanding as of 12/31/07, Demmy Construction for \$1,050,692 which is entirely outstanding as of 12/31/07, and Solar Bee for \$45,079.

The Village was awarded several large grants in 2006 and 2007 for the above mentioned construction projects. In 2006, the Village was awarded \$893,164 from the Ohio Dept. of Transportation and \$950,000 in Issue II monies for Main Street Reconstruction. In 2007, the Village was awarded \$500,000 from the Ohio Dept. of Development for the Combined Sewer Separation Project.

10. COMPLIANCE

Contrary to Ohio Rev. Code Section 117.38, the Village failed to file the 2006 financial report by the required date.

Contrary to the Ohio Revised Code Section 5705.36, appropriations were greater than resources available for the Debt Service Fund and Water Improvement Fund in 2006 and the Water Operating Fund and Sewer Improvement Fund in 2007.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

10. COMPLIANCE (Continued)

Contrary to the Ohio Revised Code Section 731.14, the Village did not provide documentation to the auditors that the following contract was properly bid: (1) Contract in 2007 for equipment to be used on the wastewater treatment plant in the amount of \$45,079.

Contrary to Ohio Rev. Code Section 5705.41(D), 100% of the expenditures tested were not properly certified in 2006 and 2007.

11. TRANSFERS

Following is a summary of all transfers in an out for all funds for 2007 and 2006

Fund	<u>Transfers In</u>	<u>Transfers Out</u>
<u>2007</u>		
<u>Governmental Funds:</u>		
General Fund		\$38,303
Debt Service Fund	\$38,303	
Fire Fund		10,000
Fire Truck Fund	10,000	
Total Governmental Funds	<u>48,303</u>	<u>48,303</u>
 <u>Proprietary Funds:</u>		
Water Fund		56,964
Water Improvement Fund	56,964	
Total Proprietary Fund	<u>56,964</u>	<u>56,964</u>
 Total Governmental & Proprietary Funds	 <u>\$105,267</u>	 <u>\$105,267</u>
 <u>2006:</u>		
<u>Governmental Funds:</u>		
General Fund		\$41,107
Debt Service Fund	\$35,804	
Fire Fund	280	
Fire Truck Fund	1,957	
Total Governmental Funds	<u>38,041</u>	<u>41,107</u>
 <u>Proprietary Funds:</u>		
Water Fund	2,418	55,945
Water Improvement Fund	56,467	
Sewer Fund	126	
Total Proprietary Funds	<u>59,011</u>	<u>55,945</u>
 Total Governmental and Proprietary Funds	 <u>\$97,052</u>	 <u>\$97,052</u>

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

Caudill & Associates, CPA's

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Portsmouth, OH 45662

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Ohio Society of Certified Public Accountants
Kentucky Society of Certified Public Accountants

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*

Village Council
Village of Ansonia
202 North Main Street
Ansonia, Ohio 45303

We have audited the accompanying financial statements of the Village of Ansonia (the Village), Darke County, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Village's financial statements, and have issued our report thereon dated May 30, 2008, wherein we noted the Village uses accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the internal control over financial reporting. Accordingly, we do not express an opinion 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 to be significant deficiencies.

A control deficiency 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 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 a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2007-003, 2007-004, 2007-005, 2007-006, 2007-007, 2007-008, and 2007-009.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Village of Ansonia
Darke County

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*

Our consideration of 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 internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We consider the following deficiencies described in the accompanying schedule of findings and responses to be material weaknesses in internal control over financial reporting as items 2007-004, 2007-007, 2007-008, 2007-009.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 four instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings and Responses as items No. 2007-001, 2007-002, 2007-003, and 2007-004.

We noted certain noncompliance or other matters that we reported to the Village's management in a separate letter dated May 30, 2008.

The Village's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit the Village's responses and, accordingly, we express no opinion on them.

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

Caudill & Associates, CPA's

Caudill & Associates, CPA's
May 30, 2008

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Noncompliance Citation – Ohio Rev. Code Section 117.38

Ohio Rev. Code, Section 117.38, requires that each public office file a financial report with the Auditor of State for each fiscal year. The Auditor of State may prescribe forms for such reports and if such form is not prescribed the public office shall submit its report in the form utilized by the public office. The report shall be certified by the proper officer or board and filed with the Auditor of State, the chief fiscal officer shall publish notice in a newspaper of general circulation in the subdivision that the annual financial report has been completed and is available for inspection at the office of the chief fiscal officer.

The Village failed to file the 2006 annual financial report by the required date.

The Village should file its annual report by the required date to avoid penalties, and subsequently publish notice that the report is available for inspection.

Village’s Response:

Village officials will file the annual report by the required date.

FINDING NUMBER 2007-002

Noncompliance Citation – Ohio Rev. Code Section 5705.36

Ohio Rev. Code Section 5705.36 states that upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

Notification of reduced receipts, resulting in resources below the level of current appropriations, was not made to the commission as required. Appropriations were greater than resources available for the Debt Service Fund and Water Improvement Fund in 2006 and the Water Operating Fund and Sewer Improvement Fund in 2007.

We recommend the Village monitor budgetary financial reports throughout the year to prevent budgetary expenditures from exceeding available resources.

Village Response:

The Financial Director will secure an amended certificate of estimated resources when it is determined that estimated receipts will be less than actual receipts.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-003

Noncompliance Citation/Significant Deficiency – Ohio Rev. Code Section 731.14

Ohio Revised Code Sections 731.14 states that generally, all contracts made by the legislative authority of a municipal government for equipment, services, materials or supplies that exceeds \$25,000, such contracts shall be in writing and made with the lowest and best bidder after advertising for not less than two nor more than four consecutive weeks in a newspaper of general circulation.

The Village did not provide documentation to the auditors that the following contract was properly bid: (1) Contract in 2007 for equipment to be used on the wastewater treatment plant in the amount of \$45,079.

We recommend that the Village follow proper bidding procedures when entering into all contracts and to organize and file all documentation on the contract bidding procedures. If exceptions apply, we recommend that the Village document why the contract was not competitively bid.

Village’s Response:

The Village will follow the auditor’s recommendation and follow proper bidding procedures when entering into all contracts meeting the requirements as set forth by the Ohio Rev. Code.

FINDING NUMBER 2007-004

Noncompliance Citation/Significant Deficiency/Material Weakness – Ohio Rev. Code 5705.41(D)

Ohio Rev. Code Section 5705.41 (D)(1) states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer attached that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

The following exceptions to this basic requirement are provided by Ohio Rev. Code Section 5705.41 (D)(1):

Then and Now Certificate: If the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, 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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has 30 days from the receipt of the “then and now” certificate to approve payment by resolution or ordinance. If approval is not made within 30 days, there is no legal liability on the part of the subdivision or taxing district.

Amounts of less than \$100 for counties, or less than \$3,000 for other political subdivisions, may be paid by the fiscal officer without such affirmation of the taxing authority upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

100% of the expenditures tested were not properly certified in 2006 and 2007.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-004 (Continued)

We recommend the Village implement policies to ensure that all purchases first have monies certified by the Fiscal Officer before purchasing or ordering an item. We also recommend the use of a “then and now” certificate in instances of emergency or absence of proper authority.

Village Response:

Village officials will monitor the proper certifying of expenditures more closely.

FINDING NUMBER 2007-005

Significant Deficiency – Computer System Controls

Several computer system control inefficiencies were noted including the following: (1) The Village does not have a formal disaster recovery plan. (2) Management consistently backs up financial data on a daily basis. However, all back ups are stored on site. (3) Computer system passwords are shared and are not changed regularly.

In the case of a disaster, we recommend the Village have policies and procedures in place to recover data and minimize the effects of the disaster. Data stored on site may be destroyed; therefore, backups should be maintained offsite. Passwords should be changed regularly in order to prevent a security breach.

Village Response:

Village officials will develop policies in order to improve computer system controls.

FINDING NUMBER 2007-006

Significant Deficiency – Bank Reconciliations

In 2007 and 2006, the Financial Director completed all monthly bank reconciliations; however, Council did not sign off on the reconciliations. Therefore, there was no evidence of their review and approval of all bank reconciliations performed by the Financial Director.

Failure by Council to review and approve all bank reconciliations compromises the internal control environment of the Village.

Council should develop and adopt appropriate procedures to ensure that bank reconciliations are consistently reviewed and approved.

Village’s Response:

Council will review, approve, and sign off on all bank reconciliations.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-007

Significant Deficiency/Material Weakness – Creation of Capital Projects Fund

The Auditor of State Bulletin 2002-004 establishes the accounting requirements for Issue II monies. The Bulletin specifically requires the Village to establish a capital project fund to account for both the Issue II funds and the local match funds. The purpose of such fund is to account for the related revenues and expenditures to the extent the local government has received benefit from the project.

In fiscal year 2006 and fiscal year 2007, the Village received \$5,571 and \$804,016, respectively of Issue II monies for the Main Street Construction. These monies were accounted in the General Fund, instead of a Capital Projects Fund. Audit adjustments were made to reclassify these monies from the General Fund to the Capital Project Fund. In addition, the Village had retainage totaling \$84,793 from the project that was not accounted for in any funds. Audit adjustments were made to include the \$84,793 in the Capital Project Fund balances.

Without the establishment of a capital project fund to account for the Issue II monies and related project monies, the Village would not be able to segregate the project's expenditures, which is a requirement of the Issue II grant.

The Village should establish a capital project fund to account for all construction projects related to the Issue II monies. The Village should also account for all monies held, included retainage due to contractors in the same fund.

Village Response:

Future capital projects involving Issue II funds will be accounted for in a capital projects fund.

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-008

Significant Deficiency/Material Weakness – Misclassification of Lease Payments

The AICPA establishes auditing standards generally accepted in the United States that certified public accountants and government auditors must follow in conducting audits of state and local governments. SAS No. 112 establishes standards, responsibilities and guidance for auditors during a financial statements audit engagement for identifying and evaluating a client's internal control over financial reporting. This new standard requires the audit to report *in writing* to management and the governing body any control deficiencies found during the audit that are considered significant deficiencies and/or material weaknesses.

During 2007 and 2006, the Village erroneously posted lease payments as long-term debt. This required reclassifications to properly present the activity of the Village for both years.

We recommend the Village implement control procedures related to financial reporting that enable management to identify, prevent, detect, and correct potential misstatements in the financial statements and footnotes.

Village Response:

Village officials will no longer post lease payments as long-term debt.

FINDING NUMBER 2007-009

Significant Deficiency/Material Weakness – Insufficient and/or inexistent bonding amount

Both the Administrator and Financial Director handle cash on a day to day basis. The Village Administrator is bonded for only \$1,000 and the Financial Director is bonded for only \$5,000.

Village officials should be bonded in an amount that would be representative of the total cash handled on a day to day basis.

The Village should obtain an amended bond for both the Administrator and Financial Director that would be more representative of the sum of cash handled on a day to day basis.

Village Response:

Village officials will discuss what an appropriate bond amount would be with the Village's insurance carrier.



Mary Taylor, CPA
Auditor of State

VILLAGE OF ANSONIA

DARKE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 17, 2008**