

Village of Harveysburg  
Warren County, Ohio  
Regular Audit  
For the Years Ended December 31, 2009 and 2008



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# Mary Taylor, CPA

Auditor of State

Village Council  
Village of Harveysburg  
79 W. Main Street  
Harveysburg, Ohio 45032

We have reviewed the *Independent Auditor's Report* of the Village of Harveysburg, Warren County, prepared by Millhuff-Stang, CPA, Inc, for the audit period January 1, 2008 through December 31, 2009. 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 Harveysburg 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

September 9, 2010

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**Warren County, Ohio**  
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**Independent Auditor's Report**

Village Council  
Village of Harveysburg  
79 East Main Street  
Harveysburg, Ohio 45032

We have audited the accompanying financial statements of the Village of Harveysburg, Warren County, Ohio (the Village) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2009 and 2008 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, 2009 and 2008, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Harveysburg, Warren County, Ohio as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010 on our consideration of the Village's internal control over financial reporting and on 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 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.



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

June 24, 2010

**Village of Harveysburg  
Warren County, Ohio**

*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances  
All Governmental Fund Types  
For the Year Ended December 31, 2009*

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$40,642	\$47,885	\$88,527
Intergovernmental	13,315	36,381	49,696
Charges for Services	57,895	0	57,895
Fines, Licenses and Permits	86,751	8,590	95,341
Earnings on Investments	713	116	829
Miscellaneous	40,865	6,034	46,899
<b>Total Cash Receipts</b>	<b>240,181</b>	<b>99,006</b>	<b>339,187</b>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	8,713	79,989	88,702
Public Health Services	247	0	247
Community Environment	1,070	0	1,070
Basic Utility Services	45,351	0	45,351
Transportation	0	46,619	46,619
General Government	86,739	149	86,888
<b>Total Cash Disbursements</b>	<b>142,120</b>	<b>126,757</b>	<b>268,877</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>98,061</b>	<b>(27,751)</b>	<b>70,310</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	0	88,778	88,778
Transfers Out	(85,022)	(3,756)	(88,778)
Other Financing Uses - Police Department	(222)	0	(222)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(85,244)</b>	<b>85,022</b>	<b>(222)</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>12,817</b>	<b>57,271</b>	<b>70,088</b>
<b>Fund Cash Balances, January 1</b>	<b>74,840</b>	<b>145,199</b>	<b>220,039</b>
<b>Fund Cash Balances, December 31</b>	<b>\$87,657</b>	<b>\$202,470</b>	<b>\$290,127</b>

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



**Village of Harveysburg**  
**Warren County, Ohio**  
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*All Fiduciary Funds*  
*For the Year Ended December 31, 2009*

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	Fiduciary Fund Types
	Agency Funds
Non-Operating Cash Receipts:	
Earnings on Investment	\$21
Other Non-Operating Receipts	117,463
Total Non-Operating Cash Receipts	117,484
Non-Operating Cash Disbursements:	
Other Non-Operating Disbursements	104,797
Total Non-Operating Cash Disbursements	104,797
Net Receipts Over/(Under) Disbursements	12,687
Fund Cash Balances, January 1	9,682
Fund Cash Balances, December 31	\$22,369

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

**Village of Harveysburg  
Warren County, Ohio**

*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances  
All Governmental Fund Types  
For the Year Ended December 31, 2008*

	General Fund	Special Revenue Funds	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Property and Other Local Taxes	\$35,792	\$25,809	\$61,601
Intergovernmental	13,830	47,513	61,343
Charges for Services	61,037	0	61,037
Fines, Licenses and Permits	46,218	0	46,218
Earnings on Investments	1,367	0	1,367
Miscellaneous	34,325	0	34,325
<b>Total Cash Receipts</b>	<b>192,569</b>	<b>73,322</b>	<b>265,891</b>
<b>Cash Disbursements:</b>			
<b>Current:</b>			
Security of Persons and Property	38,610	3,933	42,543
Public Health Services	277	0	277
Community Environment	62	0	62
Basic Utility Services	39,211	0	39,211
Transportation	0	32,323	32,323
General Government	85,702	0	85,702
<b>Total Cash Disbursements</b>	<b>163,862</b>	<b>36,256</b>	<b>200,118</b>
<b>Total Receipts Over (Under) Disbursements</b>	<b>28,707</b>	<b>37,066</b>	<b>65,773</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	0	3,500	3,500
Advances In	0	600	600
Other Financing Sources - Police Department	4,976	0	4,976
Transfers Out	(3,500)	0	(3,500)
Advances Out	(600)	0	(600)
Other Financing Uses - Police Department	(4,467)	0	(4,467)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(3,591)</b>	<b>4,100</b>	<b>509</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>25,116</b>	<b>41,166</b>	<b>66,282</b>
<b>Fund Cash Balances, January 1</b>	<b>49,724</b>	<b>104,033</b>	<b>153,757</b>
<b>Fund Cash Balances, December 31</b>	<b>\$74,840</b>	<b>\$145,199</b>	<b>\$220,039</b>

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

**Village of Harveysburg**  
**Warren County, Ohio**  
*Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances*  
*All Fiduciary Funds*  
*For the Year Ended December 31, 2008*

	Fiduciary Fund Types
	Agency Funds
Non-Operating Cash Receipts:	
Earnings on Investments	\$32
Other Non-Operating Receipts	49,850
Total Non-Operating Cash Receipts	49,882
Non-Operating Cash Disbursements:	
Other Non-Operating Cash Disbursements	50,704
Total Non-Operating Cash Disbursements	50,704
Net Receipts Over/(Under) Disbursements	(822)
Fund Cash Balances, January 1, Restated - See Note 10	10,504
Fund Cash Balances, December 31	\$9,682

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

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 1 – Summary of Significant Accounting Policies**

**Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Harveysburg, Warren County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Mayor is elected to a four-year term, and votes only to break a tie. The Village provides general government services, maintenance of Village roads and police services.

The Village participates in the Public Entities Pool of Ohio, a risk-sharing pool available to Ohio local governments. Note 8 to the financial statements provide additional information for this entity. This organization is a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services.

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

**Basis of Accounting**

These financial statements follow the accounting basis the Auditor of State of Ohio prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

**Cash and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village had no investments during 2009 or 2008.

**Fund Accounting**

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

*General Fund*

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

*Special Revenue Funds*

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

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

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

Street Levy Fund – This fund receives levy monies used for maintenance and construction of various street projects.

Police Levy Fund – This fund receives levy monies used for police protection services.

*Fiduciary Funds*

Fiduciary funds include trust funds and agency funds. The Village has no trust funds.

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

Mayor's Court Fund (Agency Fund) – This fund accounts for monies that are received and disbursed with regard to the Mayor's Court operations.

**Budgetary Process**

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

*Appropriations*

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

*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.

*Encumbrances*

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

A summary of the 2009 and 2008 budgetary activity appears in Note 3.

**Property, Plant, and Equipment**

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

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**Note 2 – Equity in Pooled Cash and Investments**

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

	2009	2008
Demand Deposits	\$312,496	\$229,721

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

**Note 3 – Budgetary Activity**

Budgetary activity, except for agency funds, for the years ending December 31, 2009 and 2008 follows:

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$209,970	\$240,181	\$30,211
Special Revenue	107,000	187,784	80,784
Total	\$316,970	\$427,965	\$110,995

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$206,527	\$227,364	(\$20,837)
Special Revenue	104,230	130,513	(26,283)
Total	\$310,757	\$357,877	(\$47,120)

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$187,270	\$197,545	\$10,275
Special Revenue	83,400	76,822	(6,578)
Total	\$270,670	\$274,367	\$3,697

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$188,599	\$171,829	\$16,770
Special Revenue	28,612	36,256	(7,644)
Total	\$217,211	\$208,085	\$9,126

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 4 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts.

Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

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

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

**Note 5 – Retirement Systems**

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

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries, with the Village contributing an amount equal to 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2009.

**Note 6 – Risk Management**

The Village is exposed to various risks of property and casualty losses, and injuries to employees. The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

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 coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

**Casualty Insurance**

For occurrences prior to January 1, 2006, PEP retains casualty risks 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, and provides up to \$1,750,000 per claim and \$10,000,000 in aggregate per year.

For occurrences on or after January 1, 2006, PEP retains casualty risks up to \$350,000 per claim, including loss adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$350,000, and provides up to \$2,650,000 per claim and \$10,000,000 in the aggregate per year.

If losses exhaust PEP's retained earnings, APEEP covers PEP losses up to \$5,000,000 per year, subject to an aggregate of \$10,000,000. Governments can elect additional coverage, from \$3,000,000 to \$13,000,000, from the General Reinsurance Corporation.

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 6 – Risk Management (Continued)**

Property Insurance

Travelers reinsures specific losses exceeding \$250,000, and provides up to \$600,000,000 per occurrence. APEEP reinsures members for a specific loss 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 PEP members' total insurable values. 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 \$600,000,000 per occurrence limit.

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 PEP member.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years. Coverage has not been significantly reduced from the prior year.

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007 (the latest information available).

<u>Property and Casualty Coverage</u>	<u>2008</u>	<u>2007</u>
Assets	\$35,769,535	\$37,560,071
Liabilities	<u>(15,310,206)</u>	<u>(17,340,825)</u>
Retained Earnings	<u>\$20,459,329</u>	<u>\$20,219,246</u>

At December 31, 2008 and 2007, respectively, casualty coverage liabilities noted above include approximately \$12.9 million and \$15.0 million of estimated incurred claims payable. The casualty coverage assets and retained earnings above also include approximately \$12.9 million and \$15.0 million of unpaid claims to be billed to approximately 445 member governments in the future, as of December 31, 2008 and 2007, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Village's share of these unpaid claims collectible in future years is approximately \$16,184. This payable includes the subsequent year's contribution due if the Village terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2007	\$8,470
2008	8,075
2009	8,092



**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
For the Years Ended December 31, 2009 and 2008

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**Note 6 – Risk Management (Continued)**

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they 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 contributions, minus the subsequent year’s budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 7 – Interfund Activity**

During the years ended December 31, 2009 and 2008, the Village had the following interfund activity:

	Transfer In	Transfer Out
2009		
General Fund	\$0	\$85,022
Street Construction, Maintenance, and Repair Fund	12,844	0
Street Levy	0	1,900
Policy Levy	75,934	0
Other Special Revenue – FEMA	0	1,856
Total	\$88,778	\$88,778
2008		
	Transfer In	Transfer Out
General Fund	\$0	\$3,500
Street Construction, Maintenance, and Repair Fund	3,500	0
Total	\$3,500	\$3,500
	Advance In	Advance Out
General Fund	\$0	\$600
Street Construction, Maintenance, and Repair Fund	600	0
Total	\$600	\$600

Transfers were made from the General Fund to various Special Revenue Funds to subsidize operations. Transfers were made from the Street Levy Fund to the Street Construction, Maintenance, and Repair Fund to provide funds for a street project. Transfers were made from the Other Special Revenue – FEMA Fund to the Street Construction, Maintenance, and Repair Fund to reimburse the fund for repairs made to Village streets which were allowable under the terms of the grant. Advances were made from the General Fund to the Street Construction, Maintenance, and Repair Fund in anticipation of receipt of intergovernmental monies.

**Village of Harveysburg**  
**Warren County, Ohio**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2009 and 2008*

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**Note 8 – Shared Risk Pool**

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to Ohio Revised Code Section 2744.081 by the execution of an intergovernmental contract (“Participation Agreement”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administrated through contracts with various professionals. Pursuant to a contract, the firm American Risk Pooling Consultants, Inc. administers PEP. PEP is a separate legal entity. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management, and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven-member Board of Directors elected by the members of PEP. The Village makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Additional information may be obtained by contacting Mr. Michael Sutton, Pool Coordinator, American Risk Pooling Consulting, Inc., or visiting PEP’s website at [www.pepohio.org](http://www.pepohio.org).

**Note 9 – Compliance**

- The Village did not maintain records related to a Police Department account, a savings account, various purchases, and various payroll transactions contrary to Ohio Revised Code Section 733.28.
- The Village did not maintain all required records as required by Ohio Revised Code Section 149.351(A).
- The Village did not always certify the availability of funds contrary to Ohio Revised Code Section 5705.41(D).
- The Village had expenditures in excess of appropriations contrary to Ohio Revised Code Section 5705.41(B).
- The Village did not properly document various Council reviews and approvals and did not properly document entering into and exiting from executive sessions in accordance with Ohio Revised Code Section 121.22(C).

**Note 10 – Restatement of Fund Cash Balance**

The Village had not previously recorded a savings account balance held on behalf of others, which resulted in the following restatement in the Agency Fund cash balance as previously reported:

	Agency Funds
Fund Cash Balances, December 31, 2007	<u>\$3,938</u>
Restatements	<u>6,566</u>
Restated Fund Cash Balances, January 1, 2008	<u>\$10,504</u>

**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 Harveysburg  
79 East Main Street  
Harveysburg, Ohio 45032

We have audited the financial statements of the Village of Harveysburg, Warren County, Ohio (the Village) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 24, 2010, wherein we noted the Village followed the accounting basis the Auditor of State prescribes or permits, which is a comprehensive basis of accounting other 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 Village's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. These items are identified as items 2009-1, 2009-2, 2009-4, 2009-6, 2009-7, and 2009-10.

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### **Internal Control Over Financial Reporting (Continued)**

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency. This item is identified as item 2009-5.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2009-1, 2009-2, 2009-3, 2009-8, 2009-9, and 2009-10.

We noted certain matters that we reported to the management of the Village in a separate letter dated June 24, 2010.

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



Natalie Millhuff-Stang, CPA  
President/Owner  
Millhuff-Stang, CPA, Inc.

June 24, 2010

**Village of Harveysburg**  
**Warren County, Ohio**  
*Schedule of Findings and Responses*  
*For the Years Ended December 31, 2009 and 2008*

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**Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS**

**FINDING NUMBER 2009-1**

**Noncompliance/Material Weakness – Off-the-Books Bank Accounts**

Ohio Revised Code Section 733.28 provides that the Village Clerk/Treasurer shall keep the books of the Village; exhibit accurate statements of all monies received and expended, and maintain records of all property owned by the Village and income derived therefrom.

The Village Police Department had a separate bank account and the Police Department, rather than the Village Clerk/Treasurer, recorded transactions and maintained records for this account until May of 2009. Such activity should be included within the General Fund in order to comply with Ohio Revised Code Section 733.28. The Police Chief was not able to provide supporting documentation for receipts or disbursements for the period January 1, 2008 through May 31, 2009. However, the Fiscal Officer was able to request and obtain from the bank and provide for audit the bank statements and images of canceled checks for this account.

The amounts were recorded on the financial statements as “Other Financing Uses – Police Department” which accounts for 2.5% of 2008 General Fund revenue and other financing sources and “Other Financing Uses – Police Account” which accounts for 2.6% of 2008 General Fund expenditures and other financing uses.

Without the oversight of Village officials, the Police Department collected donations and other monies and deposited these funds into the bank account noted above. For the period January 1, 2008 through May 31, 2009, it also expended funds utilizing the above account without the use of purchase orders or approvals. By maintaining this account outside the Village’s accounting system, the account was not subject to the Village’s budgetary controls or to the oversight of Village Council.

The Village also had custody of a savings account which was not recorded on the Village’s books in 2008 and 2009. The Village did not have appropriate supporting documentation of the source of the savings account. The account was in existence prior to 2008. It is believed that the account is funds held on deposit from a developer in the Village. Audit adjustments were required to be made to accurately reflect the Village’s savings account in the accompanying financial statements. The amounts were recorded in an Agency Fund since amounts are believed to be held on the behalf of others.

Failure to record all financial activity for the above mentioned accounts could result in misappropriation of funds and/or inaccurate reporting of Village activity. All financial activity of the Village should be accurately presented in the Village’s financial statements and reviewed by Council for reasonableness. The Village should request the above mentioned information from the Police Department. All Police Department receipts and expenditures should be accounted for on the Village’s financial records. All accounting entries should be posted in chronological order and reflect year-to-date totals. Furthermore, all Police Department receipts and expenditures should follow the same processes and procedures as other monies received and expended by the Village. The Village should also research and obtain supporting information for the origination of the savings account. Furthermore, the Village should determine what requirements are necessary to release the funds and if the interest is to be retained by the Village or also released back to the developer.

***Client Response:***

The Village has had the old PD account closed as of May 2009 and all PD monies are now accounted for through the UAN system. The developer’s deposit for future road resurfacing relating to a small housing development, while previously not accounted for through UAN, was documented in January 2010 and is now carried on UAN will also be disposed of via approved accounting procedures.

**Village of Harveysburg**  
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**FINDING NUMBER 2009-2**

**Noncompliance/Material Weakness – Maintenance of Supporting Documentation**

Ohio Revised Code Section 149.351(A) provides that all records are the property of the public office and shall not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Sections 149.38 to 149.42 of the Ohio Revised Code.

Additionally, Ohio Revised Code Section 149.39 provides, in part, that when records have been approved for disposal by the records commission, a copy of such records list shall be sent to the Ohio Historical Society for its review. The Ohio Historical Society shall be informed and given the opportunity for a period of sixty days to select for its custody or disposal such records as it considered to be of continuing historical value. The Ohio Historical Society shall review the application or schedule within a period of not more than sixty days after its receipt of it. Upon completion of its review, the Ohio Historical Society shall forward the application for one-time disposal of obsolete records or the schedule of records retention and disposition to the Auditor of State. The Auditor of State shall approve or disapprove the application or schedule within a period of not more than sixty days. Before public records are to be disposed of, the Commission shall inform the Ohio Historical Society of the disposal through the submission of a certificate of records disposal and shall give the Society the opportunity for a period of 15 business days to select it for its custody those public records that it considers to be of continuing historical value.

The Village Police Department had a separate bank account and the Police Department, rather than the Village Clerk/Treasurer, recorded transactions and maintained records for this account until May of 2009. The Police Chief was not able to provide supporting documentation for receipts or disbursements for the period January 1, 2008 through May 31, 2009. However, the Fiscal Officer was able to request and obtain from the bank and provide for audit the bank statements and images of canceled checks for this account.

In addition, the Village made a payment to Mary Taylor, Ohio Auditor of State, for \$7,077.34 for which no supporting documentation could be located; however, it was determined by alternative audit procedures that the disbursement was accurate, written to a valid vendor, and for a proper public purpose.

Lastly, of credit card charges selected by the auditors for examination, supporting receipts could not be located for a total of \$2,921.37; however, it was determined by alternative audit procedures that disbursements/checks were accurate, written to valid vendors, and for a proper public purpose. It was noted that most of these charges were made prior to the arrival of the current Fiscal Officer.

Failure to maintain supporting documentation limits the assurance management can assert as to the accuracy, completeness and proof of proper public purpose of financial transactions.

We recommend that all Police Department receipts and expenditures be accounted for on the Village's financial records and that supporting documentation be maintained by the Village Fiscal Officer. We also recommend that the Village ensure that the appropriate controls are in place and ensure that expenditures are supported with original invoices, providing accountability, prior to payment being made.

***Client Response:***

All current PD financing is accounted for via the Village and the UAN accounting system.

The Village currently requires that all authorized credit card purchases require supporting receipts documentation, and are matched to monthly statements prior to payment being made.

**Village of Harveysburg**  
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The Staples payment noted above have been documented to audit staff, the payment to the AoS source docs have not been located, however, it is accepted by Council that it was indeed a payment for audit services relating to the previous audit cycle.

**FINDING NUMBER 2009-3**

**Noncompliance – Proper Encumbrance of Funds**

Ohio Revised Code Section 5705.41(D)(1), prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

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

1. "Then and Now" Certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village can authorize the drawing of a warrant for the payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance 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 Village.
2. Blanket Certificate – The fiscal officer may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

The Village did not properly certify the availability of funds for purchase commitments for 83 percent of expenditures tested for 2008 and 38 percent of expenditures tested for 2009. Failure to properly certify the availability of funds can result in overspending funds, negative cash fund balances, or unauthorized or improper disbursements. The Fiscal Officer should certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

***Client Response:***

The purchase procedures have greatly improved in the Village and the Village FO will implement additional procedures to ensure full compliance with the purchasing procedure and proper PO usage to certify availability of funds.

**Village of Harveysburg**  
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**FINDING NUMBER 2009-4**

**Material Weakness – Bank Reconciliations**

Ohio Administrative Code Section 117-2-01(D) states, in part, that when designing the public office's system of internal control and the specific control activities, management should consider the following: verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

Accurate reconciliations of bank accounts and investments to the Village's book/fund balances are a basic and essential internal control component for sound fiscal management. Village officials rely on accurate reconciliations to make sound financial decisions.

The Mayor's Court account was not reconciled by the Clerk (the Fiscal Officer) during the audit period. The Mayor's Court computer system did not properly reflect all receipts for which duplicate receipts were prepared. Additionally, returned checks were not always properly accounted for in the computer system.

The Fiscal Officer also prepares the general account reconciliation. The reconciliations routinely had unreconciled differences which could not be accounted for. The Fiscal Officer had to request assistance from the Auditor of State's Local Government Services Division to assist in reconciling the account. Furthermore, not all reconciliations examined during audit were reviewed or approved by the governing board.

Lack of preparing reconciliations and review of the reconciliations and lack of investigating and resolving unreconciled differences can result in errors and/or irregularities going undetected for a long period of time. The Village should implement additional monitoring procedures to ensure proper segregation of duties and accurate and timely account reconciliations. The Mayor's Court account should be reconciled monthly and presented to Council along with the general account reconciliation for review and approval. Furthermore, any unreconciled differences should be investigated and timely resolved.

***Client Response:***

The Village Primary account and Mayor's Court bank statements are currently reconciled monthly, and the Village will implement the required steps necessary to have Council note their review and approval of the reconciliations.

**FINDING NUMBER 2009-5**

**Significant Deficiency – Mayor's Court Receipts**

From January 2008 through November 2009, the Mayor's Court Clerk (also the Village Fiscal Officer) prepared a duplicate receipt for each Mayor's Court fine or other amount is collected. Beginning in November 2009, the Clerk began preparing the receipts on the computer system. Not all duplicate receipts written were recorded in the computer system. Furthermore, returned checks were not always properly accounted for in the computer system or subsequently followed up on. The Fiscal Officer prepares disbursements to the Village and State of Ohio based on the reports generated from the computerized system. Failure to properly record all receipts and/or returned checks in the computer system could result in inaccurate amounts being distributed to the Village, State of Ohio, or other agency. The Mayor's Court Clerk should ensure that all receipts and returned checks are properly recorded in the computer system. Reconciling the bank accounts utilizing the computerized reports on a monthly basis should aid in ensuring all amounts are properly recorded.

***Client Response:***

The court clerk currently inputs all financial and disposition data relating to the court into the court accounting system and all amounts are reported, reconciled and paid through the use of this computer accounting system.



**Village of Harveysburg**  
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**FINDING NUMBER 2009-6**

**Material Weakness – Misstatements and Misclassifications in the Financial Statements**

A monitoring system by the Village should be in place to prevent or detect misstatements for the accurate presentation of the Village's financial statements. The Village misclassified various receipts by line item and in instances by fund. There were also various cash issues requiring correction. Most items were corrected in the audited financial statements to ensure they were not materially misstated. Failure to properly record and monitor financial transactions has resulted in misclassifications and other errors in the financial statements. The Village should implement additional operating and monitoring procedures to ensure transactions are properly recorded and that errors in cash balances are identified and properly and timely addressed.

***Client Response:***

The Village is currently making every effort to properly account for all receipts, disbursements, etc. to ensure proper and accurate reporting of Village financial statements and information.

**FINDING NUMBER 2009-7**

**Material Weakness – Budgetary Information Within UAN**

Accurate budgetary information within the Village's accounting system is pertinent to ensure that the Village has accurate and complete information for decision-making processes. Budgetary adjustments were entered into the accounting system that could not be identified as approved within the minutes. Failure to properly approve or incorporate budgetary amendments into the accounting system subjects the Village to the risk of improper spending or reliance on misinformation. The Village should implement the appropriate procedures, such as ensuring minutes include accurate information on budgetary amendments and reconciling budgetary information within the accounting system to formally approved budgets, to ensure that budgetary information is presented accurately and completely.

***Client Response:***

The Village makes every effort to follow the budgetary guidelines and while the deficiencies noted, are believed to have been substantially reduced with the Village 2010 budget, the Village will establish additional procedures to ensure more accurate notation of Council action relating to budgetary adjustments and reporting procedures.

**FINDING NUMBER 2009-8**

**Noncompliance – Expenditures in Excess of Appropriations**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The Village had expenditures in excess of appropriations in the General, Street Construction, Maintenance, and Repair, Police Levy, Other Special Revenue – FEMA, Mayor's Court Computer, and Special Projects Funds in 2009 and the Street Construction, Maintenance, and Repair and Permissive Motor Vehicle License Tax Funds in 2008. Failure to monitor budgets subjects the Village to the risk of improper spending or overspending. The Village should implement the appropriate procedures, such as periodic comparisons of expenditures to appropriations, to ensure that expenditures are limited to authorized/appropriated amounts.

***Client Response:***

The Village will establish additional official recording of Council action relating to budgetary adjustments, as the Finance Committee currently actively reviews the Village financial information at least quarterly to identify any material deviation from plan and makes its recommendations to Council for corrective action to ensure we are in compliance with budgetary rules and are on target to meet Village objectives.

**Village of Harveysburg**  
**Warren County, Ohio**  
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**FINDING NUMBER 2009-9**

**Noncompliance – Minute Record**

Ohio Revised Code Section 121.22(C) states in part, that all meetings of any public body are to be open to the public at all times. The minutes of a regular or special meeting of any such public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. Ohio Revised Code Section 731.20, states that ordinances, resolutions, and bylaws shall be authenticated by the signature of the presiding officer and clerk of the legislative authority of the municipal corporation. None of the minutes for 2008 or 2009 were signed. It was also noted that one meeting's minutes were not in the minute book. Lastly, it was noted that the Village did not properly document the roll call for entering into executive session in several instances.

Properly maintained minute records can provide management with references for informed decision-making and should be available for public inspection of legislative decisions made by the Village Council. As the Council speaks only through its records of proceedings (minutes), they should do the following:

- Minutes should be reviewed and signed by Village officials.
- Review of the annual financial data, including budgets, appropriations, transfers, required reports, and any advertisements for the same, should be documented as a permanent part of the minute records.
- Council should review and approve all monthly reconciliations and financial reports provided.
- Roll call should be documented for entering and exiting executive sessions.

***Client Response:***

The Village has greatly improved its record of proceedings; however we will establish additional recording of Council action relating to all Village business including financial directives, and will begin having an approved copy of the minutes signed by the President of the Council.

**Village of Harveysburg**  
**Warren County, Ohio**  
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**FINDING NUMBER 2009-10**

**Noncompliance/Material Weakness – Payroll Items**

Ohio Revised Code Section 733.28 provides that the Village Clerk/Treasurer shall keep the books of the Village; exhibit accurate statements of all monies received and expended, and maintain records of all property owned by the Village and income derived there from. Ohio Administrative Code Section 117-2-02 (A) states that all public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets and liabilities, document compliance with finance-related legal and contractual requirements and prepare financial statements required by rule 117-2-03 of the Administrative Code.

Instances were identified where employees were paid without providing time sheets. Employee pay rates were not documented as being approved by Council. The Village Council and Administrators did not perform evaluations of employees. Late fees and penalties were paid to the Internal Revenue Service during the audit period as a result of untimely tax remittances or return filings. Several necessary forms could not be located in employee personnel files. Furthermore, some payroll checks were issued manually and not properly entered into the accounting system.

Lack of adequate salary documentation could adversely affect the Village's ability to prove that employees were paid properly and that required deductions were submitted on their employees' behalf. The Village's lack of proper submission of required forms and amounts to the various State and Federal agencies could lead to additional penalties and interest assessed to the Village, and could affect individual employees' retirement accounts. In the instances of manual payroll checks, the Village issued manual payroll checks and subsequently entered the payroll information into the UAN payroll system. The net amount per the UAN payroll system did not always agree to the manual check written. This resulted in unreconciled differences in the account reconciliations for which the Village had to hire the Auditor of State's Local Government Services Division to assist in adjusting. This could also result in W-2 wages not coinciding with actual wages paid and under/over payment of wages to employees.

The Village should ensure that the following procedures are implemented:

- Council should monitor the payroll process including reviews of payroll reports.
- Employee time sheets should be completed and signed by the relevant supervisor indicating approval of the employee's hours worked.
- Employee pay rates should be approved by Village Council by ordinance or resolution. The ordinance or resolution should show the beginning wage rate, the amount of the increase and the ending wage rate. A copy of the ordinance or resolution should be placed in the employee's personnel file.
- Evaluations should be performed for all employees and placed into their personnel files to assist in determination of wage or salary changes, promotions or demotions, terminations, or other employment actions.
- The Village should use due professional care when completing forms for the Internal Revenue Service.
- The Village should look into the employee that was paid by manual check and ensure that the withholdings are properly paid.
- The Village should ensure that all required documents are in the employee files.
- The Village should not issue manual checks. The Fiscal Officer should always utilize the UAN payroll system when processing payroll.

***Client Response:***

The Village currently utilizes a time clock for all hourly associates and hourly and salaried employees rates of pay are established as part of the annual budgetary approval process. The Village will include an itemized listing of those rates of pay to the budget begin approved by Council to better facilitate the audit of this information. The Village makes every effort to avoid any type of manual check issuing and is only done in the rarest of circumstances typically relating to the malfunctioning or the unavailability of the UAN computerized accounting system.

**Village of Harveysburg**  
**Warren County, Ohio**  
*Schedule of Prior Audit Findings*  
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Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2007-001	ORC 733.28 – Accounting for and maintenance of supporting documentation for Police Department receipts and expenditures.	No	Reissued as Finding 2009-1
2007-002	ORC 5705.41(D) – Proper certification of availability of funds.	No	Reissued as Finding 2009-3
2007-003	ORC 5705.38(A) – Proper passage and filing of appropriations.	No	Partially corrected – reissued, in part, in management letter
2007-004	ORC 5705.41(B) – Expenditures in excess of appropriations.	No	Reissued as Finding 2009-8
2007-005	OAC 117-2-01(D) – Proper reconciliations of bank accounts.	No	Reissued as Finding 2009-4
2007-006	ORC 149.351(A) and 149.39 – Proper maintenance of records.	No	Reissued as Finding 2009-2
2007-007	ORC 121.22(C) and 121.22(G) – Proper documentation in minutes.	No	Reissued as Finding 2009-9
2007-008	ORC 733.27(B) – Fiscal Officer’s attending training programs.	Yes	



**Mary Taylor, CPA**  
Auditor of State

**VILLAGE OF HARVEYSBURG**

**WARREN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 21, 2010**