HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY

REGULAR AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Mary Taylor, CPA
Auditor of State

HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY

TABLE OF CONTENTS

This page intentionally left blank.

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

To the Board of Directors:

We have audited the accompanying basic financial statements of the Heir Force Community School, Allen County (the School), as of and for the fiscal year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heir Force Community School, Allen County, as of June 30, 2009, and the changes in its financial position and its cash flows, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2010, on our consideration of the School's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 26, 2010

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of Heir Force Community School's (the School) financial performance provides an overall review of the financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the School's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Heir Force Community School during fiscal year 2009 are as follows:

- Total net assets of the School decreased $213,065 in fiscal year 2009. Ending net assets of the School were $191,109 compared with $404,174 at June 30, 2008.

- Total assets decreased $177,369 from the prior year and total liabilities increased by $35,696 from the prior year.

- The School's operating loss for fiscal year 2009 was $456,546 compared with an operating income of $62,532 reported for the prior year. Total revenues decreased by $203,788 while total expenses increased by $239,213 over those reported for the prior year.

USING THIS ANNUAL FINANCIAL REPORT

This financial report contains the basic financial statements of the School, as well as the management's discussion and analysis and notes to the basic financial statements. The basic financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. As the School reports its operations using enterprise fund accounting, all financial transactions and accounts are reported as one activity, therefore the entity-wide and the fund presentation are the same.

Statement of Net Assets

The statement of net assets answers the question, "How did we do financially during the fiscal year?" This statement includes all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and the economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

This statement reports the School's net assets; however, in evaluating the overall position and financial viability of the School, non-financial information such as the condition of the School's property and potential changes in laws governing charter schools in the State of Ohio will also need to be evaluated.

THE SCHOOL AS A WHOLE

Table 1 provides a summary of the School's net assets at June 30, 2009. A comparison is made to fiscal year 2008.

Table 1
Net Assets

	2009	2008
Assets:		
Current assets	$ 188,211	$ 292,574
Security deposits	12,000	12,000
Capital assets, net	136,682	209,688
Total Assets	336,893	514,262
Liabilities:		
Current liabilities	145,784	104,372
Long-term liabilities	-	5,716
Total Liabilities	145,784	110,088
Net Assets:		
Invested in capital assets, net of related debt	130,224	196,904
Restricted	599	26,252
Unrestricted	60,286	181,018
Total Net Assets	$ 191,109	$ 404,174

Total assets decreased $177,369. This is due primarily to decreases in cash and cash equivalents, which results from cash disbursements in excess of cash receipts for the year, and in capital assets, which results from depreciation expense for the year.

Total liabilities increased $35,696. This is due primarily to increases in accounts payable, accrued wages and benefits payable, and intergovernmental payable. Accounts payable increased primarily due to the School being in arrears one month on its operating lease for its building. Accrued wages and benefits and intergovernmental payable increased due to an increase in employees between years.

Table 2 shows the changes in net assets for the fiscal years ended June 30, 2009 and 2008.

Table 2
Change in Net Assets

	2009	2008*
Operating revenues		
Foundation Payments	$1,263,464	$1,507,340
Special Education	42,344	36,919
Extracurricular Activities	16,119	0
Food Services	29,342	32,748
Classroom Fees	23,798	25,807
Other Operating Revenue	0	52,677
Non-Operating Revenues		
Federal Grants	215,676	151,499
State Grants	14,495	15,415
Interest	224	90
Contributions and Donations	2,075	400
Other Non-Operating Revenue	11,570	0
Total Revenues	1,619,107	1,822,895
Operating Expenses		
Salaries	783,606	756,414
Fringe Benefits	196,210	183,288
Purchased Services	537,701	359,566
Materials and Supplies	184,556	163,733
Depreciation	73,006	73,006
Other Operating Expenses	56,534	56,952
Non-Operating Expenses		
Interest and Fiscal Charges	559	0
Total Expenses	1,832,172	1,592,959
Change in Net Assets	(213,065)	229,936
Net Assets, Beginning of Year	404,174	174,238
Net Assets, End of Year	$191,109	$404,174

*Certain reclassifications were made for consistency of reporting between years.

Total revenues decreased $203,788. This was due primarily to a decrease in Foundation receipts, a decrease in enrollment, and a decrease in other operating revenues, which resulted from a refund of prior year expenditures in 2008 that was not recognized in 2009. This decrease was partially offset by an increase in federal grants, which resulted from the addition of the School Improvement Title I program. Total expenses increased $239,213. This was due primarily to an increase in purchased services, which resulted from the addition of a new management company which provides fiscal services to the School, including EMIS and CCIP services that were not previously provided to the School, and for purchased services paid for with School Improvement Title I program funds.

Capital Assets

At the end of fiscal year 2009, the School had $136,682 invested in leasehold improvements and furniture, fixtures and equipment. There were no purchases which met the School's capitalization threshold during the year. Table 3 shows balances at June 30, 2009, and a comparison to June 30, 2008:

Table 3
Capital Assets at June 30
(Net of Depreciation)

	2009	2008
Leasehold Improvements	$55,675	$60,315
Furniture, Fixtures, and Equipment	81,007	149,373
Totals	$136,682	$209,688

For more information on capital assets, see Note 5 to the basic financial statements.

Debt

The School had capital leases outstanding as of June 30, 2009 totaling $6,458, as compared to a balance of $12,784 as of June 30, 2008. For more information on long-term obligations, see Note 6 to the basic financial statements.

Current Financial Issues

Effective July 1, 2008, the School's new fiscal agent was Mangen & Associates, LLC (M&A). The School's financial relationship with M&A aids in the raising of the quality of financial records and strengthens internal controls. During the period July 1, 2008 to June 30, 2009, there were approximately 190 students enrolled in the School. The School receives its finances mostly from state aid. Per pupil aid for this period amounted to $5,732 per student. The School depends on legislative and governmental support to fund its operations. Based on information currently available, several changes are expected to occur in the nature of the funding or operations of the School in future fiscal years due to the State's current economic environment.

Contacting the School's Financial Management

This financial report is designed to provide a general overview of the finances of the Heir Force Community School and to show the School's accountability for the monies it receives to all vested and interested parties, as well as meeting the annual reporting requirements of the State of Ohio. Any questions about the information contained within this report or requests for additional financial information should be directed to the Treasurer of Heir Force Community School, 150 Grand Avenue, Lima, Ohio 45801.

Heir Force Community School

Statement of Net Assets

June 30, 2009

ASSETS:	
Current Assets:	
Cash and cash equivalents	$ 176,971
Intergovernmental receivable	11,240
Total current assets	188,211
Noncurrent Assets:	
Security deposit	12,000
Depreciable capital assets, net	136,682
Total noncurrent assets	148,682
Total assets	336,893
LIABILITIES:	
Current Liabilities:	
Accounts payable	36,787
Accrued wages and benefits payable	82,646
Intergovernmental payable	19,893
Capital leases payable	6,458
Total liabilities	145,784
NET ASSETS:	
Invested in capital assets, net of related debt	130,224
Restricted for other purposes	599
Unrestricted	60,286
Total net assets	$ 191,109

See accompanying notes to the basic financial statements.

Heir Force Community School

Statement of Revenues, Expenses and Changes in Net Assets

For the Fiscal Year Ended June 30, 2009

OPERATING REVENUES:	
Foundation payments	$ 1,263,464
Special education	42,344
Extracurricular activities	16,119
Food services	29,342
Classroom fees	23,798
Total operating revenues	1,375,067
OPERATING EXPENSES:	
Salaries	783,606
Fringe benefits	196,210
Purchased services	537,701
Materials and supplies	184,556
Depreciation	73,006
Other operating expenses	56,534
Total operating expenses	1,831,613
Operating loss	(456,546)
NON-OPERATING REVENUES (EXPENSES):	
Federal grants	215,676
State grants	14,495
Interest	224
Contributions and donations	2,075
Other revenue	11,570
Interest and fiscal charges	(559)
Total non-operating revenues (expenses)	243,481
Change in net assets	(213,065)
Net assets, beginning of year	404,174
Net assets, end of year	$ 191,109

See accompanying notes to the basic financial statements.

Heir Force Community School
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from foundation payments	$ 1,263,464
Cash received from special education	42,344
Cash received from extracurricular activities	16,119
Cash received from food services	29,342
Cash received from classroom fees	23,798
Cash payments to suppliers for goods and services	(703,756)
Cash payments to employees for services and benefits	(956,295)
Cash payments for other operating disbursements	(56,534)
Net cash used for operating activities	(341,518)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Federal grants received	233,835
Contributions and donations	2,075
Other non-operating receipts	11,570
State grants received	14,495
Net cash provided by noncapital financing activities	261,975
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on capital lease	(6,326)
Interest paid on capital lease	(559)
Net cash used for capital and related financing activities	(6,885)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	224
NET DECREASE IN CASH AND CASH EQUIVALENTS	(86,204)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	263,175
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 176,971

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating Loss	$ (456,546)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Depreciation	73,006
Changes in assets and liabilities:	
Increase in accounts payable	18,501
Increase in accrued wages and benefits payable	17,343
Increase in intergovernmental payable	6,178
Total adjustments	115,028
Net cash used for operating activities	$ (341,518)

See accompanying notes to the basic financial statements.

NOTE 1 – DESCRIPTION OF THE SCHOOL AND REPORTING ENTITY

Heir Force Community School (the School) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The School's primary focus is to provide ability-centered education that prepares children for a successful future both academically and socially. The School guides and establishes learning experiences that assist each student in discovering and developing his or her individuality and talents in becoming a mature, responsible, civil and productive member of society. The School, which is part of the State's education program, is independent of any school district and is non sectarian in its programs, admission policies, employment practices, and all other operations. The School may sue and be sued, acquire facilities as needed, and contract for any services necessary for the operation of the School.

The School was approved for operation under a contract with the Lucas County Educational Service Center (the Sponsor) for a period commencing July 7, 2004 to June 30, 2010. The Sponsor is responsible for evaluating the performance of the School and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration.

The School operates under the direction of a Governing Board (the Board). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers. The Governing Board controls the School's instructional/support facility staffed by 7 non-certified and 27 certificated teaching personnel who provide services to 190 students.

Beginning July 1, 2008, the School has entered into a service agreement with Mangen & Associates to provide certain financial and accounting services, including performing all duties required of the Treasurer of the School (Note 12).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to a governmental nonprofit organization. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before September 30, 1989, to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School's accounting policies are described below.

Basis of Presentation

The School's basic financial statements consist of a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. Enterprise fund reporting focuses on the determination of the change in net assets, financial position, and cash flows.

Measurement Focus

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. The statement of revenues, expenses and changes in net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the School finances and meets the cash flow needs of its enterprise activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The School's financial statements are prepared using the accrual basis of accounting.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is permitted; matching requirements, in which the School must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Expenses are recognized at the time they are incurred.

Budgetary process

Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided in the contract between the School and its Sponsor. The contract between the School and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast, which is to be updated on an annual basis.

Cash and cash equivalents

All monies received by the School are accounted for by the School's fiscal agent, Mangen & Associates. All cash received by the fiscal agent is maintained in separate bank accounts in the School's name. Monies for the School are maintained in these accounts or temporarily used to purchase short-term investments.

For the purposes of the statement of cash flows and for the presentation of the statement of net assets, investments with original maturities of three months or less at the time they are purchased by the School are considered to be cash equivalents.

During the period ended June 30, 2009, the School had only deposits.

Capital Assets and Depreciation

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The School does not possess any infrastructure. The School does maintain a capitalization threshold of $1,500. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All reported capital assets are depreciated. Improvements to capital assets are depreciated over the meaningful useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Furniture, Fixtures, and Equipment	5 years
Leasehold Improvements	15 years

Estimates

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

Intergovernmental revenues

The School currently participates in the State Foundation Basic Aid, Disadvantaged Pupil Impact Aid, and Special Education Programs. The revenue from these programs is recognized as operating revenues in the accounting period in which all eligibility requirements have been met.

Grants and entitlements are recognized as nonoperating revenues in the accounting period in which all eligibility requirements are met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School on a reimbursement basis.

Intergovernmental revenues associated with the Foundation Program (including special education revenues) totaled $1,305,808. The School also participates in various federal and state programs through the Ohio Department of Education. The programs the School participated in during fiscal year 2009 include: EMIS, eTECH OH PD, Title I, Improving Teacher Quality (Title II-A), Technology (Title II-D), Safe and Drug Free Schools (Title IV-A), Innovative Programs (Title V), Special Education (Part B IDEA), state and federal subgrants, and the School Lunch and Breakfast Programs. Amounts received under the above programs for fiscal year 2009 totaled $230,171.

Operating and non-operating revenues and expenses

Operating revenues are those revenues that are generated directly by the School's primary mission. For the School, operating revenues include revenues paid through the State Foundation program. Operating expenses are necessary costs incurred to support the School's primary activities, including salaries, benefits, purchased services, materials and supplies and depreciation.

Non-operating revenues and expenses are those that are not generated directly by the School's primary activities. Various state and federal grants, interest earnings, if any, and payments made to the School by other instructional entities for use of the School's instructional staff comprise the non-operating revenues of the School. Interest and fiscal charges on outstanding obligations, as well as gain or loss on capital asset disposals, if any, comprise the nonoperating expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Liabilities Payable

The School has recognized certain liabilities on its statement of net assets relating to expenses, which are due but unpaid as of June 30, 2009 including:

Accrued wages and benefits payable – salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2009 contract.

Intergovernmental payable – payment for the employer's share of the retirement contribution, Medicare and Workers' Compensation associated with services rendered during fiscal year 2009 that were paid in the subsequent fiscal year.

Compensated Absences

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment during the fiscal year. Unpaid vacation and sick leave are not reflected as liabilities by the School as there is a policy that unpaid sick and vacation leave will terminate at the end of each fiscal year if not used.

Federal Tax Exemption Status

The School is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501 (c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the School's tax-exempt status.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The School applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Restricted net assets of the School at year-end represent unspent federal and state grant resources for specific instructional and operational programs. None of the School's restricted net assets are restricted by enabling legislation.

NOTE 3 – DEPOSITS

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

NOTE 3 – DEPOSITS (Continued)

The School had no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secure.

At June 30, 2009, the carrying amount of the School's deposits was $176,971 and the bank balance was $195,851. Of the bank deposits, $195,851 was collateralized under FDIC insurance; no amounts were uncollateralized or uninsured. Although all statutory requirements for the deposit of public money had been followed, non-compliance with federal requirements could potentially subject the School to a successful claim by the FDIC.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Receivables at June 30, 2009, consisted of intergovernmental receivables arising from grants and entitlements. All receivables are considered collectible in full. A summary of the intergovernmental receivables follows:

Grants Receivables	Amount
Federal Grants	
IDEA-B	$961
Title I	7,251
Title V	102
Title IV-A	404
Title II-A	1,613
Title II-D	909
Total Receivables	$11,240

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance 6/30/2008	Additions	Deletions	Balance 6/30/2009
Capital Assets:				
Leasehold improvements	$69,595	$0	$0	$69,595
Furniture, Fixtures, and Equipment	341,832	0	0	341,832
Total Capital Assets	411,427	0	0	411,427
Less: Accumulated Depreciation				
Leasehold improvements	(9,280)	(4,640)	0	(13,920)
Furniture, Fixtures, and Equipment	(192,459)	(68,366)	0	(260,825)
Total Accumulated Depreciation	(201,739)	(73,006)	0	(274,745)
Total Capital Assets				
Total Capital Assets Being Depreciated, Net	$209,688	($73,006)	$0	$136,682

NOTE 6 –LEASES

Capital Leases

The School has three capital leases for equipment with Office Equipment Finance Service. The capital lease activity for the fiscal year ended June 30, 2009 was as follows:

	Balance 6/30/08	Additions	Reductions	Balance 6/30/09	Due Within One Year
Capital Leases	$12,784	$0	$6,326	$6,458	$6,458

The schedule of future minimum long-term capital lease payments as of June 30, 2009 is as follows:

Fiscal Year Ending June 30:	
2010	$6,646
Less: Amount Representing Interest	(188)
Present Value of Future Minimum Lease Payments	$6,458

Operating Leases

The School has an operating lease with Cornerstone Harvest Church, Inc. for the lease of a school facility. The term of the lease is for ten years and commenced on September 21, 2004, with required payments of $14,000 per month. Payments totaled $168,000 for the fiscal year. An amendment to this agreement was signed, effective July 1, 2009, that the lease would continue only for three more years, but with the School's option for three additional renewal periods of three years each. Monthly rent was increased to $15,000.

The School signed an operating lease for 60 months effective May 2009 with Perry Corp. for the use of a copier. Payments made totaled $340 for the fiscal year ended June 30, 2009. $510 has been recognized as an account payable for the amount due on the lease as of June 30, 2009 that was not yet paid.

The following is a schedule of the future minimum payments required under the operating leases as of June 30, 2009:

Year Ended June 30:	Building Lease	Copier Lease	Total
2010	$180,000	$5,100	$185,100
2011	180,000	5,100	185,100
2012	180,000	5,100	185,100
2013	0	5,100	5,100
2014	0	4,250	4,250
Total	$540,000	$24,650	$564,650

The minimum rental payments owed on the contracts mentioned above are not expected to change during the terms of those contracts.

NOTE 7 – DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website, at www.ohsers.org, under *Employers/Audit Resources*.

Plan members are required to contribute 10 percent of their annual covered salary and the School is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2009, the allocation to pension and death benefits is 9.09 percent. The remaining 4.91 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School's contributions to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were $9,940, $16,758, and $12,370, respectively; equal to 100 percent for the fiscal years 2009, 2008, and 2007.

State Teachers Retirement System

State Teachers Retirement System of Ohio (STRS Ohio) is a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to $2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

NOTE 7 – DEFINED BENEFIT PENSION PLANS (Continued)

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the fiscal years ended June 30, 2009, 2008, and 2007, plan members were required to contribute 10 percent of their annual covered salaries. The School was required to contribute 14 percent. The portion allocated to fund pension obligations was 13 percent for the fiscal years ended June 30, 2009, 2008, and 2007. The School's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were $83,427, $74,285, and $84,050, respectively; equal to 100% for the fiscal years 2009, 2008, and 2007.

STRS Ohio issues a stand-alone financial report. Additional information or copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security. As of June 30, 2009, there were no members participating in Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 8 – POST-EMPLOYMENT BENEFITS

State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan, which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll free (888) 227-7877.

All STRS benefit recipients and sponsored dependents are eligible for healthcare coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008, and 2007. For the School, these amounts equaled $6,417, $5,722, and $6,465 for fiscal years 2009, 2008, and 2007, respectively.

School Employees Retirement System

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two post-employment benefit plans.

NOTE 8 – POST-EMPLOYMENT BENEFITS (Continued)

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was $96.40; SERS' reimbursement to retirees was $45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2009, 2008, and 2007, the actuarially required allocations were 0.75 percent, 0.66 percent, and 0.68 percent, respectively. For the School, contributions for the fiscal years ended June 30, 2009, 2008, and 2007 were $820, $1,207, and $841, respectively, which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMOs, PPOs, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans. The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. At June 30, 2009, 2008, and 2007, the health care allocations were 4.16 percent, 4.18 percent, and 3.32 percent, respectively. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2009, the minimum compensation level was established at $35,800. The surcharge added to the unallocated portion of the 14 percent employer contribution rate is the total assigned to the Health Care Fund. For the School, the amounts contributed to fund health care benefits, including the surcharge, during the 2009, 2008, and 2007 fiscal years equaled $6,853, $7,647, and $4,107, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS website at www.ohsers.org under *Employer/Audit Resources*.

NOTE 9 – RESTRICTED NET ASSETS

At June 30, 2009, the School reported restricted net assets totaling $599. The nature of the net asset restrictions are as follows:

Other (lunchroom and student programs)	$599

NOTE 10 – RISK MANAGEMENT

Property and Liability

The School is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the year ended June 30, 2009, the School contracted with Great American Insurance for its insurance coverage as follows:

Commercial General Liability	$1,000,000
General Aggregate	3,000,000
Automobile Liability	1,000,000
Excess Liability	1,000,000
Directors and Officers Liability	1,000,000
Directors and Officers Aggregate	3,000,000
Umbrella	2,000,000

There was no significant reduction in coverage from the prior year. Settlement amounts have not exceeded coverage amounts in any of the past three years.

Workers' Compensation

The School pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is determined by the State.

Employee Medical and Life Benefits

The School contracted through independent agents to provide employee medical, dental, and vision insurance to its full time employees who work 30 or more hours per week. The School pays a portion of the monthly premiums for all selected coverage.

NOTE 11 – CONTINGENCIES

Grants

Amounts received from grantor agencies are subject to audit and adjustment by the grantor. Any disallowed costs may require refunding to the grantor. Amounts, which may be disallowed, if any, are not presently determinable. However, in the opinion of the School, any such disallowed claims will not have a material adverse effect on the financial position of the School at June 30, 2009.

NOTE 11 – CONTINGENCIES (Continued)

State Funding

The Ohio Department of Education conducts reviews of enrollment data and FTE calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which state foundation funding is calculated. The review of fiscal year 2009 determined that the School owed ODE $11,449. This amount was not material to the financial statements, thus has not been included.

NOTE 12 – FISCAL AGENT

Beginning July 1, 2008, the School is a party to a fiscal services agreement with Mangen & Associates (M&A) LLC, which is an education finance consulting company. The Agreement's term is for a twelve month period beginning July 1st and may be terminated by either party, with or without cause, by giving the other party ninety days written notice to terminate. The Agreement provides that M&A will perform treasurer and financial support services. Payments totaling $71,568 were paid during the year. No liability was accrued as of June 30, 2009.

M&A shall perform all of the following functions while serving as the Treasurer of the School:

- Maintain custody of all funds received by the School in segregated accounts separate from any other community school's funds;
- Maintain all books and accounts of all funds of the School;
- Maintain all financial records of the School and follow procedures for receiving and expending state funds, which procedures shall include that the Treasurer shall disburse money only upon receipt of a voucher signed by the Chief Administrative Officer of the School or that Officer's designee;
- Assist the School in meeting all financial reporting requirements established by the Ohio Auditor of State;
- Invest funds of the School in a manner consistent with the School's investment policy and the Ohio Revised Code, but the Treasurer shall not commingle the funds with the funds of any other community school; and
- Pay obligations incurred by the School within a reasonable amount of time, not more than 14 calendar days after receipt of a properly executed voucher signed by the Chief Administrative Officer of the School, so long as the proposed expenditure is within the approved budget and funds are available.

The School and M&A extended their agreement for M&A to provide fiscal services through June 30, 2010.

NOTE 13 – RELATED PARTIES

The School committed to the purchase of three copiers under a capital lease in the name of Cornerstone Harvest Church. The Cornerstone Harvest Church is also leasing copiers. The three copiers were leased under one legal agreement to obtain a better price for each copier. The term of the lease of these copiers expires in fiscal year 2010. The Pastor of the Cornerstone Harvest Church is also a member of the Board of Directors of the School. During fiscal year 2009, the School leased classroom space from the Church and also pays maintenance costs with lease of this space.

The School also paid Terry Kirkendall for his bookkeeping services. Terry Kirkendall is also the bookkeeper for Cornerstone Harvest Church. The School has no formal contract for services with Terry Kirkendall. The School no longer required Terry Kirkendall's services as of July 1, 2009.

NOTE 14 – PURCHASED SERVICES

For the fiscal year ended June 30, 2009, purchased service expenses, payments for services rendered by various vendors, are as follows:

Professional and Technical Services	$237,572
Property Services	229,521
Travel Mileage/Meeting Expense	14,612
Communications	21,464
Utilities	31,959
Contracted Craft/Trade Service	2,573
Total Purchased Services	$537,701

Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

To the Board of Directors:

We have audited the financial statements of the Heir Force Community School, Allen County (the School), as of and for the fiscal year ended June 30, 2009, which collectively comprise the School's basic financial statements and have issued our report thereon dated January 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the School's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the School's internal control over financial reporting.

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

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

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the School's management in a separate letter dated January 26, 2010.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the School's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the School's management in a separate letter dated January 26, 2010.

We intend this report solely for the information and use of the management, the Board of Directors, and the Community School's sponsor. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 26, 2010

HEIR FORCE COMMUNITY SCHOOL
ALLEN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; ***Explain***
2008-001	Accuracy of Financial Statement Compilation	Yes	

This page intentionally left blank.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Heir Force Community School
Allen County
150 West Grand Avenue
Lima, Ohio 45801

To the Board of Directors:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by to by the Board, solely to assist the Board in evaluating whether Heir Force Community School (the School) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on December 12, 2007.

2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):

    1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;

    2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;

    3) A procedure for reporting prohibited incidents;

    4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;

    5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

    6) A procedure for documenting any prohibited incident that is reported;

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

7) A procedure for responding to and investigating any reported incident;

8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 26, 2010

Mary Taylor, CPA
Auditor of State

HEIR FORCE COMMUNITY SCHOOL

ALLEN 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
MARCH 16, 2010