



OHIO AUDITOR OF STATE
KEITH FABER



**LOGAN-UNION-CHAMPAIGN REGIONAL PLANNING COMMISSION
LOGAN COUNTY
DECEMBER 31, 2019 AND 2018**

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OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

Logan-Union-Champaign Regional Planning Commission
Logan County
10820 State Route 347
P.O. Box 219
East Liberty, Ohio 43319

To the Board of Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements and related notes of the Logan-Union-Champaign Regional Planning Commission, Logan County, Ohio (the Commission) as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the Commission prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Commission does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements and related notes of the Logan-Union-Champaign Regional Planning Commission, Logan County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 8 to the financial statements, during 2020, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of the Commission'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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* in considering the Commission's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

April 15, 2020

Logan-Union-Champaign Regional Planning Commission
Logan, Union, and Champaign Counties
Statement of Receipts, Disbursements
and Change in Fund Balance (Regulatory Cash Basis)
General Fund
For the Year Ended December 31, 2019

	<u>General</u>
Cash Receipts	
Fees Charged to Subdivisions	\$222,633
Plats (Preliminary and Final)	37,552
Contractual Services	47,898
Investment Income	10,028
Other Receipts	<u>5,526</u>
<i>Total Cash Receipts</i>	<u>323,637</u>
Cash Disbursements	
Current:	
Salaries	152,781
Public Employee's Retirement	21,389
Medicare	2,142
Worker's Compensation	1,625
Medical/Life/Dental/Vision Insurance	20,792
Office Supplies	7,940
Subscription Fees	3,063
Contract Services	8,406
Professional Development	6,507
Annual Dinner	3,802
Building	35,620
Equipment	2,261
Travel & Expense	4,486
Contingencies	<u>6,541</u>
<i>Total Cash Disbursements</i>	<u>277,355</u>
<i>Net Change in Fund Cash Balance</i>	46,282
<i>Fund Cash Balance, January 1</i>	<u>277,091</u>
Fund Cash Balance, December 31	
Assigned	9,200
Unassigned	<u>314,173</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$323,373</u></u>

See accompanying notes to the financial statement

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Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2019

Note 1 – Reporting Entity

The Logan-Union-Champaign Regional Planning Commission (the Commission), Logan, Union, and Champaign Counties, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A 28-member Board governs the Commission. The Board consists of representatives from participating political subdivisions, the County Commissioners, and appointed citizens. The Commission formulates, and reviews plans affecting long and short term social, economic, and governmental development within the region. In addition, the Commission is the subdivision platting authority for Logan, Union and Champaign Counties. Hence, the Commission reviews and (dis)approves preliminary and final subdivision plats. The Commission is also required by the Ohio Revised Code to review and make recommendations on zoning amendments in the unincorporated areas of the counties.

In 2019, the participating subdivisions were:

Member Municipalities

Bellefontaine	Dublin	Mechanicsburg
Belle Center	Marysville	North Lewisburg
DeGraff	Milford Center	St. Paris
Huntsville	Richwood	Urbana
Lakeview	Union County	Champaign County
Quincy		
Russells Point		
Valley Hi		
West Liberty		
West Mansfield		
Zanesfield		
Logan County		

Member Townships

Bokescreek	Allen	Adams
Harrison	Claibourne	Goshen
Jefferson	Darby	Jackson
Lake	Dover	Johnson
Liberty	Jerome	Mad River
Miami	Leesburg	Rush
Monroe	Liberty	Salem
Perry	Millcreek	Union
Pleasant	Paris	Urbana
Stokes	Taylor	Wayne
Union	Union	
Washington	Washington	
Zane	York	

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

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Commission's financial statement consists of a statement of receipts, disbursements and change in fund balance (regulatory cash basis) for all governmental fund types organized on a fund type basis.

Fund Accounting

The Commission uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The fund of the Commission is presented below:

General Fund - The general fund accounts for and reports all financial resources. The general fund balance is available to the Commission for any purpose provided it is expended according to the general laws of Ohio.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Deposits and Investments

As the Ohio Revised Code permits, the Union County Treasurer holds the Commission's deposits as the Commission's custodian. The County holds the Commission's assets in its investment pool, valued at the Treasurer's reported carrying amount.

Capital Assets

The Commission records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

Accumulated Leave

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

Logan-Union-Champaign Regional Planning Commission
Logan, Union, and Champaign Counties
Notes to the Financial Statement
For the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Commission must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable - The Commission classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted - Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed - The Board can *commit* amounts via formal action (resolution). The Commission must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned - Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. In the general fund, *assigned* amounts represent intended uses established by the Board or a Commission official delegated that authority by resolution, or by State Statute.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications.

The Commission applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Budgetary Process

The Commission budgets its fund annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, object level of control. The Board of Commissioners annually approve appropriation measures and subsequent amendments. Appropriations lapse at the year-end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Encumbrances - The Commission reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and appropriated in the subsequent year.

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2019

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$321,794	\$323,637	\$1,843

2019 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$333,600	\$277,355	\$56,245

Note 4 – Risk Management

- a. The Commission’s Liability Insurance is covered by Union County’s agent as of May 2017.
- b. The Commission’s Directors and Officers insurance is covered by Union County’s agent as of May 2017.
- c. The Commission’s property insurance for 10820 St. Rt. 347 is covered by Union County’s agent.
- d. The Commission’s Employee Crime Insurance is covered by Union County’s agent.
- e. The Commission’s full-time employees are provided the option of coverage under health and life insurance plans obtained through Union County.

Note 5 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Commission’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 health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Commission contributed an amount equaling 14 percent of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2019.

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2019.

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2019

Note 7 – Contractual Commitments

In 2017, the Commission entered into a contract with Clark County Commissioners and Clark County-Springfield Transportation Coordinating Committee to carry out transportation planning services for the Regional Planning Transportation Organization as defined by the Ohio Department of Transportation.

In 2017, the Commission entered into a long-term lease agreement with the Transportation Research Center for office space.

Note 8 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission. The impact on the Commission's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Statement of Receipts, Disbursements

and Change in Fund Balance (Regulatory Cash Basis)

General Fund

For the Year Ended December 31, 2018

	<u>General</u>
Cash Receipts	
Fees Charged to Subdivisions	\$215,165
Plats (Preliminary and Final)	43,992
Contractual Service	50,925
Investment Income	6,752
Proceeds from Sale	20,970
Other Receipts	2,810
	<hr/>
<i>Total Cash Receipts</i>	340,614
	<hr/>
Cash Disbursements	
Current:	
Salaries	168,878
Public Employee's Retirement	23,643
Medicare	2,292
Worker's Compensation	1,587
Medical/Life/Dental/Vision Insurance	37,373
Office Supplies	5,125
Subscription Fees	1,851
Contract Services	28,392
Tuition Reimbursement	2,168
Professional Development	2,677
Utilities	1,655
Annual Dinner	2,714
Building	41,258
Equipment	1,024
Travel & Expense	5,087
Contingencies	3,112
	<hr/>
<i>Total Cash Disbursements</i>	328,836
	<hr/>
<i>Net Change in Fund Cash Balance</i>	11,778
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<i>Fund Cash Balance, January 1</i>	265,313
	<hr/>
Fund Cash Balance, December 31	
Assigned	11,806
Unassigned	265,285
	<hr/>
<i>Fund Cash Balance, December 31</i>	<u>\$277,091</u>

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Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2018

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Huntsville	Richwood	St. Paris
Lakeview	Union County	Urbana
Quincy		Champaign County
Russells Point		
Valley Hi		
West Liberty		
West Mansfield		
Zanesfield		
Logan County		

Member Townships

Bokescreek	Allen	Adams
Harrison	Claibourne	Goshen
Jefferson	Darby	Jackson
Lake	Dover	Johnson
Liberty	Jerome	Mad River
Miami	Leesburg	Rush
Monroe	Liberty	Salem
Perry	Millcreek	Union
Pleasant	Paris	Urbana
Stokes	Taylor	Wayne
Union	Union	
Washington	Washington	
Zane	York	

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

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2018

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Deposits and Investments

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Accumulated Leave

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Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

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Budgetary Process

The Commission budgets its fund annually.

Appropriations - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, object level of control. The Board of Commissioners annually approve appropriation measures and subsequent amendments. Appropriations lapse at the year-end.

Estimated Resources - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Encumbrances - The Commission reserves (encumbers) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and appropriated in the subsequent year.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$326,040	\$340,614	\$14,574

2018 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$353,804	\$328,836	\$24,968

Note 4 – Risk Management

- a. The Commission’s Liability Insurance is covered by Union County’s agent as of May 2017.
- b. The Commission’s Directors and Officers insurance is covered by Union County’s agent as of May 2017.
- c. The Commission’s property insurance for 10820 St. Rt. 347 is covered by Union County’s agent.
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The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries and the Commission contributed an amount equaling 14 percent of participants’ gross salaries. The Commission has paid all contributions required through December 31, 2018.

Logan-Union-Champaign Regional Planning Commission

Logan, Union, and Champaign Counties

Notes to the Financial Statement

For the Year Ended December 31, 2018

Note 6 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2018. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2018.

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In 2017, the Commission entered into a long-term lease agreement with the Transportation Research Center for office space.

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OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza
130 West Second Street, Suite 2040
Dayton, Ohio 45402-1502
(937) 285-6677 or (800) 443-9274
WestRegion@ohioauditor.gov

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

Logan-Union-Champaign Regional Planning Commission
Logan County
10820 State Route 347
P.O. Box 219
East Liberty, Ohio 43319

To the Board of Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements of the Logan-Union-Champaign Regional Planning Commission, Logan County, (the Commission) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 15, 2020 wherein we noted the Commission followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Commission.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Commission's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Commission's financial statements. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Commission'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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 15, 2020

OHIO AUDITOR OF STATE KEITH FABER



LUC REGIONAL PLANNING COMMISSION

LOGAN 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
MAY 5, 2020**