

**SOUTHERN PERRY COUNTY
WATER DISTRICT**

Perry County

Regular Audit

January 1, 2004 Through December 31, 2005

**BALESTRA, HARR & SCHERER, CPAs, INC.
CERTIFIED PUBLIC ACCOUNTANTS**

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**Auditor of State
Betty Montgomery**

Board of Trustees
Southern Perry County Water District
PO Box 335
Corning, Ohio 43730

We have reviewed the *Independent Auditor's Report* of the Southern Perry County Water District, Perry County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period January 1, 2004 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 7, 2006

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SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY

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Member American Institute of Certified Public Accountants
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Ohio Society of Certified Public

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Southern Perry County Water District
P.O. Box 335
Corning, Ohio 43730-0335

We have audited the accompanying financial statements of the business-type activities of Southern Perry County Water District, Perry County, Ohio, (the District) as of and for the years ended December 31, 2005 and 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District'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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Southern Perry County Water District, as of December 31, 2005 and 2004, and the respective changes in financial position and cash flows thereof, for the years 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 August 4, 2006 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.


Balestra, Harr & Scherer, CPAs, Inc.

August 4, 2006

SOUTHERN PERRY COUNTY WATER DISTRICT, INC.
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004

This discussion and analysis, along with the accompanying financial report, of Southern Perry County Water District, Inc. ("the District") is designed to provide our customers, creditors and other interested parties with a general overview of the District and its financial activities.

FINANCIAL HIGHLIGHTS

The total assets of the District exceed liabilities on December 31, 2005 and 2004 by \$1.9 million and \$2.0 million. The District's net assets decreased \$32 thousand (-1%) in 2005 and \$39 thousand (-1%) in 2004.

The District's Operating Revenues increased by \$11 thousand (1%) in 2005 and decreased by \$6 thousand (less than -1%) in 2004. Operating Expenses decreased \$4 thousand (less than -1%) in 2005 and increased \$31 thousand (4%) in 2004.

The District issued additional long term debt of \$41 thousand and \$92 thousand in 2005 and 2004, respectively.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The District is a single enterprise fund using proprietary fund accounting, similar to private sector business. The Basic Financial Statements are presented using the accrual basis of accounting.

The **Statements of Net Assets** include all of the District's Assets and Liabilities. These statements provide information about the nature and amounts of investments in resources (assets) owned by the District, and obligations owed by the District (liabilities) on December 31. The District's net assets (equity) are the difference between assets and liabilities.

The **Statements of Revenues, Expenses and Changes in Net Assets** provide information on the District's operations over the past two years and the success of recovering all of its costs through service charges, tap fees, and other income. Revenues are reported when earned and expenses are reported when incurred.

The **Statements of Cash Flows** provide information about the District's cash receipts and cash disbursements. It summarizes the net changes in cash resulting from operating, investing and financing activities.

SOUTHERN PERRY COUNTY WATER DISTRICT, INC.
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004

NET ASSETS

Table 1 summarizes the Net Assets of the District. Capital Assets are reported less accumulated depreciation. The line "Invested in Capital, Net of Debt" is Capital Assets, less the outstanding debt that was used to acquire those assets.

TABLE 1

	2005	2004	Change	2003	Change
Current & Other Assets	\$478,483	\$478,017	\$466	\$493,388	(\$15,371)
Capital Assets	3,399,828	3,448,582	(48,754)	3,446,055	2,527
Total Assets	<u>3,878,311</u>	<u>3,926,599</u>	<u>(48,288)</u>	<u>3,939,443</u>	<u>(12,844)</u>
Long term liabilities	1,810,362	1,829,299	(18,937)	1,808,179	21,120
Other liabilities	116,447	114,263	2,184	109,457	4,806
Total liabilities	<u>1,926,809</u>	<u>1,943,562</u>	<u>(16,753)</u>	<u>1,917,636</u>	<u>25,926</u>
Net assets					
Invested in capital, net of debt	1,535,678	1,562,779	(27,101)	1,593,195	(30,416)
Restricted	158,123	154,019	4,104	149,864	4,155
Unrestricted	257,701	266,239	(8,538)	278,749	(12,510)
Total net assets	<u>\$1,951,502</u>	<u>\$1,983,037</u>	<u>(\$31,535)</u>	<u>\$2,021,808</u>	<u>(\$38,771)</u>

The District's Net Assets decreased \$32 thousand (-1%) in 2005 and \$39 thousand (-1%) in 2004. For 2005, this decrease was a result of depreciation of capital assets and an excess of total expenses over total revenues, and for 2004 the decrease was a result of an excess of total expenses over total revenues.

Restricted net assets increased \$4 thousand (2%) in 2005 and also \$4 thousand (2%) in 2004. Restricted assets are cash that is limited in use as part of the District's loan covenants with the United States Department of Agriculture - Rural Development.

Unrestricted assets decreased by \$9 thousand (-3%) in 2005 and \$13 thousand (-4%) in 2004. Unrestricted assets may be used without constraints established by loan covenants or other legal requirements. Cash and Cash Equivalents increased \$4 thousand in 2005 and decreased \$13 thousand in 2004.

SOUTHERN PERRY COUNTY WATER DISTRICT, INC.
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Table 2 below summarizes the changes in Revenues and Expenses and the resulting change in Net Assets.

TABLE 2

	2005	2004	Change	2003	Change
Total operating revenues	\$761,149	\$750,206	\$10,943	\$755,804	(\$5,598)
Purchased water	302,704	290,541	12,163	282,154	8,387
Wages and fringe benefits	163,529	162,379	1,150	155,554	6,825
Maintenance and operations	78,121	74,375	3,746	75,136	(761)
Office expenses and operation	12,752	14,264	(1,512)	15,945	(1,681)
Engineering, legal, audit & accounting fees	42,348	62,278	(19,930)	45,520	16,758
Depreciation	120,223	120,300	(77)	119,257	1,043
Total operating expenses	719,677	724,137	(4,460)	693,566	30,571
Operating income	41,472	26,069	15,403	62,238	(36,169)
Non-operating revenues	18,699	8,048	10,651	12,310	(4,262)
Non-operating expenses	(91,706)	(72,887)	(18,819)	(73,488)	601
Changes in net assets	(31,535)	(38,770)	7,235	1,060	(39,830)
Net assets at beginning of year	1,983,937	2,021,807	(37,870)	2,020,747	1,060
Net assets at end of year	\$1,952,402	\$1,983,037	(\$30,635)	\$2,021,807	(\$38,770)

Operating revenues increased \$11 thousand in 2005 as a result of customer growth. Operating revenues decreased \$6 thousand in 2004 as a result of fewer new customer tap fees in 2004 compared to 2003.

In 2005, operating expenses decreased \$4 thousand (less than -1%), due mainly to a decrease in professional fees. In 2004, operating expenses increased \$31 thousand (4%). Increases in purchased water, wages and benefits, and professional fees accounted for most of the increase.

SOUTHERN PERRY COUNTY WATER DISTRICT, INC.
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004

CAPITAL ASSETS

The District had \$5.017 million invested in Capital Assets (before depreciation) at the end of 2005. This amount is an increase of \$63 thousand (1%) from the previous year. The District had \$4.955 million invested in Capital Assets (before depreciation) at the end of 2004. This amount is an increase of \$122 thousand (2%) from the previous year.

TABLE 3

	2005	2004	Change	2003	Change
Land	\$19,968	\$19,968	\$0	\$19,968	\$0
Water lines and buildings	4,349,305	4,279,547	69,758	4,171,136	108,411
DNR tap fees	503,516	503,516	0	503,516	0
Transportation equipment	77,960	87,896	(9,936)	74,796	13,100
Furniture and equipment	60,729	64,350	(3,621)	63,034	1,316
Total before depreciation	5,011,478	4,955,277	56,201	4,832,450	122,827
Accumulated depreciation	(1,611,650)	(1,506,695)	(104,955)	(1,386,395)	(120,300)
Total net capital assets	\$3,399,828	\$3,448,582	(\$48,754)	\$3,446,055	\$2,527

The majority of the increase in capital assets in 2005 and 2004 was for the construction of the Gasoline Tank project. For additional information regarding capital assets, please see Note 4 to the Basic Financial Statements.

DEBT

The District issues long term debt to finance much of its construction. During 2005 and 2004 all of the long term debt issued was through the Ohio Water Development Authority.

TABLE 4

	2005	2004	Change	2003	Change
Farmer's Home Administration Revenue Bonds	\$1,218,829	\$1,245,257	(\$26,428)	\$1,269,953	(\$24,696)
Ohio Public Works Commission Issue II Loan	278,162	295,222	(17,060)	311,944	(16,722)
Ohio Water Development Authority Loans	367,159	336,348	30,811	253,515	82,833
General Motors Acceptance Corporation Capital Lease	0	8,976	(8,976)	17,449	(8,473)
Total long term debt	1,864,150	1,885,803	(21,653)	1,852,861	32,942
Less current maturities	(53,788)	(58,439)	4,651	(44,682)	(13,757)
Net total long term debt	\$1,810,362	\$1,827,364	(\$17,002)	\$1,808,179	\$19,185

For additional information regarding debt, please see Note 5 to the Basic Financial Statements.

SOUTHERN PERRY COUNTY WATER DISTRICT, INC.
Management's Discussion and Analysis
For the Years Ended December 31, 2005 and 2004

CASH

Cash and cash equivalents on December 31, 2005 and 2004 were \$288 thousand and \$289 thousand, respectively. Not included in these totals are an additional \$158 thousand and \$154 thousand as of December 31, 2005 and 2004, respectively, of cash and cash equivalents that are restricted as debt service reserves.

ECONOMIC FACTORS AND 2006 BUDGET

The District has adopted a budget for 2006 that has less than a 1% increase from 2005. The District is anticipating new water line projects that are included in this budget. Most of the anticipated projects will be funded through loans through the Ohio Water Development authority.

The region that the District operates in has been experiencing economic downturns, and the District is committed to supplying water to the region at the most affordable rates, while maintaining and improving the District as needed.

CONTACT INFORMATION

Questions regarding this report and requests for additional information should be forwarded to James Palmer, President of the Board of Trustees, Southern Perry County Water District, Inc., PO Box 335, Corning, Ohio 43170 or 740-347-9030.

SOUTHERN PERRY COUNTY WATER DISTRICT
STATEMENT OF NET ASSETS
as of December 31, 2005 and 2004

	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 288,686	\$ 289,129
Accounts receivable - customers	24,860	28,055
Inventories	<u>6,814</u>	<u>6,814</u>
TOTAL CURRENT ASSETS	<u>320,360</u>	<u>323,998</u>
NONCURRENT ASSETS		
Restricted assets:		
Cash equivalents	<u>158,123</u>	<u>154,019</u>
TOTAL RESTRICTED ASSETS	<u>158,123</u>	<u>154,019</u>
Capital Assets:		
Water system	4,880,401	4,810,643
Transportation, equipment, and tools	<u>111,109</u>	<u>124,666</u>
Total depreciable capital assets	4,991,510	4,935,309
Less: Accumulated depreciation	<u>(1,611,650)</u>	<u>(1,506,695)</u>
Net depreciable capital assets	<u>3,379,860</u>	<u>3,428,614</u>
Land	<u>19,968</u>	<u>19,968</u>
TOTAL ASSETS	<u>\$ 3,878,311</u>	<u>\$ 3,926,599</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 34,441	\$ 28,897
Current portion of USDA-RD notes	27,276	26,776
Current portion other loans and capital leases	26,512	29,728
Payroll taxes and PERS payable	6,178	5,748
Interest payable USDA-RD	22,040	22,869
Interest payable other loans and capital leases	<u>0</u>	<u>245</u>
TOTAL CURRENT LIABILITIES	<u>116,447</u>	<u>114,263</u>
LONG-TERM LIABILITIES		
Notes payable USDA-RD	1,191,553	1,188,753
Other loans and capital leases payable	<u>618,809</u>	<u>640,546</u>
TOTAL LONG-TERM LIABILITIES	<u>1,810,362</u>	<u>1,829,299</u>
TOTAL LIABILITIES	<u>1,926,809</u>	<u>1,943,562</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,535,678	1,562,779
Restricted for other purposes	158,123	154,019
Unrestricted	<u>257,701</u>	<u>266,239</u>
TOTAL NET ASSETS	<u>\$1,951,502</u>	<u>\$1,983,037</u>

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

SOUTHERN PERRY COUNTY WATER DISTRICT
Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Operating revenues		
Water sales	\$ 709,586	\$ 694,879
Tap fees	29,138	32,637
Turn on fees	1,775	1,975
Late penalty charges	20,650	20,715
Total operating revenues	<u>761,149</u>	<u>750,206</u>
Operating expenses		
Purchased water	302,704	290,541
Salaries, payroll taxes, & employers share PERS	124,361	127,044
Directors fees	6,300	6,075
Employee health and life insurance	27,148	24,070
Workers compensation	5,720	5,190
Utilities	22,580	21,283
Maintenance and operations	55,541	53,092
Office expenses and operation	12,752	14,264
Professional fees	42,348	62,278
Depreciation	120,223	120,300
Total operating expenses	<u>719,677</u>	<u>724,137</u>
Operating income	<u>41,472</u>	<u>26,069</u>
Nonoperating revenues (expenses)		
Interest revenue	11,970	8,048
Interest expense USDA-RD	(58,932)	(60,833)
Interest expense other	(11,974)	(12,054)
Other Expenses	(20,800)	0
Gain on disposal of asset	6,729	0
Total nonoperating revenues (expenses)	<u>(73,007)</u>	<u>(64,839)</u>
Increase (decrease) in net assets	(31,535)	(38,770)
Net Assets - beginning of year	<u>1,983,037</u>	<u>2,021,807</u>
Net Assets - end of year	<u>\$ 1,951,502</u>	<u>\$ 1,983,037</u>

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

SOUTHERN PERRY COUNTY WATER DISTRICT
Statements of Cash Flows
For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Receipts from customers	\$ 764,343	\$ 752,656
Payments to suppliers	(430,420)	(445,648)
Payments to employees	(163,059)	(164,850)
	<u>170,864</u>	<u>142,158</u>
Net cash provided by operating activities:		
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt	41,208	91,896
Acquisitions of capital assets	(72,628)	(122,827)
Proceeds from Insurance Payments	7,888	0
Principal paid on capital debt	(54,109)	(50,258)
Payments on Capital Lease	(8,977)	(8,472)
Other Non Operating Payments	(20,800)	0
Interest paid on debt	(71,755)	(73,467)
	<u>(179,173)</u>	<u>(163,128)</u>
Net cash used by capital and related financing activities:		
Cash flows from investing activities:		
Interest	11,970	8,048
	<u>11,970</u>	<u>8,048</u>
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	3,661	(12,922)
Balances - beginning of year	<u>443,148</u>	<u>456,070</u>
Balances - end of year	<u>\$ 446,809</u>	<u>\$ 443,148</u>
Reconciliation of operating income to net cash Provided by operating activities:		
Operating income	\$ 41,472	\$ 26,069
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	120,223	120,300
Changes in net assets and liabilities:		
Receivables	3,195	2,450
Accounts payable	5,544	(8,233)
Taxes payable	430	1,572
	<u>170,864</u>	<u>142,158</u>
Net cash provided by operating activities	<u>\$ 170,864</u>	<u>\$ 142,158</u>
Reconciliation of cash to the statement of assets, liabilities, and net assets:		
Cash and cash equivalents	\$ 288,686	\$ 289,129
Cash equivalents - restricted	<u>158,123</u>	<u>154,019</u>
Total cash and cash equivalents	<u>\$ 446,809</u>	<u>\$ 443,148</u>

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

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Southern Perry County Water District, Inc. (the District) is a water district organized under the provisions of Section 6119 of the Ohio Revised Code by the Common Pleas Court of Perry County on February 11, 1975. The District operates under the direction of a seven member board of trustees. The staff, consisting of an appointed Board Treasurer, a distribution superintendent, and an office manager are responsible for fiscal control of the resources of the District. The District was established to provide an adequate and uncontaminated water supply for the consumption of the water district users and business use. The District serves all or parts of the following political subdivisions in Perry County:

Bearfield Township
Coal Township
Harrison Township
Jackson Township
Monroe Township
Pike Township
Pleasant Township
Saltlick Township
Village of Rendville

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Southern Perry County Water District, there are not other boards and agencies other than the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations for which the District approves the budget, the issuance of debt or levying of taxes. The District has no component units.

B. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

For financial statement presentation purposes, the Southern Perry County Water District, Inc. utilizes the accrual basis of accounting. Under this method of accounting, revenues are recognized when they are earned. Un-billed water utility service receivables are recorded at year end.

Expenses are recognized under the accrual basis of accounting when the liability is incurred.

Under the guidelines of GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting, the District has elected not to apply FASB Statements and Interpretations issued after November 30, 1989, to its proprietary activities.

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. BUDGETARY PROCESS

The Ohio Revised Code requires the District to adopt an annual budget. The district adopts its annual budget on the cash basis.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations, and appropriations may not

exceed estimated resources. The District must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources

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

A summary of 2005 and 2004 budgetary activity appears in Note 3.

D. CASH & CASH EQUIVALENTS

Cash in the District's operating account, certificates of deposit, and the District's participation in the State Treasurer's Investment Pool (STAROhio) are treated as cash and cash equivalents for the purposes of the Statement of Cash Flows.

E. INVENTORY

The inventory is valued at cost, which approximates market, utilizing the first-in, first-out (FIFO) method. The inventory of the District consists of expendable materials and supplies. The cost is recorded as an expense at the time individual inventory items are used.

F. RESTRICTED ASSETS

Restricted assets represent monies legally restricted for payment of bond issues. All of the District's restricted investments are invested in certificates of deposit at December 31, 2005 and 2004, and are listed in the noncurrent assets section of the balance sheet.

G. PROPERTY, PLANT, AND EQUIPMENT

Fixed assets acquired or constructed for the general use of the District in providing service are recorded at cost. Donated assets are recorded at their estimated fair market value at the time received. Depreciation of fixed assets of the District is calculated utilizing the straight line method. All assets reported in the financial statements are at cost less accumulated depreciation. The estimated useful lives by major fixed asset class are as follows:

Department of Natural Resources Tap Fees	40 years
Water Lines	50 years
Water Tanks	50 years
Water Meters and Installation	50 years
Transportation Equipment	5 to 10 years
Equipment and Tools	2 to 5 years

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. COMPENSATED ABSENCES

GASB Statement 16 establishes criteria for compensated absences. Compensated absences for vacation leave and benefits with similar characteristics should be recorded as a liability when earned by employees if the following conditions are satisfied:

1. Compensated absence is earned on the basis of services already performed by employees.
2. It is probable that the compensated absence will be paid in a future period.

The District does not record compensated absences in accordance with GASB 16, as the District feels that any liability would be immaterial to the general purpose financial statements as a whole.

I. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted for debt service reserves as required by the Rural Development Loan requirements. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

J. ESTIMATES

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

NOTE 2 - CASH AND CASH EQUIVALENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits represent interim monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. Interim monies can be deposited or invested in the following securities:

1. Notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct insurances of federal government agencies or instrumentalities;

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-loan money market mutual funds consisting exclusively of obligations described in items (1) and (2) of this footnote and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time;
8. Under limited circumstances, corporate debt interests rated in either of the two highest ratings classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. The District held no investments during fiscal years 2005 and 2004.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. For deposits, custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The carrying amounts of the District's deposits were \$211,225 and \$196,190 as of December 31, 2005 and 2004, respectively. The District's bank balances were \$212,713 and \$204,757 as of December 31, 2005 and 2004, respectively. Of the bank balances for each of the fiscal years ended \$100,000 were covered by federal depository insurance. The remaining amounts were collateralized by specific investments held by a third party trustee in the name of the District and therefore, not subject to custodial credit risk.

Investments The District's investments are shown below:

	<u>2005</u>	<u>2005</u>	<u>2004</u>	<u>2004</u>
	Fair/Carrying Value	Weighted Average Maturity (Yrs.)	Fair/Carrying Value	Weighted Average Maturity (Yrs.)
STAR Ohio	<u>\$ 235,584</u>	0	<u>\$ 246,958</u>	0

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 2 - CASH AND CASH EQUIVALENTS (Continued)

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits their investments to STAR Ohio. Investments in STAR Ohio were rated AAAM by Standard & Poor’s.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District does not have an investment policy which allows only investments in STAR Ohio and Certificates of Deposit. The District has invested 100 percent in STAR Ohio.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are either insured and registered in the name of the District or at least registered in the name of the District.

NOTE 3 - BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2005 and 2004 is as follows:

Budgeted vs. Actual Receipts

	<u>2005</u>	<u>2004</u>
Budgeted Receipts	\$1,179,625	\$1,170,000
Actual Receipts	<u>825,930</u>	<u>854,475</u>
Variance	<u>\$ 353,695</u>	<u>\$ 315,525</u>

Budgeted vs. Actual Budgetary Basis Expenditures

	<u>2005</u>	<u>2004</u>
Appropriation Authority	\$1,178,780	\$1,169,000
Actual Expenditures	<u>824,420</u>	<u>868,314</u>
Variance	<u>\$ 354,360</u>	<u>\$ 300,686</u>

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 4 – CAPITAL ASSETS

Capital Assets activity for the fiscal year ended December 31, 2005 is as follows:

	Ending Balance 12/31/04	Additions	Deletions	Ending Balance 12/31/05
Capital Assets, Not Being Depreciated				
Land	\$19,968	\$0	\$0	\$19,968
Capital Assets Being Depreciated				
Water Lines and Buildings	\$4,279,547	\$69,758	\$0	\$4,349,305
DNR Tap Fees	\$503,516	\$0	\$0	\$503,516
Transportation Equipment	\$87,896	\$0	(\$9,936)	\$77,960
Furniture and Equipment	\$64,350	\$2,870	(\$6,491)	\$60,729
Total Capital Assets, Being Depreciated	<u>4,935,309</u>	<u>72,628</u>	<u>(16,427)</u>	<u>4,991,510</u>
Less Accumulated Depreciation:				
Water Lines and Buildings	(1,092,059)	(91,574)	0	(1,183,633)
DNR Tap Fees	(324,317)	(12,588)	0	(336,905)
Transportation and Equipment	(51,921)	(12,809)	8,777	(55,953)
Furniture and Equipment	(38,398)	0	3,239	(35,159)
Total Accumulated Depreciation	<u>(1,506,695)</u>	<u>(116,971)</u>	<u>12,016</u>	<u>(1,611,650)</u>
Total Capital Assets Being Depreciated, Net	<u>3,428,614</u>	<u>(44,343)</u>	<u>(4,411)</u>	<u>3,379,860</u>
Total Capital Assets, Net	<u>\$3,448,582</u>	<u>(\$44,343)</u>	<u>(\$4,411)</u>	<u>\$3,399,828</u>

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 4 – CAPITAL ASSETS (Continued)

Capital Assets activity for the fiscal year ended December 31, 2004 is as follows:

	Ending Balance 12/31/03	Additions	Deletions	Ending Balance 12/31/04
Capital Assets, Not Being Depreciated				
Land	\$19,968	\$0	\$0	\$19,968
Capital Assets Being Depreciated				
Water Lines and Buildings	\$4,171,136	\$108,411	\$0	\$4,279,547
DNR Tap Fees	\$503,516	\$0	\$0	\$503,516
Transportation Equipment	\$74,796	\$13,100	\$0	\$87,896
Furniture and Equipment	\$63,034	\$1,316	\$0	\$64,350
Total Capital Assets, Being Depreciated	<u>4,812,482</u>	<u>122,827</u>	<u>0</u>	<u>4,935,309</u>
Less Accumulated Depreciation:				
Water Lines and Buildings	(1,005,663)	(86,396)	0	(1,092,059)
DNR Tap Fees	(311,729)	(12,588)	0	(324,317)
Transportation and Equipment	(36,725)	(15,196)	0	(51,921)
Furniture and Equipment	(32,278)	(6,120)	0	(38,398)
Total Accumulated Depreciation	<u>(1,386,395)</u>	<u>(120,300)</u>	<u>0</u>	<u>(1,506,695)</u>
Total Capital Assets Being Depreciated, Net	<u>3,426,087</u>	<u>2,527</u>	<u>0</u>	<u>3,428,614</u>
Total Capital Assets, Net	<u>\$3,446,055</u>	<u>\$2,527</u>	<u>\$0</u>	<u>\$3,448,582</u>

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 5 – CURRENT AND LONG-TERM DEBT

Long-Term debt obligations and the related transactions for the years ending December 31, 2004 and 2005 are summarized below:

	Balance			Balance	
	12/31/2003	Additions	Reductions	12/31/2004	Due Within One Year
O.W.D.A	\$ 253,515	\$ 91,896	\$ (8,839)	\$ 336,572	\$ 5,974
O.P.W.C	311,944	-	(16,723)	\$ 295,221	\$ 17,059
FmHA Revenue Bonds	1,269,954	-	(24,696)	\$ 1,245,258	\$ 26,429
GMAC Lease Purchase	17,449	-	(8,472)	\$ 8,977	\$ 8,977
	<u>\$ 1,852,862</u>	<u>\$ 91,896</u>	<u>\$ (58,730)</u>	<u>\$ 1,886,028</u>	<u>\$ 58,439</u>

	Balance			Balance	
	12/31/2004	Additions	Reductions	12/31/2005	Due Within One Year
O.W.D.A	\$ 336,572	\$ 41,208	\$ (10,621)	\$ 367,159	\$ 9,110
O.P.W.C	295,221	-	(17,059)	\$ 278,162	\$ 17,402
FmHA Revenue Bonds	1,245,258	-	(26,429)	\$ 1,218,829	\$ 27,276
GMAC Lease Purchase	8,977	-	(8,977)	\$ -	\$ -
	<u>\$ 1,886,028</u>	<u>\$ 41,208</u>	<u>\$ (63,086)</u>	<u>\$ 1,864,150</u>	<u>\$ 53,788</u>

A. FmHA revenue bonds

The FmHA outstanding revenue bonds were issued for the acquisition and construction of Phase I, II, and III of the water resource expansion project. Revenue of the District has been pledged to repay these debts.

Future principal and interest payments on all FmHA Revenue Bonds are as follows:

Year Ending December 31,	FmHA Revenue Bonds		
	Principal	Interest	Total
2006	\$ 27,276	\$ 58,477	\$ 85,753
2007	20,140	57,154	77,294
2008	21,120	55,680	76,800
2009	30,017	54,278	84,295
2010	46,336	52,723	99,059
2011-2015	194,068	237,579	431,647
2016-2020	210,417	186,388	396,805
2021-2025	202,810	141,056	343,865
2026-2030	256,261	85,795	342,055
2031-2035	210,384	23,811	234,195
	<u>\$ 1,218,829</u>	<u>\$ 952,941</u>	<u>\$ 2,171,770</u>

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 5 – CURRENT AND LONG-TERM DEBT (Continued)

B. Ohio Public Works Commission Issue II loans:

The outstanding Issue II loan was issued by Perry County. The District has assumed this debt because the water improvements are to be turned over to the District.

Future principal and interest payments on all OPWC loans are as follows:

Year Ending December 31,	OPWC Loans		
	Principal	Interest	Total
2006	\$ 17,402	\$ 5,477	\$ 22,879
2007	17,752	5,127	22,879
2008	18,109	4,770	22,879
2009	18,473	4,406	22,879
2010	18,844	4,035	22,879
2011-2015	100,055	14,338	114,393
2016-2020	87,527	3,984	91,511
	<u>\$ 278,162</u>	<u>\$ 42,137</u>	<u>\$ 320,299</u>

C. Ohio Water Development Authority (OWDA) loans:

The OWDA loans were used for a water booster station and an elevated tank.

Future principal and interest payments on all O.W.D.A loans are as follows:

Year Ending December 31,	OWDA Loans		
	Principal	Interest	Total
2006	\$ 9,110	\$ 4,576	\$ 13,686
2007	11,066	5,384	16,450
2008	11,232	5,217	16,450
2009	11,401	5,048	16,450
2010	11,573	4,877	16,450
2011-2015	60,532	21,716	82,248
2016-2020	65,228	17,020	82,248
2021-2025	70,289	11,959	82,248
2026-2030	75,742	6,506	82,248
2031-2035	40,986	1,200	42,186
	<u>\$ 367,159</u>	<u>\$ 83,504</u>	<u>\$ 450,663</u>

D. GMAC capital lease

A Capital Lease for the acquisition of a pick-up truck was paid off during 2005.

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 6 - RISK MANAGEMENT

The District maintains comprehensive insurance coverage with private carriers for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage.

Settled claims have not exceeded any aforementioned commercial coverage in any of the past three years. There has been no significant change in coverage from the prior year.

Workers' compensation benefits are provided through the State Bureau of Workers' Compensation.

The District also provides health care insurance coverage for its full-time employees.

NOTE 7 - PENSION PLAN

A. Public Employees Retirement System

1. Pension Benefit Obligation

- a. All employees of the District participate in the Ohio Public Employees Retirement System (OPERS) administers three separate pension plans as described below:
 1. The Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan.
 2. The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon.
 3. The Combined Plan (CO) - a cost sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.
- b. OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.
- c. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.
- d. The OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614)222-6705 or 1-800-222-7377.
- e. The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans.

The 2005 and 2004 member contribution rates were 8.5 percent for members in state and local classifications (the District is included in this classification). The 2005 and 2004 employer contribution rate for local government employer units was 13.55 percent of covered payroll.
- f. The District's contribution to OPERS for the years ending December 31, 2005, 2004 and 2003 was \$15,396, \$15,685, \$15,111 respectively which was equal to the required contributions.

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 7 - PENSION PLAN (Continued)

2. Other Postemployment Benefits

- a. OPERS provides retirement, disability, survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional and the Combined Plans; Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age, and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. The 2005 employer contribution rate for local government employer units was 13.55% of covered payroll, and the portion of employer contributions for all employers allocated to health care was 4.00% for both 2005 and 2004.

- b. The Ohio Revised Code provides the statutory authority to require public employers to fund post retirement health care through their contributions to OPERS.

- c. Summary of Assumptions:

Actuarial Review – The assumptions and calculations below were based on OPERS' latest actuarial review, performed as of December 31, 2004.

Funding Method – An entry-age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability.

Assets Valuation method – All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25% of the unrealized market appreciation or depreciation on investment assets annually.

Investment Return – The investment assumption rate for 2004 was 8.00%.

Active Employee Total Payroll – Annual increase of 4.00%, compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase, were assumed to range from 0.50% to 6.30%.

Health Care – Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1% to 6% for the next 8 years. In subsequent years (9 and beyond), health care costs were assumed to increase 4% (the projected wage inflation rate).

- d. OPEBs are advance-funded on an actuarially determined basis. The following disclosures are required:

The Traditional Pension and Combined Plans had 376,109 active contributing participants as of December 31, 2005. The number of active contributing participants for both plans used in the December 31, 2004 actuarial valuation was 355,287.

The amount of \$10.8 billion represents the actuarial value of OPERS' net assets available for OPEB at December 31, 2004.

The Actuarial Valuation as of December 31, 2004, reported the actuarially accrued liability and the unfunded actuarially accrued liability for OPEB, based on the actuarial cost method used, at \$29.5 billion and 18.7 billion, respectively.

**SOUTHERN PERRY COUNTY WATER DISTRICT
PERRY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

NOTE 7 - PENSION PLAN (Continued)

- e. OPERS Retirement Board adopts Health Care Preservation Plan:

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. In addition to the HCPP, OPERS has taken additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

NOTE 8 – CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments; Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements* were adopted by the District effective January 1, 2004. GASB 34 creates new basic financial statements for reporting on the District’s financial activities. The financial statements now include statements of net assets, statements of revenues, expenses and changes in net assets, and statements of cash flows all prepared on the accrual basis of accounting.

During 2005, the District has implemented GASB Statement 40, “Deposit and Investment Risk Disclosures”. GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentration of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. The implementation of GASB 40 did not have an effect on the financial statements of the District, however, additional note disclosures can be found in Note 2.

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Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Southern Perry County Water District
P.O. Box 335
Corning, Ohio 43730-0335

We have audited the financial statements of Southern Perry County Water District. (the District), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated August 4, 2006. 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 District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over the financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulation, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we reported to management of the District in a separate letter dated August 4, 2006.

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



Balestra, Harr & Scherer, CPAs, Inc.
August 4, 2006



**Auditor of State
Betty Montgomery**

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SOUTHERN PERRY COUNTY WATER DISTRICT

PERRY 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
NOVEMBER 21, 2006**