

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

Financial Statements
(Audited)

For The Years Ended
December 31, 2005 and 2004

DONALD JOLLIFF, FISCAL OFFICER



**Auditor of State
Betty Montgomery**

Village Council
Village of Richwood
286 South Franklin Street
Richwood, Ohio 43344

We have reviewed the *Independent Auditors' Report* of the Village of Richwood, Union County, prepared by Julian and Grube, 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

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BETTY MONTGOMERY
Auditor of State

September 8, 2006

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**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

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Independent Auditors' Report

Village of Richwood
286 S. Franklin Street
Richwood, OH 43344

We have audited the accompanying financial statements of the Village of Richwood, Union County, (the "Village") as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to 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.

As discussed in Note 2, the Village of Richwood prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Village of Richwood to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the combined funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2005 and 2004. While the Village of Richwood does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village of Richwood has elected not to reformat its statements. Since the Village of Richwood does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

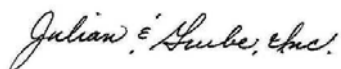
Independent Auditors' Report
Village of Richwood
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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of Richwood as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash fund balances of the Village of Richwood, Union County, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements and combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances for the years then ended on the accounting basis as Note 2 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006 on our consideration of the Village of Richwood'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.



Julian & Grube, Inc.
June 20, 2006

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH FUND BALANCES
ALL FUND TYPES
DECEMBER 31, 2005 AND 2004

<u>Cash and Cash Equivalents</u>	2005	2004
Cash and Cash Equivalents	\$ 1,309,439	\$ 980,341
Total Cash and Cash Equivalents	\$ 1,309,439	\$ 980,341
<u>Cash Fund Balances</u>		
<u>Governmental Fund Types:</u>		
General	\$ 141,719	\$ (6,316)
Special Revenue	338,344	288,551
Capital Projects	107,409	(27)
Total Governmental Funds	587,472	282,208
<u>Proprietary Fund Type:</u>		
Enterprise	710,759	686,925
<u>Fiduciary Fund Type:</u>		
Agency	11,208	11,208
Total Fund Balances	\$ 1,309,439	\$ 980,341

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 545,458	\$ 12,215	\$ -	\$ 557,673
Intergovernmental	78,030	159,755	294,165	531,950
Charges for services	1,041	1,540	-	2,581
Fines, licenses, and permits	11,552	-	-	11,552
Interest	26,930	683	-	27,613
Miscellaneous	16,981	40	-	17,021
Total cash receipts	<u>679,992</u>	<u>174,233</u>	<u>294,165</u>	<u>1,148,390</u>
Cash disbursements:				
Current:				
Security of persons and property	359,362	-	-	359,362
Public health services	27,675	-	-	27,675
Leisure time activities	-	25,420	-	25,420
Transportation	6,710	116,742	-	123,452
General government	104,422	-	-	104,422
Capital outlay	-	2,329	199,266	201,595
Total cash disbursements	<u>498,169</u>	<u>144,491</u>	<u>199,266</u>	<u>841,926</u>
Total cash receipts over cash disbursements	<u>181,823</u>	<u>29,742</u>	<u>94,899</u>	<u>306,464</u>
Other financing receipts/(disbursements):				
Operating transfers in	-	20,051	12,537	32,588
Operating transfers out	(32,588)	-	-	(32,588)
Other uses	(1,200)	-	-	(1,200)
Total other financing receipts/(disbursements)	<u>(33,788)</u>	<u>20,051</u>	<u>12,537</u>	<u>(1,200)</u>
Excess of cash receipts and other financing receipts over cash disbursements and other financing disbursements	148,035	49,793	107,436	305,264
Cash fund balances, January 1, 2005	<u>(6,316)</u>	<u>288,551</u>	<u>(27)</u>	<u>282,208</u>
Cash fund balances, December 31, 2005	<u>\$ 141,719</u>	<u>\$ 338,344</u>	<u>\$ 107,409</u>	<u>\$ 587,472</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2005

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Agency	Total (Memorandum Only)
Operating cash receipts:			
Charges for services	\$ 634,407	\$ -	\$ 634,407
Total operating cash receipts	634,407	-	634,407
Operating cash disbursements:			
Personal services	163,073	-	163,073
Employee fringe benefits	70,271	-	70,271
Contractual services	174,559	-	174,559
Supplies and material	106,549	-	106,549
Capital outlay	66,989	-	66,989
Total operating cash disbursements	581,441	-	581,441
Operating income	52,966	-	52,966
Nonoperating cash receipts/(disbursements):			
Intergovernmental receipts	40,952	-	40,952
Proceeds of notes	44,025	-	44,025
Debt service:			
Principal	(45,898)	-	(45,898)
Interest	(68,211)	-	(68,211)
Total nonoperating cash receipts/(disbursements)	(29,132)	-	(29,132)
Income before operating transfers	23,834	-	23,834
Transfers in	117,037	-	117,037
Transfers out	(117,037)	-	(117,037)
Net cash receipts over cash disbursements	23,834	-	23,834
Cash fund balances, January 1, 2005	686,925	11,208	698,133
Cash fund balances, December 31, 2005	\$ 710,759	\$ 11,208	\$ 721,967

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF RICHWOOD
UNION COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2005

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2005 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2005 Appropriations	Total	Actual 2005 Disbursements	Encumbrances Outstanding at 12/31/05	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 158,280	\$ 736,865	\$ 895,145	\$ 679,992	\$ (56,873)	\$ -	\$ 625,215	\$ 625,215	\$ 531,957	\$ 196.00	\$ 532,153	\$ 93,062
Special Revenue	80,810	194,751	275,561	194,284	(467)	-	176,765	176,765	144,491	3,332	147,823	28,942
Capital Projects	161,888	475,127	637,016	306,702	(168,425)	-	435,127	435,127	199,266	-	199,266	235,861
Proprietary:												
Enterprise	588,923	666,017	1,254,940	836,421	(418,519)	-	790,133	790,133	812,587	1,032	813,619	(23,486)
Total												
(Memorandum Only)	\$ 989,901	\$ 2,072,760	\$ 3,062,662	\$ 2,017,399	\$ (644,284)	\$ -	\$ 2,027,240	\$ 2,027,240	\$ 1,688,301	\$ 4,560	\$ 1,692,861	\$ 334,379

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	
Cash receipts:				
Local taxes	\$ 435,148	\$ 12,047	\$ -	\$ 447,195
Intergovernmental	133,525	131,456	7,506	272,487
Charges for services	128	1,425	-	1,553
Fines, licenses, and permits	11,998	-	-	11,998
Interest	15,695	494	-	16,189
Miscellaneous	22,111	-	-	22,111
Total cash receipts	<u>618,605</u>	<u>145,422</u>	<u>7,506</u>	<u>771,533</u>
Cash disbursements:				
Current:				
Security of persons and property	365,836	-	-	365,836
Public health services	27,169	-	-	27,169
Leisure time activities	-	32,704	-	32,704
Transportation	15,181	175,878	-	191,059
General government	113,041	-	-	113,041
Capital outlay	-	11,279	145,208	156,487
Total cash disbursements	<u>521,227</u>	<u>219,861</u>	<u>145,208</u>	<u>886,296</u>
Total cash receipts over/(under) cash disbursements	<u>97,378</u>	<u>(74,439)</u>	<u>(137,702)</u>	<u>(114,763)</u>
Other financing receipts/(disbursements):				
Operating transfers in	-	108,678	25,475	134,153
Operating transfers out	(203,234)	-	-	(203,234)
Advances in	-	-	112,200	112,200
Advances out	(112,200)	-	-	(112,200)
Total other financing receipts/(disbursements)	<u>(315,434)</u>	<u>108,678</u>	<u>137,675</u>	<u>(69,081)</u>
Excess of cash receipts and other financing receipts over/(under) cash disbursements and other financing disbursements	(218,056)	34,239	(27)	(183,844)
Cash fund balances, January 1, 2004	<u>211,740</u>	<u>254,312</u>	<u>-</u>	<u>466,052</u>
Cash fund balances, December 31, 2004	<u>\$ (6,316)</u>	<u>\$ 288,551</u>	<u>\$ (27)</u>	<u>\$ 282,208</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2004

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Agency	
Operating cash receipts:			
Charges for services	\$ 665,443	\$ -	\$ 665,443
Total operating cash receipts	<u>665,443</u>	<u>-</u>	<u>665,443</u>
Operating cash disbursements:			
Personal services	140,387	-	140,387
Employee fringe benefits	61,185	-	61,185
Contractual services	461,200	-	461,200
Supplies and material	87,741	-	87,741
Capital outlay	28,102	-	28,102
Total operating cash disbursements	<u>778,615</u>	<u>-</u>	<u>778,615</u>
Operating (loss)	<u>(113,172)</u>	<u>-</u>	<u>(113,172)</u>
Nonoperating cash receipts/(disbursements):			
Intergovernmental receipts	322,782	-	322,782
Debt service:			
Principal	(46,705)	-	(46,705)
Interest	(79,201)	-	(79,201)
Total nonoperating cash receipts (disbursements)	<u>196,876</u>	<u>-</u>	<u>196,876</u>
Income before operating transfers	83,704	-	83,704
Transfers in	80,382	-	80,382
Transfers out	<u>(11,301)</u>	<u>-</u>	<u>(11,301)</u>
Net cash receipts over cash disbursements	152,785	-	152,785
Cash fund balances, January 1, 2004	<u>534,140</u>	<u>11,208</u>	<u>545,348</u>
Cash fund balances, December 31, 2004	<u>\$ 686,925</u>	<u>\$ 11,208</u>	<u>\$ 698,133</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VILLAGE OF RICHWOOD
UNION COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND ENCUMBRANCES COMPARED WITH EXPENDITURE
AUTHORITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2004

Fund Types	Receipts					Disbursements						
	County Certified Unencumbered Cash	Budget	Total Estimated Resources	Actual 2004 Receipts	Variance Favorable (Unfavorable)	Prior Year Carryover Appropriations	2004 Appropriations	Total	Actual 2004 Disbursements	Encumbrances Outstanding at 12/31/04	Total	Variance Favorable (Unfavorable)
Governmental:												
General	\$ 314,085	\$ 682,408	\$ 996,493	\$ 618,605	\$ (63,803)	\$ -	\$ 734,527	\$ 734,527	\$ 836,661	\$ -	\$ 836,661	\$ (102,134)
Special Revenue	108,822	276,024	384,846	254,100	(21,924)	-	227,525	227,525	219,861	-	219,861	7,664
Capital Projects	161,914	150,000	311,914	145,181	(4,819)	-	170,000	170,000	145,208	-	145,208	24,792
Proprietary:												
Enterprise	436,139	671,399	1,107,538	1,068,607	397,208	-	821,561	821,561	915,822	-	915,822	(94,261)
Total (Memorandum Only)	<u>\$ 1,020,960</u>	<u>\$ 1,779,831</u>	<u>\$ 2,800,791</u>	<u>\$ 2,086,493</u>	<u>\$ 306,662</u>	<u>\$ -</u>	<u>\$ 1,953,613</u>	<u>\$ 1,953,613</u>	<u>\$ 2,117,552</u>	<u>\$ -</u>	<u>\$ 2,117,552</u>	<u>\$ (163,939)</u>

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 1 - DESCRIPTION OF THE ENTITY

The Village of Richwood (the "Village") is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, park operations (leisure time activities), and police services. The North Union Local Fire Department provides emergency medical services and fire protection to the Village.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant of the Village's accounting policies are described below.

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the Village are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. The following fund types are used by the Village.

GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for all activities of the Village not required to be included in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Village had the following significant special revenue fund:

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

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following significant Capital Projects Fund:

Industrial Park Fund - This fund receives state grants for the preparation of the Village's industrial park.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary Fund Type:

Enterprise Funds

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

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility. In addition, this fund receives grants and loan proceeds from various agencies for the expansion of the Village's water plant.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility. In addition, this fund receives grants and loan proceeds from various agencies for the expansion of the Village's sewer system.

Fiduciary Funds (Agency Fund)

Insurance Escrow - This fund holds money for fire damage clean-up of property within the Village.

B. BASIS OF ACCOUNTING

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

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

C. BUDGETARY PROCESS

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds are legally required to be budgeted and appropriated except agency funds. The primary level of budgetary control is at the item level. Any budgetary modifications at this level may only be made by resolution of the Village's Council.

Tax Budget:

A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. The expressed purpose of the tax budget is to reflect the need for existing (or increased) tax rates. The Union County Budget Commission has waived this requirement for 2005 and 2004.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews receipt estimates. The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources, which states the projected receipts of each fund. On or about January 1, the certificate is amended to include unencumbered fund balances at December 31 of the preceding year. Further amendments may be made during the year if the Village determines that receipts collected will be greater than or less than the prior estimates, and the Budget Commission finds the revised estimates to be reasonable. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

Appropriations:

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March 31. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriations measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated. The Village had no outstanding encumbrances at December 31, 2004.

D. CASH AND CASH EQUIVALENTS

For reporting purposes, the Village considers "Cash and Cash Equivalents" to be cash on hand, demand deposits, and all investments held by the Village with a maturity date less than or equal to three months from the date of purchase. Interest income earned and received by the Village totaled \$27,613 and \$16,189 for the years ended December 31, 2005 and 2004, respectively.

E. PROPERTY, PLANT AND EQUIPMENT

Capital assets are not capitalized in any of the Village's funds. Instead, capital acquisition and construction costs are reflected as expenditures in the fund in the year expended. The costs of normal maintenance and repairs are also expended, along with improvements. Depreciation is not recorded by the Village.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. INTERGOVERNMENTAL REVENUES

Intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursable basis are recorded when received in accordance with the Village's cash basis method of accounting.

G. INTERFUND TRANSACTIONS

During the course of normal operations, the Village had transactions between funds. The most significant include transfers and advances.

Transfers of resources from one fund to another fund. The resources transferred are to be expended for operations by the receiving fund and are recorded as operating transfers. Repayments from funds responsible for a particular disbursement to the funds that initially paid for them are not presented in the financial statements. Advances are temporary loans to other funds which are ultimately going to be repaid.

H. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the financial statements are captioned "Total (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - COMPLIANCE

- A. The following funds had expenditures in excess of appropriations for the years ended December 31, 2005 and 2004 in noncompliance with Ohio Revised Code Section 5705.41(B).

<u>Fund</u>	<u>Excess</u>
<u>2005</u>	
<u>Enterprise Fund</u>	
Sewer Operating	\$ 83,608
<u>2004</u>	
General fund	102,134
<u>Enterprise Fund</u>	
Sewer Operating	210,882

Disclosure is presented at the fund level rather than at the department and item level within the fund due to the practicality of determining these values.

- B. The Village also did not properly encumber all commitments required by Ohio law contrary to Ohio Revised Code Section 5705.41(D).
- C. 5705.10 states that money paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund. Negative fund balance was noted in the General fund and capital projects for 2004.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 4 - CASH AND CASH EQUIVALENTS

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

	2005	2004
Deposits: Demand deposits	\$ 656,804	\$ 365,868
Deposits: Certificate of deposits	273,421	255,864
Investments: STAR Ohio	379,214	358,609
 Total Cash and Cash Equivalents	 \$ 1,309,439	 \$ 980,341

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not endorsed by securities that exist in physical or book-entry form. Investments in STAR Ohio is valued at amounts reported by the State Treasurer. Investments are reported as assets. Accordingly, purchase of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements respectively.

NOTE 5 - INTERFUND TRANSACTIONS

The following is a summarized breakdown of the Village's operating transfers for 2005 and 2004:

2005	Transfers In	Transfers Out
GENERAL FUND	\$ -	\$ 32,588
<u>SPECIAL REVENUE FUNDS:</u>		
Street Construction, Maintenance and Repair	9,000	-
Parks Recreation	11,051	-
Total Special Revenue Funds	20,051	-
<u>CAPITAL PROJECT FUND:</u>		
Industrial Park Development	12,537	-
Total Capital Project Fund	12,537	-
<u>ENTERPRISE FUNDS:</u>		
Water Operating	-	72,079
Sewer Improvement	3,760	-
Sewer Operating	-	44,958
Water Debt	70,033	-
Enterprise Debt	2,046	-
Sewer Debt	41,198	-
Total Enterprise Funds	117,037	117,037
Totals	\$ 149,625	\$ 149,625

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

<u>2004</u>	<u>Transfers In</u>	<u>Transfers Out</u>
GENERAL FUND	\$ -	\$ 203,234
 <u>SPECIAL REVENUE FUNDS:</u>		
Street Construction, Maintenance and Repair	86,676	-
Parks Recreation	<u>22,002</u>	<u>-</u>
Total Special Revenue Funds	<u>108,678</u>	<u>-</u>
 <u>CAPITAL PROJECT FUNDS:</u>		
Capital Project	16,366	-
Industrial Park Development	<u>9,109</u>	<u>-</u>
Total Capital Project Funds	<u>25,475</u>	<u>-</u>
 <u>ENTERPRISE FUNDS:</u>		
Water Operating	-	10,624
Sewer Operating	-	677
Sewer Improvement	677	-
Water Debt	59,348	-
Enterprise Debt	11,047	-
Sewer Debt Service	<u>9,310</u>	<u>-</u>
Total Capital Project Funds	<u>80,382</u>	<u>11,301</u>
 Totals	 <u>\$ 214,535</u>	 <u>\$ 214,535</u>

The following is a summarized breakdown of the Village's advances for 2004:

<u>2004</u>	<u>Advances In</u>	<u>Advances Out</u>
GENERAL FUND	\$ -	\$ 112,200
 <u>CAPITAL PROJECT FUND:</u>		
Industrial Park	<u>112,200</u>	<u>\$ -</u>
Totals	<u>\$ 112,200</u>	<u>\$ 112,200</u>

The transfers and advances in the years ended December 31, 2005 and 2004 were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

NOTE 6 - PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the County. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State and are reflected in the accompanying financial statements as Intergovernmental Receipts. Real property taxes are payable annually or semiannually to the County. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

NOTE 7 - LOCAL INCOME TAX

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village. The income tax collection process is administered by the Regional Income Tax Authority. For the years ended December 31, 2005 and 2004, the Village collected \$400,448 and \$295,344, respectively. The Village approved a half percent income tax increase during 2005.

NOTE 8 - RETIREMENT SYSTEMS

During 2004 and 2005, the Village's law enforcement officers belonged to the Ohio Police and Fire Fund (OP&F) retirement system, while other employees belonged to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including post-retirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2005, members of OP&F contributed 10% of their wages to the OP&F. The Village contributed an amount equal to 19.5% of their wages. For 2005 and 2004, OPERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. As of December 31, 2005, the Village has paid all contributions required for 2004 and 2005.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 9 - DEBT OBLIGATIONS

At December 31, 2005 and 2004, debt obligations consisted of the following issuances:

<u>Description</u>	<u>2004</u>	<u>2005</u>
2005 Ohio Water Development Authority (OWDA) for waste water development, not yet fully disbursed.	\$ -	\$ 44,025
2002 Ohio Public Works Commission (OPWC) for water line improvement, due in semiannual installments of \$2,046 through 2022 at a rate of 0%.	69,572	65,480
2002 Ohio Water Development Authority (OWDA) for water system improvements, due in semiannual installments of \$11,404 through 2027.	267,473	261,667
1990 United States Department of Agriculture (USDA) Sanitary Sewerage System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2030 at a rate of 4.5%.	412,000	405,000
1977 GMAC Water System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2017 at a rate of 5.0%.	421,000	397,000
1977 GMAC Sewer System Mortgage Revenue Bonds, due in annual installments of varying amounts through 2017 at a rate of 5.0%.	<u>89,000</u>	<u>84,000</u>
Total debt obligations	<u>\$ 1,259,045</u>	<u>\$ 1,257,172</u>

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 9 - DEBT OBLIGATIONS - (Continued)

Transactions for the year ended December 31, 2005 and 2004 are summarized as follows:

<u>Description</u>	Balance at <u>12/31/04</u>	<u>Proceeds</u>	<u>Payments</u>	Balance at <u>12/31/05</u>
<u>2005:</u>				
OWDA - 2005	\$ -	\$ 44,025	\$ -	\$ 44,025
OPWC	69,572	-	(4,092)	65,480
OWDA - 2002	267,473	-	(5,806)	261,667
USDA Mortgage Revenue Bonds	412,000	-	(7,000)	405,000
GMAC Water Mortgage Revenue Bonds	421,000	-	(24,000)	397,000
GMAC Sewer Mortgage Revenue Bonds	<u>89,000</u>	<u>-</u>	<u>(5,000)</u>	<u>84,000</u>
Totals	<u>\$ 1,259,045</u>	<u>\$ 44,025</u>	<u>\$ (45,898)</u>	<u>\$ 1,257,172</u>
Restated				
<u>Description</u>	Balance at <u>12/31/03</u>	<u>Proceeds</u>	<u>Payments</u>	Balance at <u>12/31/04</u>
<u>2004:</u>				
OPWC	\$ 75,710	\$ -	\$ (6,138)	\$ 69,572
OWDA - 2002	273,040	-	(5,567)	267,473
USDA Mortgage Revenue Bonds	419,000	-	(7,000)	412,000
GMAC Water Mortgage Revenue Bonds	444,000	-	(23,000)	421,000
GMAC Sewer Mortgage Revenue Bonds	<u>94,000</u>	<u>-</u>	<u>(5,000)</u>	<u>89,000</u>
Totals	<u>\$ 1,305,750</u>	<u>\$ -</u>	<u>\$ (46,705)</u>	<u>\$ 1,259,045</u>

The Village is restating its Debt Obligation balance at January 1, 2004 from prior audits, due to the Village not collecting 100% of the loan proceeds from OWDA and supporting documents received from OWDA. The principal and interest requirements to retire the debt obligations outstanding at December 31, 2005, are as follows:

<u>Year Ending December 31</u>	<u>OPWC</u>	<u>OWDA</u>		<u>USDA</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,046	\$ 3,044	\$ 8,360	\$ 7,000	\$ 18,225
2007	4,092	6,382	16,426	8,000	17,910
2008	4,092	6,797	16,011	8,000	17,550
2009	4,092	7,238	15,570	9,000	17,190
2010	4,092	7,707	15,100	9,000	16,785
2011 - 2015	20,460	46,724	67,313	55,000	77,220
2016 - 2020	20,460	63,993	50,045	75,000	63,225
2021 - 2025	6,146	87,645	26,393	100,000	44,100
2026 - 2030	<u>-</u>	<u>32,137</u>	<u>1,449</u>	<u>134,000</u>	<u>18,765</u>
Total	<u>\$ 65,480</u>	<u>\$ 261,667</u>	<u>\$ 216,667</u>	<u>\$ 405,000</u>	<u>\$ 290,970</u>

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

NOTE 9 - DEBT OBLIGATIONS - (Continued)

Year Ending December 31	GMAC - Water		GMAC - Sewer		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 5,000	\$ 4,200	\$ 25,000	\$ 19,850	\$ 42,090	\$ 50,635
2007	6,000	3,950	26,000	18,600	50,474	56,886
2008	6,000	3,650	28,000	17,300	52,889	54,511
2009	6,000	3,350	29,000	15,900	55,330	52,010
2010	6,000	3,050	30,000	14,450	56,799	52,385
2011 - 2015	37,000	10,200	177,000	47,900	336,184	202,633
2016 - 2017	18,000	1,350	82,000	6,200	259,453	120,820
2021 - 2025	-	-	-	-	193,791	70,493
2026 - 2030	-	-	-	-	166,137	20,214
Total	<u>\$ 84,000</u>	<u>\$ 29,750</u>	<u>\$ 397,000</u>	<u>\$ 140,200</u>	<u>\$ 1,213,147</u>	<u>\$ 589,880</u>

OWDA 2005 loan has not been fully disbursed and no amortization schedule has been prepared as of December 31, 2005.

NOTE 10 - RISK MANAGEMENT

The Village belongs to the Ohio Village Risk Management Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio Villages ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 5% portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5% or \$25,000 of casualty losses and the lesser of 5% or \$50,000 of property losses. The individual members are only responsible for self-retention (deductible) amounts, which vary from member to member.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2005 and 2004.

	<u>2004</u>	<u>2003</u>
Assets	\$ 6,685,522	\$ 5,402,167
Liabilities	<u>2,227,808</u>	<u>1,871,123</u>
Members' Equity	<u>4,457,714</u>	<u>3,531,044</u>

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

NOTE 11 – DEBT COVENANTS

The Village's USDA mortgage revenue bond debt covenants require the Village to create a separate fund to maintain one years' debt payment of principal and interest. In addition a reserve and replacement fund must be maintained. This money may be used with permission by USDA to cover maintenance costs. As of December 31, 2005 and 2004, the Village maintains the required funds and balances within the funds.

NOTE 12 - CONTINGENT LIABILITY

LITIGATION

The Village is currently involved in litigation. The Village's management is of the opinion that the outcome of such litigation will not result in a material adverse effect on the Village's financial position.



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**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***

Members of Council and Mayor
Village of Richwood
286 S. Franklin Street
Richwood, OH 43344

We have audited the financial statements of the Village of Richwood as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 20, 2006, wherein we noted the Village of Richwood followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Richwood's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over 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. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the Village in a separate letter dated June 20, 2006.

Members of Council & Mayor
Village of Richwood

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Richwood's financial statements are free of material misstatement, we performed tests on compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 three instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-VOR-001, 2005-VOR-002 and 2005-VOR-003. We also noted certain matters that we reported to the management of the Village of Richwood in a separate letter dated June 20, 2006.

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



Julian & Grube, Inc.
June 20, 2006

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

**DECEMBER 31, 2005 AND 2004
SCHEDULE OF FINDINGS**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2005-VOR-001

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

It was noted during the audit for the years ending December 31, 2005 and 2004 that the Village does not process purchase orders prior to expending funds. A listing of all disbursements is provided to the Council members at each meeting (if applicable) prior to payment but, not prior to the purchase being made.

Without timely certification, the Village may expend more funds than available in the treasury, in the process of collection or than funds appropriated. In addition, by purchasing items prior to Council Member approval or absent the purchase order process, the potential for unnecessary purchases or items for proper public purpose cannot be prevented if approval is after the fact.

We recommend that the Village implement a policy and procedure for the use of purchase orders to help ensure that the disbursements are timely certified. This will help ensure that all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The Village should issue approved purchase orders and consider using blanket and super blanket purchase orders and/or Then and Now certificates where applicable.

Client Response: The Village Fiscal Officer is attempting to create and utilize the purchase order system.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO**

**DECEMBER 31, 2005 AND 2004
SCHEDULE OF FINDINGS**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS- (Continued)	
Finding Number	2005-VOR-002

Ohio Revised Code Section 5705.41 (B) requires that no subdivision is to expend money unless it has been appropriated.

It was noted during the audit that for the years ended December 31, 2005 and 2004 the Village had expenditures exceeding appropriations in the following funds:

<u>Fund</u>	<u>Excess</u>
<u>2005</u>	
<u>Enterprise Fund</u>	
Sewer Operating	\$ 83,608
 <u>2004</u>	
General Fund	102,134
<u>Enterprise Fund</u>	
Sewer Operating	210,882

Disclosure is presented at the fund level rather than at the department and item level within the fund due to the practicality of determining these values.

With expenditures exceeding appropriations, the Village is expending monies that have not been appropriated and approved by Council. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend that the Village comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations and amending the budget prior to year end. This may be achieved by monitoring the budget more closely on a continual basis.

Client Response: The Village Fiscal Officer is attempting to request additional appropriations prior to expenditures being made.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO
DECEMBER 31, 2005 AND 2004**

SCHEDULE OF FINDINGS

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS- (Continued)	
Finding Number	2005-VOR-003

Ohio Revised Code Section 5705.10 in part requires that money paid into any fund shall be expended only after such fund receives monies to cover expenditures.

It was noted during the audit that the Village maintained negative cash fund balances at December 31, 2004 in various funds.

By having a negative fund balance, the Village funds have spent other funds' balances. The cause of this could be due to not monitoring appropriations and related expenditures and continual review of cash management. No fund should have a negative cash fund balance throughout the year or at year end.

We recommend that the Village properly expend monies only after funds have been received and subsequent to proper appropriation. If funds are anticipated, but not yet received and expenditures are necessary, the Village should advance or transfer funds from the General Fund with proper Council approval. We recommend the Village utilize its accounting software program to its fullest and continually review relevant reports to assist in not having funds with negative fund balances.

Client Response: The Village Fiscal Officer is attempting to expend monies only after monies have been received.

**VILLAGE OF RICHWOOD
UNION COUNTY, OHIO
DECEMBER 31, 2005 AND 2004**

STATUS OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-VOR-001	Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.	No	Reissued as finding 2005-VOR-001
2003-VOR-002	Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.	No	Reissued as finding 2005-VOR-002
2003-VOR-003	Ohio Revised Code Section 5705.39 requires that no subdivision is to appropriate more monies than estimated resources.	Yes	Fully corrected



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VILLAGE OF RICHWOOD

UNION COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 21, 2006**