



CANTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

ASHTABULA COUNTY AIRPORT AUTHORITY
ASHTABULA COUNTY

SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2006



Mary Taylor, CPA
Auditor of State

Board of Trustees
Ashtabula County Airport Authority
2382 Airport Road
Jefferson, Ohio 44047

We have reviewed the *Independent Auditors' Report* of the Ashtabula County Airport Authority, Ashtabula County, prepared by Canter & Company, for the audit period January 1, 2006 through December 31, 2006. 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 Ashtabula County Airport Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 24, 2007

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**ASHTABULA COUNTY AIRPORT AUTHORITY
ASHTABULA COUNTY**

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INDEPENDENT AUDITORS' REPORT

Ashtabula County Airport Authority
Ashtabula County
2382 Airport Road
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of the Ashtabula County Airport Authority, (the Airport) a component unit of Ashtabula County as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Airport'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 the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula County Airport Authority, as of December 31, 2006, and the changes in its financial position and its cash flows for its proprietary fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2007, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Airport. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Canter & Company

Youngstown, Ohio

July 13, 2007

Ashtabula County Airport Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2006

The discussion and analysis of the Ashtabula County Airport Authority's financial performance provides an overall review of the Airport Authority's financial activities for the fiscal year ended December 31, 2006. The intent of this discussion and analysis is to look at the Airport Authority's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Airport Authority's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- The Airport's net assets increased by \$140,434.
- Operating revenues decreased by \$9,159 primarily due to a decrease in charges for services revenue. Operating expenses increased by \$26,479 due to an increase in depreciation expense and decreases in other classifications of operating expenses.

Using this Annual Financial Report

This report consists of a series of financial statements. The *Statement of Net Assets and Statement of Revenues, Expenses, and Changes in Net Assets* provide information about the activities of the Airport and present a longer-term view of the Airport's finances.

A question typically asked about the Airport Authority's finances "How did we do financially during fiscal year 2006?" The Statement of Net Assets and the Statement of Activities report information about the Airport and its activities in a way that helps answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* which is similar to the accounting used by most private-sector companies. The Airport charges a fee to customers to help it cover part of the services it provides. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Airport Authority's *net assets* and *changes in those assets*. This change in net assets is important because it tells the reader that, for the Airport Authority as a whole, the *financial position* of the Airport Authority has improved or diminished. The reader will need to consider other non-financial factors (e.g. fuel prices, FAA regulations, weather, etc.) in order to assess the overall health of the Airport.

Ashtabula County Airport Authority
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2006

The Airport Authority as a Whole

Recall that the Statement of Net Assets provides the perspective of the Airport Authority as a whole.

Table 1 provides a summary of the Airport Authority's net assets for 2006, compared to 2005:

(Table 1)
Net Assets

	Business-Type Activities	
	2006	2005
Assets		
Current and Other Assets	\$ 401,971	\$ 1,673,214
Capital Assets	3,102,993	1,911,474
Total Assets	3,504,964	3,584,688
Liabilities		
Long-Term Liabilities	1,369,546	1,403,966
Other Liabilities	300,211	485,949
Total Liabilities	1,669,757	1,889,915
Net Assets		
Invested in Capital Assets Net of Debt	1,643,447	1,536,871
Unrestricted	191,760	157,902
Total Net Assets	\$ 1,835,207	\$ 1,694,773

Ashtabula County Airport Authority
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2006

Total assets decreased by \$79,724 from 2005 to 2006. The majority of this decrease is the result of a decrease in the amount due from other governments and additions to construction in progress.

Total liabilities decreased by \$220,158. The majority of this decrease is due to a reduction of contracts payable related to construction in progress.

Total net assets increased by \$140,434.

Table 2 shows the revenues, expenses and the changes in net assets for the year ended December 31, 2006 compared to the year ended December 31, 2005.

(Table 2)
Changes in Net Assets

	Business-Type Activities	
	2006	2005
Revenues		
<i>Operating Revenues:</i>		
Charges for Services	\$ 298,499	\$ 310,398
Operating Grants	6,536	3,308
Other Operating revenues	0	488
Total Operating Revenues	305,035	314,194
Expenses		
<i>Operating Expenses:</i>		
Personal services	43,444	73,484
Depreciation	131,487	26,420
Materials and supplies	131,596	165,839
Contractual services	63,241	80,207
Other Operating Expenses	5,638	2,977
Total Expenses	375,406	348,927
Operating Loss	(70,371)	(34,733)
Non-Operating Revenues (Expenses)		
Interest income	893	553
Capital grants	171,536	245,892
Donations	66,852	30,000
Other non-operating revenue	841	3,397
Interest and Fiscal Charges	(29,317)	(4,929)
Total Non-Operating Revenues (Expenses)	210,805	274,913
Increase in Net Assets	\$ 140,434	\$ 240,180

Operating revenues decreased by \$9,159 due primarily to a decrease in charges for services revenue. Operating expenses increased by \$26,479 due primarily to an increase in depreciation expense and decreases in other classifications of operating expenses.

Ashtabula County Airport Authority
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2006

Capital Assets

The largest portion of the Airport's net assets each year is its investment in capital assets, net of related debt. The Airport uses these capital assets to provide services to the businesses and public using the Ashtabula County Airport. Table 3 shows 2006 balances compared with 2005.

(Table 3)
Capital Assets at December 31
(Net of Depreciation)

	Business-Type Activities	
	2006	2005
Land	\$ 108,569	\$ 108,569
Construction in Progress	341,299	1,552,256
Buildings and Improvements	1,512,044	104,896
Improvements Other Than Buildings	1,023,396	1,455
Vehicles	105,438	115,474
Furniture and Equipment	12,247	28,824
	\$ 3,102,993	\$ 1,911,474

The \$1,191,519 increase in capital assets was attributable to additional construction project costs exceeding depreciation expense. Note 11 provides capital asset activity during the 2006 year.

Debt

The outstanding debt for the Airport Authority as of December 31, 2006 and 2005 includes a \$90,000 short-term obligation due to the primary government. No payments have been made on this obligation. In 2006, the Airport Authority issued revenue bonds in the amount of \$1,400,000 in order to finance new hangar construction. The revenue bonds will mature in thirty years and have an interest rate of 4.125 percent. Long-term obligations are included in the following table:

(Table 4)
Outstanding Debt, at December 31

	Business-Type Activities	
	2006	2005
Capital Leases	\$ -	\$ 3,966
Revenue Bonds	1,369,546	1,400,000
<i>Total</i>	\$ 1,369,546	\$ 1,403,966

Additional information concerning the Airport's long-term obligations can be found in Note 6 to the basic financial statements.

Ashtabula County Airport Authority
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2006

Current Financial Issues

The Airport Authority entered into an agreement with Lakeside Aviation, LLC in June of 2006 in which Lakeside Aviation will operate the airport as the Fixed Base Operator.

The agreement took effect on July 1, 2006. Lakeside Aviation bought all inventory at cost and offered airport employees a job with the company. Lakeside Aviation will provide services to based and transient aircraft, manage the existing hangars, and maintain the airport grounds and facilities. Lakeside will also be responsible for commercial development of the airport and expects to develop a complex of large corporate hangar facilities to meet the requirements of aircraft storage and maintenance activities.

Lease income from the agreement will allow the Airport Authority to pay current accounts and meet loan payment obligations to the USDA for the recently completed hangar buildings. Lakeside has also agreed to provide a percentage of the local match requirements for State and Federal Airport Improvement Project Grants.

Outlook:

The Airport Authority remains responsible for raising the remaining local match requirements for grants and must rely on support from the Ashtabula County Commissioners as well as local donors. The Airport Authority has a total of \$4.2 million of airport improvement projects scheduled for calendar years 2007, 2008, and 2009. Total local match for these projects is anticipated to be 5% of this or \$210,000. Lakeside Aviation contribution as well as a pledge from a local foundation now totals \$160,000. The County Commissioners are expected to contribute funds to complete to funding requirements.

As of the end of 2006, the Congress of the United States had not yet passed a bill to appropriate money for FAA Airport Improvement Programs (AIP) for the 2007 Fiscal Year. A late appropriation of funds may impact the Authority's ability to contract work currently scheduled for 2007.

The Kent State University has proposed a program for the regional campus, located in Ashtabula, that would train Aviation Maintenance Technicians. This program would require a facility located at the airport. Lakeside Aviation has committed to develop this facility for Kent State as part of their commercial activity. The Airport Authority would lease land to Lakeside for this development. Approval of the program by the Ohio Board of Regents is expected in April, 2007. FAA approval of the program should be given by the end of 2007. Income from this lease is expected to be nominal. However, the program and facility will give support to future development efforts and spur the development of infrastructure to support future growth at the airport.

Contacting the Airport Authority's Finance Department

This financial report is designed to provide our citizens, taxpayers, airport users, and all interested parties with a general overview of the Airport Authority's finances and to show the Airport Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact David Price, President of the Ashtabula County Airport Authority, 17 North Market Street, Jefferson, Ohio 44047.

Ashtabula County Airport Authority
Ashtabula County
Statement of Net Assets
December 31, 2006

Assets	
Current Assets:	
Cash and Cash equivalents	\$ 122,608
Lease Receivable	135,575
Due from Other Governments	134,812
Deferred Charges	<u>8,976</u>
<i>Total Current Assets</i>	<u>401,971</u>
Non-Current Assets:	
Nondepreciable Capital Assets	449,868
Depreciable Capital Assets, Net	<u>2,653,125</u>
<i>Total Non-Current Assets</i>	<u>3,102,993</u>
<i>Total Assets</i>	<u><u>\$ 3,504,964</u></u>
Liabilities	
Current Liabilities:	
Accounts Payable	\$ 12,770
Contracts Payable	16,718
Due to Primary Government	90,000
Accrued Interest Payable	13,258
Intergovernmental Payable	11,288
Customer Deposits	30,000
Deferred Revenue	<u>126,177</u>
<i>Total Current Liabilities</i>	<u>300,211</u>
Non-Current Liabilities:	
Due Within One Year	25,500
Revenue Bonds	<u>1,344,046</u>
<i>Total Non-Current Liabilities</i>	<u>1,369,546</u>
<i>Total Liabilities</i>	<u>1,669,757</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	1,643,447
Unrestricted	<u>191,760</u>
<i>Total Net Assets</i>	<u>1,835,207</u>
<i>Total Liabilities and Net Assets</i>	<u><u>\$ 3,504,964</u></u>

See accompanying notes to the basic financial statements.

Ashtabula County Airport Authority
Ashtabula County
Statement of Revenues, Expenses and Changes in Net Assets
For the year ended December 31, 2006

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OPERATING REVENUE	
Sales	\$ 182,826
Operating Grants	6,536
Rent	115,582
Lease	91
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<i>Total Operating Revenue</i>	<i>305,035</i>
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OPERATING EXPENSES	
Personal Services	43,444
Depreciation	131,487
Contractual Services	63,241
Supplies and Materials	131,596
Other Operating Expenses	5,638
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<i>Total Operating Expenses</i>	<i>375,406</i>
	<hr/>
<i>Operating Loss</i>	<i>(70,371)</i>
 NON-OPERATING REVENUES (EXPENSES)	
Interest Income	893
Capital Grants	171,536
Donations	66,852
Other Non-Operating Revenue	841
Interest and Fiscal Charges	(29,317)
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<i>Total Non-operating Revenues</i>	<i>210,805</i>
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<i>Increase In Net Assets</i>	<i>140,434</i>
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<i>Net Assets, Beginning of Year</i>	<i>1,694,773</i>
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<i>Net Assets, End of Year</i>	<i>\$ 1,835,207</i>
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See accompanying notes to the basic financial statements.

Ashtabula County Airport Authority
Ashtabula County
Statement of Cash Flows
For the year ended December 31, 2006

Cash Flows From Operating Activities:	
Cash Received from Operating Grants	\$ 6,536
Cash Received from Customers	290,502
Cash Paid for Goods and Services	(156,827)
Cash Paid to Employees	(45,853)
Other Operating Expenses	<u>(3,285)</u>
<i>Net Cash Provided for Operating Activities</i>	<u>91,073</u>
Cash Flows From Non-Capital Financing Activities:	
Donations	66,852
Other Non-Operating Receipts	<u>841</u>
<i>Net Cash Provided by Non-Capital Activities</i>	<u>67,693</u>
Cash Flows From Investing Activities:	
Interest on Investments	<u>893</u>
<i>Net Cash Provided by Investing Activities</i>	<u>893</u>
Cash Flows From Capital and Related Activities:	
Proceeds from Loans	1,119,362
Capital Grants	162,901
Payment for Capital Acquisitions	(1,493,634)
Principal Payments on Debt	(34,420)
Interest Payments	<u>(20,598)</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(266,389)</u>
Net Decrease in Cash and Cash Equivalents	(106,730)
Cash and Cash Equivalents at Beginning of Year	<u>229,338</u>
Cash and Cash Equivalents at End of Year	<u>\$ 122,608</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	\$ (70,371)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	131,487
(Increase) Decrease in Assets:	
Accounts Receivable	744
Lease Receivable	(16,650)
Inventory	18,131
Increase (Decrease) in Liabilities:	
Accounts Payable	(976)
Accrued Wages	(1,202)
Due to Other Governments	(90)
Customer Deposits	<u>30,000</u>
Total Adjustments	<u>161,444</u>
Net Cash Provided for Operating Activities	<u>\$ 91,073</u>

See accompanying notes to the basic financial statements.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 1 - Description of Ashtabula County Airport Authority and Reporting Entity

A. The Airport Authority

The Ashtabula County Airport Authority, Ashtabula County, (the Airport) 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 Authority is directed by a nine member Board, appointed by the County commissioners. The Board of Trustees has the authority to exercise all of the powers and privileges provided under the law. These powers include the ability to sue or be sued in its corporate name; the power to establish and collect rates, rentals and other charges; the authority to acquire, construct, operate, manage and maintain airport facilities; the authority to buy and sell real and personal property; and the authority to issue debt for acquiring or constructing any facility or permanent improvement. Since the Airport imposes a financial burden on the County, the Airport is reflected as a component unit of Ashtabula County. The Airport has a December 31 year end.

B. Reporting Entity

The Airport has adopted the provisions of Statement No. 14 of the Governmental Accounting Standards Board ("GASB") regarding the definition of the financial reporting entity. A reporting entity is comprised of the stand-alone government, component units and other organizations that are included to ensure that the financial statements of the Airport are not misleading. The stand-alone government consists of all departments, boards and agencies that are not legally separate from the Airport.

Component units are legally separate organizations for which a primary government is financially accountable. The primary government is financially accountable for an organization if the primary government appoints a voting majority of the organization's governing board and (1) the primary government is able to significantly influence the programs or services performed or provided by the organization; or (2) the primary government is legally entitled to or can otherwise access the organization's resources; the primary government is legally obligated or has otherwise assumed the responsibility to finance deficits of or provide financial support to the organization; or the primary government is obligated for the debt of the organization. Under the criteria specified in Statement No. 14, the Airport has no component units. Accordingly, the accompanying financial statements include only the accounts and transactions of the Airport. The Airport is, however, considered to be a component unit of Ashtabula County ("the County") by virtue of the fact the Airport's Board of Trustees is appointed by the County and the Airport imposes a financial burden on the County. These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Airport is not financially accountable for any other organization.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources are generally applicable to the primary government. The Airport also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The Airport has elected not to apply FASB Pronouncements and Interpretations issued after November 30, 1989. The more significant of the Airport's accounting policies are described below.

A. Basis of Presentation

The Airport reports its operations as a single enterprise fund. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by measurement focus. Proprietary accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the balance sheet. Equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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.

The accrual basis of accounting is used for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled service charges are recognized as revenue at year end.

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

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 2 - Summary of Significant Accounting Policies (Continued)

C. Cash and Cash Equivalents

The Airport maintains an interest bearing depository account. All funds of the Airport are maintained in this account. This interest bearing depository account is presented in the combined balance sheet as "Cash and Cash Equivalents". The Airport has no investments.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest revenue credited to the general operating fund during 2006 amounted to \$893.

D. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year.

Donated capital assets are recorded at their fair market values as of the date donated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fund's capital assets.

Depreciation in the enterprise fund is computed using the straight-line basis over the following estimated useful lives:

<u>Estimated Lives</u>	<u>Description</u>
25 years	Buildings and Improvements
25 years	Improvements other than Buildings
5 years	Vehicles
3-20 years	Furniture and Equipment

E. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Airport. Revenues and expenses which do not meet these definitions are reported as nonoperating.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Airport maintains a capitalization threshold of one hundred dollars. Actual results may differ from those estimates.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 3 – Change in Accounting Principles

For the year ended December 31, 2006, the Airport Authority has implemented GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, and Statement No. 47, *Accounting for Termination Benefits*.

Statement No. 46 establishes that any amount of the primary government's net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements. At December 31, 2006, none of the Airport Authority's net assets were restricted by enabling legislation.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing and reporting liabilities and expenses/expenditures related to *all* termination benefits without limitations as to the period of time during which the benefits are offered.

The implementation of these GASB statements did not have an effect on the financial statements of the Airport.

Note 4 – Deposits and Investments

State statues classify monies held by the Airport Authority into three categories.

Active monies are public deposits necessary to meet the demands on the treasury. Such monies must be maintained either as cash by the Airport Authority, 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 that the Airport Authority has identified as not required for use within the current five 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 are deposits of interim monies. Interim monies are those which 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.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 4 – Deposits and Investments (Continued)

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or 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 issuances of federal government agencies or instrumentalities;
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 any other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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 (STAROhio).
7. Certain bankers acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in any amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests noted in either of the two highest rating 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 Airport Authority, 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 certificate, upon receipt of confirmation of transfer from the custodian.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 4 - Deposits and Investments (Continued)

According to State law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Airport Authority's name. During 2006, the Airport Authority had no investments.

Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of bank failure, the Airport Authority's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the Airport Authority.

At year-end, the carrying amount of the Airport Authority's deposits was \$122,608, of which \$29 was cash on hand. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures," as of December 31, 2006, \$22,608 of the Airport Authority's bank balance of \$122,608 was exposed to custodial risk as discussed above, while \$100,000 was covered by Federal Deposit Insurance Corporation.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 5 – Due to Primary Government

The Airport Authority has a short-term obligation to the primary government of \$90,000 at December 31, 2006. This obligation was incurred in 1997 for the purchase of a refueler truck by the County to be used for Airport operations. It was to be repaid in equal installments through 2002. No payments have been made on this obligation, therefore the entire balance is recorded as a current obligation.

Note 6 – Long-Term Obligations

In 2006, the Airport Authority issued revenue bonds where the government income derived from the constructed assets will be used to retire the debt. The interest rate on the revenue bonds is 4.125% and they are scheduled to mature in 2035. Changes in the long-term obligations during 2006 were as follows:

	Amount Outstanding 1/1/2006	Additions	Reductions	Amount Outstanding 12/31/2006	Amount Due In One Year
<i>Business-Type Activities</i>					
Revenue Bonds	\$ 1,400,000	\$ 0	\$ 30,455	\$ 1,369,546	\$ 25,500
Capital Leases	3,966	0	3,966	0	0
<i>Total Business-Type Activities</i>	<u>\$ 1,403,966</u>	<u>\$ 0</u>	<u>\$ 34,421</u>	<u>\$ 1,369,546</u>	<u>\$ 25,500</u>

The annual requirements to retire this debt are as follows:

	Revenue Bonds		
	Principal	Interest	Total
2007	\$ 25,500	\$ 56,744	\$ 82,244
2008	26,500	55,692	82,192
2009	27,600	54,599	82,199
2010	28,700	53,460	82,160
2011	30,000	52,276	82,276
2012-2016	169,100	241,808	410,908
2017-2021	207,100	203,915	411,015
2022-2026	253,400	157,534	410,934
2027-2031	310,200	100,778	410,978
2032-2035	291,446	31,301	322,747
	<u>\$ 1,369,546</u>	<u>\$ 1,008,107</u>	<u>\$ 2,377,653</u>

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 7- Capital Leases

In a prior year, the Airport entered into a capitalized lease for the acquisition of a credit card machine. The lease met the criteria of a capital lease as defined by Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. The fixed asset acquired by lease has been capitalized in the Airport enterprise account in the amount of \$7,543 for a credit card machine which represented the present value of the lease payments at the time of the acquisition. Corresponding liabilities were recorded in the Airport enterprise account. During 2006, the Airport earned out of the lease on the machine and it now belongs to the Airport.

Note 8 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

Prior to July 1, 2006, when the management of operations of the airport was assumed by Lakeside Aviation, the Airport Authority participated in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2006 was 13.7 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 16.93 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Airport Authority's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005 and 2004 were \$4,900, \$7,518 and \$8,521, respectively. One hundred percent has been contributed for 2006, 2005 and 2004.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System of Ohio (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional *OPERS* combined plans. Health care coverage for disability recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advanced-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6 percent annually for the next nine years and 4 percent annually after nine years.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, no to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804. Actual contributions for 2006 which were used to fund postemployment benefits were \$1,447. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 10 – Other Employee Benefits

A. Sick, Personal and Vacation Days

As of July 1, 2006, Lakeside Aviation took over the operations of the airport including payroll. The Airport Authority did not pay wages after June 30, 2006.

Note 11- Capital Assets

A summary of the Airport's capital assets at December 31, 2006 follows:

	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006
<i>Nondepreciable Capital Assets</i>				
Land	\$ 108,569	\$ 0	\$ 0	\$ 108,569
Construction in Progress	<u>1,552,256</u>	<u>1,326,567</u>	<u>(2,537,524)</u>	<u>341,299</u>
<i>Total Nondepreciable Capital Assets</i>	<u>1,660,825</u>	<u>1,326,567</u>	<u>(2,537,524)</u>	<u>449,868</u>
<i>Capital Assets Being Depreciated</i>				
Buildings and Improvements	170,040	1,472,864	0	1,642,904
Improvements Other than Buildings	140,576	1,064,659	0	1,205,235
Vehicles	413,959	5,805	(6,000)	413,764
Furniture and Equipment	<u>48,963</u>	<u>0</u>	<u>(17,396)</u>	<u>31,567</u>
<i>Total Capital Assets Being Depreciated</i>	<u>773,538</u>	<u>2,543,328</u>	<u>(23,396)</u>	<u>3,293,470</u>
<i>Less: Accumulated Depreciation</i>				
Buildings and Improvements	(65,144)	(65,716)	0	(130,860)
Improvements Other than Buildings	(139,121)	(42,718)	0	(181,839)
Vehicles	(298,485)	(15,841)	6,000	(308,326)
Furniture and Equipment	<u>(20,139)</u>	<u>(7,211)</u>	<u>8,030</u>	<u>(19,320)</u>
<i>Total Accumulated Depreciation</i>	<u>(522,889)</u>	<u>(131,486)</u>	<u>14,030</u>	<u>(640,345)</u>
<i>Total Capital Assets Being Depreciated, Net</i>	<u>250,649</u>	<u>2,411,842</u>	<u>(9,366)</u>	<u>2,653,125</u>
<i>Business-Type Capital Assets, Net</i>	<u>\$ 1,911,474</u>	<u>\$ 3,738,409</u>	<u>\$ (2,546,890)</u>	<u>\$ 3,102,993</u>

Ashtabula County Airport Authority
Ashtabula County
Notes to the Basic Financial Statements
December 31, 2006

Note 12 - Risk Management

Commercial Insurance

The Ashtabula County Airport Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Note 13: Contractual Commitments

As of December 31, 2006, the Airport Authority had contractual commitments for the following projects:

	<u>Contractual Commitment</u>	<u>Expended</u>	<u>Balance 12/31/2006</u>
Hughes-Roller Building Co.-Hangar Construction	\$ 16,718	\$ -	\$ 16,718
Totals	<u>\$ 16,718</u>	<u>\$ -</u>	<u>\$ 16,718</u>

Note 14: Lease Agreement

On May 23, 2005, the Airport Authority entered into a twenty-year lease with Lakeside Aviation, LLC for the real property of the Airport, along with facilities, hangars, fixtures, easements, rights, licenses and privileges. Lakeside Aviation, LLC will manage the operation of the Airport according to the terms of the lease. Rental income for the first ten years of the lease is \$120,000 per year payable in equal monthly installments. After the primary term of the lease, the rent shall be increased annually based on the Consumer Price Index.

Ashtabula County Airport Authority
Ashtabula County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Grant Name or I.D. No.</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Receipts</u>	<u>Expenditures</u>
FEDERAL AVIATION ADMINISTRATION AIRPORTS					
Airport Improvement Program	3-39-0005-0604	20.106	N/A	\$ 36,712	\$ 36,712
Airport Improvement Program	3-39-0005-0705	20.106	N/A	<u>134,824</u>	<u>134,824</u>
Total Federal Aviation Administration Airports				<u>\$171,536</u>	<u>\$171,536</u>
U.S. DEPARTMENT OF AGRICULTURE					
Community Facilities Loans and Grants	Airport Revenue Bonds	10.766	N/A	<u>1,119,362</u>	<u>1,119,362</u>
Total U.S. Department of Agriculture				<u>\$1,119,362</u>	<u>\$1,119,362</u>
Totals				<u>\$1,290,898</u>	<u>\$1,290,898</u>

The accompanying notes to this schedule are an integral part of this schedule.

**Ashtabula County Airport Authority
Ashtabula County
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule is a summary of activity of the Airports's federal award programs. The Schedule has been prepared on the accrual basis of accounting.



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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***

Ashtabula County Airport Authority
Ashtabula County
2382 Airport Road
Jefferson, Ohio 44047

We have audited the financial statements of the Ashtabula County Airport Authority (the Airport), a component unit of Ashtabula County, as of and for the year ended December 31, 2006, and have issued our report thereon dated July 13, 2007. 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 Airport's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Airport's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Airport's financial statements that is more than inconsequential will not be prevented or detected by the Airport's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Airport's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Airport, in a separate letter dated July 13, 2007.

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Canter & Company



Youngstown, Ohio

July 13, 2007



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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Ashtabula County Airport Authority
Ashtabula County
2382 Airport Road
Jefferson, Ohio 44047

To the Board of Trustees:

Compliance

We have audited the compliance of Ashtabula County Airport Authority ("Airport"), a component unit of Ashtabula County, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The Airport's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Airport's management. Our responsibility is to express an opinion on the Airport's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Airport's compliance with those requirements.

In our opinion, the Ashtabula County Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.


Internal Control Over Compliance

The management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Airport's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Canter & Company


~~Youngstown, Ohio~~

July 13, 2007

Ashtabula County Airport Authority
Ashtabula County
Schedule of Findings and Questioned Costs
Year Ended December 31, 2006

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Ashtabula County Airport Authority.
2. No reportable conditions relating to the audit of the financial statements are reported in the *Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133*.
3. No instances of noncompliance material to the financial statements of the Ashtabula County Airport Authority which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for the Ashtabula County Airport Authority expresses an unqualified opinion on all major federal programs.
5. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
6. The programs tested as major programs included: Airport Improvement Program and Community Facilities Loans and Grants. CFDA Numbers, 20.106 and 10.766, respectively.
7. The threshold used for distinguishing between Type A and B programs was \$300,000.
8. Ashtabula County Airport Authority did not qualify as a low-risk auditee.

**Ashtabula County Airport Authority
Ashtabula County
Schedule of Findings and Questioned Costs
Year Ended December 31, 2006**

1. NONE

**ASHTABULA COUNTY AIRPORT AUTHORITY
ASHTABULA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-1	Unauthorized purchases on Airport credit card.	Yes	Finding no longer valid. Airport implemented a credit card policy in September of 2006 that corrected the problem.
2005-2	Separate bank accounts required to be established for USDA	Yes	Finding no longer valid. Airport established the required accounts in September of 2006 that corrected the problem.



Mary Taylor, CPA
Auditor of State

ASHTABULA COUNTY AIRPORT AUTHORITY

ASHTABULA 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 6, 2007**