

**ELLA M. EVERHARD PUBLIC LIBRARY  
MEDINA COUNTY**

**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED  
DECEMBER 31, 2007

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Ella M. Everhard Public Library  
132 Broad Street  
Wadsworth, Ohio 44281

We have reviewed the *Independent Auditor's Report* of the Ella M. Everhard Public Library, Medina County, prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Ella M. Everhard Public Library is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 13, 2008

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**ELLA M. EVERHARD PUBLIC LIBRARY, OHIO  
MEDINA COUNTY  
FOR THE YEAR ENDED  
DECEMBER 31, 2007**

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**INDEPENDENT AUDITOR'S REPORT**

Board of Trustees  
Ella M. Everhard Public Library, Medina County  
132 Broad Street  
Wadsworth, OH 44281

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library), as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 2, the Library prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Library as of December 31, 2007, and the respective changes in financial position – cash basis, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2008 on our consideration of the Library'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. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

## INDEPENDENT AUDITOR'S REPORT (continued)

The management's discussion and analysis information on pages 3 through 9 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.

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

August 11, 2008

**Ella M. Everhard Public Library**  
Medina County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2007  
Unaudited

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This discussion and analysis of the Ella M. Everhard Public Library's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2007, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

**Highlights**

Key highlights for 2007 are as follows:

Net assets of governmental activities decreased \$156,965, or 6.5 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents is the Capital Projects Fund, which falls within Other Governmental Funds, due primarily to the purchase of a new library automation system; with annual installment payments spread over three years. The Library Improvement Bond Fund cash and cash equivalents also continued to decrease; meeting the terms of the Library Improvement Bond until all funds are fully expended.

The Library's general receipts are primarily the property taxes and other local taxes. These receipts represent respectively 40.1 and 46.4 percent of the total cash received for governmental activities during the year. Property tax increased slightly while other local tax receipts changed very little compared to 2006.

Circulation increased 17.2% with 1,143,265 items loaned.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

**Report Components**

The Statement of Net Assets and the Statement of Activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.



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**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than Generally Accepted Accounting Principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Library as a Whole**

The Statement of Net Assets and the Statement of Activities reflect how the Library did financially during 2007, within the limitations of cash basis accounting. The Statement of Net Assets presents the cash balances and investments of the governmental activities of the Library at year end. The Statement of Activities compares cash disbursements with program receipts for each governmental activity. Program receipts include patron fines and fees, and donations and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors as well; such as the Library's property tax base, the condition of the Library's capital assets, the extent of the Library's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as the property taxes and other local taxes.

In the Statement of Net Assets and the Statement of Activities the Library reports Governmental activities. All of the Library's programs and services are reported here, including general public services, purchased and contracted services, and library materials and information. These services are primarily funded by the property taxes, other local taxes, and the Library and Local Government Support Fund (LLGSF). Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

**Reporting the Library's Most Significant Funds**

Fund financial statements provide detailed information about the Library's major funds – not the Library as a whole. The Library establishes separate funds to better manage its many activities

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and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Library are reported in one category: Governmental.

Governmental Funds - The Library's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. The Library's significant governmental funds are presented on the financial statements in separate columns. The information for non-major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Library's only major governmental fund is the General Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

**The Library as a Whole**

Table 1 provides a summary of the Library's net assets for 2007 compared to 2006 on a cash basis of accounting.

(Table 1)  
**Net Assets**

	<b>Governmental Activities 2006</b>	<b>Governmental Activities 2007</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$2,431,393	\$2,274,428
<b>Total Assets</b>	<b>\$2,431,393</b>	<b>\$2,274,428</b>
<b>Net Assets</b>		
Restricted for:		
Capital Projects	\$881,745	\$707,522
Unrestricted	\$1,549,648	\$1,566,906
<b>Total Net Assets</b>	<b>\$2,431,393</b>	<b>\$2,274,428</b>

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Table 2 reflects the changes in net assets from 2006 to 2007.

(Table 2)  
**Changes in Net Assets**

	<b>Governmental Activities 2006</b>	<b>Governmental Activities 2007</b>
<b>Receipts</b>		
Program Receipts:		
Charges for Services and Sales	\$64,007	\$57,648
Operating Grants and Contributions	8,225	7,315
Total Program Receipts	<u>72,232</u>	<u>64,963</u>
General Receipts:		
Property Taxes Levied for General Purposes	919,647	945,064
Other Local Taxes	1,094,311	1,094,311
Intergovernmental	125,404	122,594
Unrestricted Gifts and Contributions	457	642
Interest	117,479	127,579
Miscellaneous	63,816	3,801
Total General Receipts	<u>2,321,114</u>	<u>2,293,991</u>
Total Receipts	<u>2,393,346</u>	<u>2,358,954</u>
<b>Disbursements</b>		
Library Services:		
Public Service and Programming	795,551	812,937
Collection Development and Processing	487,772	467,661
Support Services:		
Facilities Operation and Maintenance	192,595	196,428
Information Services	182,226	233,731
Business Administration	593,013	608,358
Capital Outlay	76,483	196,804
Total Disbursements	<u>2,327,640</u>	<u>2,515,919</u>
(Decrease) in Net Assets	65,706	(156,965)
Net Assets, January 1	<u>2,365,687</u>	<u>2,431,393</u>
Net Assets, December 31	<u><u>\$2,431,393</u></u>	<u><u>\$2,274,428</u></u>

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Program receipts represent only 2.8 percent of total receipts and are primarily comprised of patron fines and fees, and restricted contributions and donations.

General receipts represent 97.2 percent of the Library's total receipts, and of this amount 41.2 percent are property taxes levied for general purposes. Other local taxes make up another 47.7 percent of the Library's general receipts. Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for public service and programs, collection development and processing, facilities operation and maintenance, and business administration represent the costs of operating the Library.

**Governmental Activities**

If you look at the Statement of Activities on page 10, you will see that the first column lists the major services provided by the Library. The next column identifies the costs of providing these services. The major disbursements for governmental activities are Public Service and Programs, Collection Development and Processing, Facilities Operation and Maintenance, Information Services, and Business Administration, which account for 32.3 percent, 18.6 percent, 7.8 percent, 9.3 percent, 24.2 percent, and 7.8 percent of all library disbursements, respectively. The next two columns of the statement entitled Program Cash Receipts identify amounts paid by people who are directly charged for the service and grants received by the Library that must be used to provide a specific service. The Net (Disbursement) Receipts column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost for 2006 and 2007 is presented in Table 3.

(Table 3)  
**Governmental Activities**

	<b>Total Cost of Services 2006</b>	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2006</b>	<b>Net Cost of Services 2007</b>
Library Services:				
Public Service and Programs	\$795,551	\$812,937	\$723,794	\$747,974
Collection Development and Processing	487,772	467,661	487,297	467,661
Support Services:				
Facilities Operation and Maintenance	192,595	196,428	192,595	196,428
Information Services	182,226	233,731	182,226	233,731
Business Administration	593,012	608,358	593,013	608,358
Capital Outlay	76,483	196,804	76,483	196,804
Total Expenses	<u>\$2,327,640</u>	<u>\$2,515,919</u>	<u>\$2,255,408</u>	<u>\$2,450,956</u>

**Ella M. Everhard Public Library**  
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**The Library's Funds**

Total governmental funds had receipts of \$2,358,954 and disbursements of \$2,515,919. Yet, the fund balance of the General Fund increased \$12,477 as the result of prudent business management.

**General Fund Budgeting Highlights**

The Library's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Final budgeted receipts were below original budgeted receipts; however, the difference between final budgeted receipts and actual receipts was not significant.

During fiscal year 2007, the Library amended its General Fund appropriations several times to reflect changing circumstances; none significant. Final disbursements were budgeted at \$2,634,439 while actual disbursements were \$2,453,621. While actual expenditures were below projected levels, the Library still experienced a net decrease of \$141,352 to the General Fund.

**Debt Administration**

As of December 31, 2007, the Library carried no outstanding debt on its financial statements. Being a School District Library, all debt obligations are reflected on the financial statements of the Wadsworth City School District.

**Current Issues**

The challenge for all Libraries is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. As stated earlier, we rely heavily on local taxes and LLGSF funding. LLGSF funding has been reduced at the State level by 10.3 percent since 2001 and remained frozen at 2004 levels through the end of 2007. The Ohio General Assembly formed a legislative Task Force to review and reconsider the funding sources for the LLGSF and the other two local government funds recipients. The Task Force, comprised of five members of the House, five members of the Senate, and one non-voting member from each of the five associations that represent the three local government funds, studied potential sources of state funding for the local government funds; allowing for growth and stability in funding levels. Recommendations for sources of funding, along with suggested legislation to implement the recommendations, were submitted to the Governor and the General Assembly in 2006. Due to these recommendations, the 2007-2009 biennium budget brought several changes to the LLGSF; with the most sweeping of these changes was that the fund is no longer based on the personal income tax, but on total general revenue tax. In addition, this funding change means that our current cash flow will be affected beginning 2008.

Also, the 2005-2007 Budget Bill eliminated the Tangible Personal Property Tax; with a four-year phase-out period beginning July 2005. The State provided funds to hold harmless local governments and public libraries from the impact of this change on local levies through 2018.

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The millage will be held 100 percent harmless until 2010 and then continue on a reduced formula through 2018.

**Contacting the Library's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Debi Woodruff, Business Manager, Ella M. Everhard Public Library, 132 Broad Street., Wadsworth, Ohio 44281.

**Ella M. Everhard Public Library, Medina County**  
Statement of Net Assets - Cash Basis  
December 31, 2007

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$2,274,428</u>
<i>Total Assets</i>	<u><u>\$2,274,428</u></u>
<b>Net Assets</b>	
Restricted for:	
Capital Projects	\$707,522
Unrestricted	<u>1,566,906</u>
<i>Total Net Assets</i>	<u><u>\$2,274,428</u></u>

*SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS*





**Ella M. Everhard Public Library, Medina County**  
Statement of Cash Basis Assets and Fund Balances  
Governmental Funds  
December 31, 2007

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,475,640	\$798,788	\$2,274,428
<b>Total Assets</b>	<b>\$1,475,640</b>	<b>\$798,788</b>	<b>\$2,274,428</b>
<b>Fund Balances</b>			
Reserved:			
Reserved for Encumbrances	\$153,799	\$6,095	\$159,894
Reserved for Capital Improvements	0	3,507	3,507
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	1,321,841	0	1,321,841
Special Revenue Funds	0	91,266	91,266
Capital Projects Funds	0	697,920	697,920
<b>Total Fund Balances</b>	<b>\$1,475,640</b>	<b>\$798,788</b>	<b>\$2,274,428</b>

*SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS*

**Ella M. Everhard Public Library, Medina County**  
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2007

	General	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>			
Property Taxes	945,064	0	945,064
Other Local Taxes	1,094,311	0	1,094,311
Intergovernmental	122,594	0	122,594
Patron Fines and Fees	57,648	0	57,648
Contributions, Gifts and Donations	7,957	0	7,957
Earnings on Investments	80,894	46,685	127,579
Miscellaneous	3,801	0	3,801
<i>Total Receipts</i>	<u>2,312,269</u>	<u>46,685</u>	<u>2,358,954</u>
<b>Disbursements</b>			
Current:			
Library Services:			
Public Service and Programs	812,937	0	812,937
Collection Development and Processing	450,913	16,748	467,661
Support Services:			
Facilities Operation and Maintenance	196,428	0	196,428
Information Services	215,750	17,981	233,731
Business Administration	604,794	3,564	608,358
Capital Outlay	19,000	177,804	196,804
<i>Total Disbursements</i>	<u>2,299,822</u>	<u>216,097</u>	<u>2,515,919</u>
<i>Net Change in Fund Balances</i>	12,447	(169,412)	(156,965)
<i>Fund Balances Beginning of Year</i>	<u>1,463,193</u>	<u>968,200</u>	<u>2,431,393</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,475,640</u></u>	<u><u>\$798,788</u></u>	<u><u>\$2,274,428</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Ella M. Everhard Public Library, Medina County**  
Statement of Receipts, Disbursements and Changes in Fund Balances -  
Budget and Actual - Budget Basis  
General Fund  
For the Year Ended December 31, 2007

	<i>Budgeted Amounts</i>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Receipts</u></b>				
Property Taxes	\$990,533	\$990,533	\$945,064	(\$45,469)
Other Local Taxes	1,177,307	1,177,307	1,094,311	(82,996)
Intergovernmental	145,401	145,401	122,594	(22,807)
Patron Fines and Fees	50,700	50,700	57,648	6,948
Contributions, Gifts and Donations	1,000	1,000	7,957	6,957
Earnings on Investments	26,700	26,700	80,894	54,194
Miscellaneous	1,600	1,600	3,801	2,201
<i>Total Receipts</i>	<u>2,393,241</u>	<u>2,393,241</u>	<u>2,312,269</u>	<u>(80,972)</u>
<b><u>Disbursements</u></b>				
Current:				
Library Services:				
Public Service and Programs	882,755	884,569	827,377	57,192
Collection Development and Processing	537,397	533,324	508,880	24,444
Support Services:				
Facilities Operation and Maintenance	256,004	234,215	201,672	32,543
Information Services	242,763	259,316	261,325	(2,009)
Business Administration	685,723	693,218	635,212	58,006
Capital Outlay	29,797	29,797	19,155	10,642
<i>Total Disbursements</i>	<u>2,634,439</u>	<u>2,634,439</u>	<u>2,453,621</u>	<u>180,818</u>
<i>Net Change in Fund Balance</i>	(241,198)	(241,198)	(141,352)	99,846
<i>Fund Balance Beginning of Year</i>	1,403,154	1,403,154	1,403,154	0
<i>Prior Year Encumbrances Appropriated</i>	<u>60,039</u>	<u>60,039</u>	<u>60,039</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,221,995</u>	<u>\$1,221,995</u>	<u>\$1,321,841</u>	<u>\$99,846</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 1 – Description of the Library and Reporting Entity**

The Ella M. Everhard Public Library was organized as a school district public library in 1925 under the laws of the State of Ohio. The Library has its own Board of Trustees of seven members who are appointed by the Wadsworth City School District Board of Education. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.39 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Business Manager.

The Library is fiscally independent of the Wadsworth City School District Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purpose(s) of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity," the Library is considered to be a related organization of the Wadsworth City School District.

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

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

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2.C, the financial statements of the Ella M. Everhard Public Library have been prepared on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally Accepted Accounting Principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The most significant of the Library's accounting policies are described below.

**A. Basis of Presentation**

The Library's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level

Ella M. Everhard Public Library  
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Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 2 - Summary of Significant Accounting Policies** *(continued)*

of financial information.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the Library as a whole. These statements include the financial activities of the Library.

The Statement of Net Assets presents the financial condition of the governmental activities of the Library at December 31, 2007. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Library's governmental activities. Program Cash Receipts include monies provided by the recipient of the services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Library, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which the governmental programs are self-financing or draw from the general revenues of the Library.

Fund Financial Statements

The Library segregates transactions related to certain Library functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Library at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

**B. Fund Accounting**

The Library uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The Library's funds are all classified as governmental. The Library's funds are reported in one category: Governmental.

Governmental Funds

Governmental funds are financed primarily from taxes, intergovernmental receipts (e.g. grants), and other non-exchange transactions. Monies are assigned to the various governmental funds according to the purposes for which they may or must be used. The following are the Library's major governmental funds:

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Library account for grants and other resources whose use is restricted to a particular purpose.

**C. Basis of Accounting**

The Library's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Library are described in the appropriate section in this note.

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 2 – Summary of Significant Accounting Policies** *(continued)*

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, (except agency funds), are legally required to be appropriated. The Appropriations Resolution is the Board Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Business Manager. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

The Appropriations Resolution is subject to amendment throughout the year with the restriction that appropriations should not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Trustees during the year.

**E. Cash and Cash Equivalents**

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

Investments with original maturities of three months or less at the time they are purchased and investments of the cash management pool are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

During 2007, investments were limited to STAR Ohio and non-negotiable certificates of deposit.

The Library's savings accounts are recorded at amounts reported by Huntington National Bank.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 2 – Summary of Significant Accounting Policies** *(continued)*

of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2007.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest receipts credited to the General Fund during 2007 amounted to \$80,894. Per resolution by the Board of Trustees, interest credited to the other Library funds are posted to the fund from which it was received.

F. Restricted Assets

Cash, cash equivalents, and investments are reported as restricted when limitations on their use change the nature or normal understanding of their use. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. The Library does not have any restricted assets at December 31, 2007.

G. Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

H. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

I. Interfund Receivables/Payables

The Library reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

J. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 7 and 8, the employer contributions include portions for pension benefits and for post-retirement health care benefits.

L. Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither other financing source nor capital outlay are reported at inception. Lease payments are reported when paid.

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 2 – Summary of Significant Accounting Policies** *(continued)*

M. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets totaling \$707,522 in Capital Improvement are restricted.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Fund Balance Reserves

The Library reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances and Capital Improvements.

**Note 3 – Budgetary Basis of Accounting**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis is (are) outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a reservation of fund balance (cash basis) (and outstanding year end advances are treated as an other financing source or use (budgetary basis) rather than as an interfund receivable or payable (cash basis)). The encumbrances outstanding at year end (budgetary basis) amounted to \$153,799 for the General Fund. There were no outstanding advances at year end.

**Note 4 - Deposits and Investments**

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

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

Inactive deposits are public deposits that the Library Board 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 monies 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.

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



Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 4 - Deposits and Investments** (continued)

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim monies available for invest at one time.

The Library may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township or other political subdivision of this State, as to which there is not default of principal, interest, or coupons; and,
3. Obligations of the Library.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Business Manager by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

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 Library, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions.

Ella M. Everhard Public Library  
 Medina County  
 Notes to the Basic Financial Statements  
 For the Year Ended December 31, 2007

**Note 4 - Deposits and Investments** (continued)

At year end, the Library had \$400 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the Library will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2007, \$1,454,110 of the Library's bank balance of \$2,018,677 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Library's name.

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

Investments

As of December 31, 2007, the Library had the following investments:

	Fair Value	Maturity (Year) Less Than 1
STAR Ohio	\$306,457	\$306,457
Total Investments	\$306,457	\$306,457

STAR Ohio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

**Note 5 - Property Taxes**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the Ohio School District. Property tax receipt received during 2007 for real and public utility property taxes represents collections of the 2006 taxes. Property tax payments received during 2007 for tangible personal property (other than public utility property) are for 2007 taxes.

2007 real property taxes are levied after October 1, 2007, on the assessed value as of January 1, 2007, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2007 real property taxes are collected in and intended to finance 2008.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2007 public utility property taxes became a lien December 31, 2006, are levied after October 1, 2007, and are collected in 2008 with real property taxes.

2007 tangible personal property taxes are levied after October 1, 2006, on the value as of December 31, 2006. Collections are made in 2007. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventories.

**Ella M. Everhard Public Library**  
**Medina County**  
**Notes to the Basic Financial Statements**  
**For the Year Ended December 31, 2007**

**Note 5 - Property Taxes** (continued)

Real property taxes are payable annually or semi-annually. If paid annually, the payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30; with the remainder payable by September 20.

The full tax rate for all Library operations for the year ended December 31, 2007, was \$1.75 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2007 property tax receipts were based are as follows:

Real Property Valuation	
Residential/Agriculture	\$477,108,490
Commercial/Industrial/Mineral	\$101,959,690
Public Utility Property	\$26,190
Tangible Personal Property	
General	\$20,675,028
Public Utilities	\$18,876,650
Total Valuation	\$618,646,048

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes for the library.

**Note 6 - Risk Management**

The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2007, the Library contracted with several companies for various types of insurance coverage as follows:

Company	Type of Coverage	Coverage
Westfield Companies	Commercial Property	\$6,833,822
	General Liability	\$1,000,000
	Business Auto	\$1,000,000
	Commercial Inland Marine	\$5,539,053
	Commercial Crime	\$82,000
	Commercial Umbrella	\$4,000,000
The Chubb Group	Library Officials E & O	\$1,000,000

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The Library pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 7 - Defined Benefit Pension Plan**

The Library participates 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 a 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 that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the year ended December 31, 2007, the members of all three plans were required to contribute 9.5 percent of their annual covered salaries. The Library's contribution rate for pension benefits for 2007 was 13.85 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Library's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$170,939, \$160,172, and 171,916 respectively; the full amount has been contributed for 2007, 2006 and 2005.

**Note 8 - Postemployment Benefits**

The Ohio Public Employees Retirement System (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 or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. 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 2007 local government employer contribution rate was 13.85 percent of covered payroll. The portion of employer contributions allocated to health care was 5.00% from January 1 through June 30, 2007 and 6.00% from July 1 through December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS' latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.50 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 premiums were assumed to increase 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

Ella M. Everhard Public Library  
Medina County  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2007

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**Note 8 - Postemployment Benefits** (continued)

All investments are carried at market. 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, not to exceed a 12% corridor.

The number of active contributing participants in the traditional and combined plans was 374,979. Actual employer contributions for 2007 which were used to fund postemployment benefits were \$68,021. The actual contribution and the actuarially required contribution amounts are the same. OPERS' net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 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. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**Note 9 – Debt**

The Wadsworth City School District serves as the taxing authority in a ministerial function, and can issue tax related debt on behalf of the Library. The determination to request approval of a tax levy, the rate and the purpose are discretionary decisions made solely by the Library Board of Trustees.

In 2000 the Library Board approved for the Wadsworth City School District to place on the ballot, Library Improvement Bonds in the amount of \$5,600,000 for the enlarging, renovating, remodeling, rehabilitating, furnishing, and equipping the current Library. As of December 31, 2007, the principal outstanding was \$4,144,944.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees  
Ella M. Everhard Public Library, Medina County  
132 Broad Street  
Wadsworth, OH 44281

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ella M. Everhard Public Library, Medina County, Ohio, (the Library), as of and for the year ended December 31, 2007, which collectively comprise the Library's basic financial statements and have issued our report thereon dated August 11, 2008. 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 Library'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 Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library'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 Library'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 Library's financial statements that is more than inconsequential will not be prevented or detected by the Library'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 Library's internal control.

**Ella M. Everhard Public Library, Medina County**  
**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***  
Page 2

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of the 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 Library'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 Library in a separate letter dated August 11, 2008.

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

*Varney, Fink & Associates*

VARNEY, FINK & ASSOCIATES, INC.  
Certified Public Accountants

August 11, 2008

**ELLA M. EVERHARD PUBLIC LIBRARY  
MEDINA COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected</u>	<u>Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No Longer Valid; Explain</u>
2006-01	Advances not recorded	Yes	Finding no longer valid





**Mary Taylor, CPA**  
Auditor of State

**ELLA M. EVERHARD PUBLIC LIBRARY**

**MEDINA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 6, 2008**