



**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007**



**Mary Taylor, CPA**  
Auditor of State



**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Library Association of Sandusky  
Erie County  
114 West Adams Street  
Sandusky, Ohio 44870-2791

To the Board of Directors:

We have audited the accompanying statement of assets and net assets of the Library Association of Sandusky, Erie County, Ohio (the Library), and the related statement of support and revenue, expenses, and changes in net assets and statement of cash flows as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of assets and net assets of the Library Association of Sandusky, Erie County, Ohio, and the related statement of support and revenue, expenses, and changes in net assets and statement of cash flows as of December 31, 2007 and 2006, in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2008, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

April 28, 2008

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS  
AS OF DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$1,831,086	\$1,472,945
Investments	77,891	78,028
Cash and Cash Equivalents	<u>\$1,908,977</u>	<u>\$1,550,973</u>
<b>Net Assets</b>		
Permanently Restricted	968,578	946,965
Unrestricted	<u>940,399</u>	<u>604,008</u>
<b>Total Net Assets</b>	<u>\$1,908,977</u>	<u>\$1,550,973</u>

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

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**STATEMENT OF SUPPORT AND REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Library and Local Government Support	\$1,840,682		\$1,840,682
Property and Other Local Taxes	600,983		600,983
Intergovernmental	107,215		107,215
Patrons Fines and Fees	89,256		89,256
Services Provided to Other Entities	1,057		1,057
Contributions, Gifts and Donations	313,841		313,841
Earnings on Investments	57,397	\$111,174	168,571
Miscellaneous	27,171	1,400	28,571
	<u>3,037,602</u>	<u>112,574</u>	<u>3,150,176</u>
Total Support and Revenue	3,037,602	112,574	3,150,176
<b>Expenses</b>			
Public Library Services and Programs			
Administration and General			
Salaries and Benefits	1,790,490		1,790,490
Purchased and Contractual Services	595,324	63,337	658,661
Library Materials and Information	237,249		237,249
Supplies	55,535		55,535
Other	21,646		21,646
Capital Outlay	28,591		28,591
	<u>2,728,835</u>	<u>63,337</u>	<u>2,792,172</u>
Total Expenses	2,728,835	63,337	2,792,172
Excess of Support and Revenue Over Expenses	308,767	49,237	358,004
<b>Other Financing Sources (Uses)</b>			
Transfers-In	27,624		27,624
Transfers-Out		(27,624)	(27,624)
	<u>27,624</u>	<u>(27,624)</u>	<u></u>
Total Other Financing Sources (Uses)	27,624	(27,624)	
Change in Net Assets	336,391	21,613	358,004
Net Assets, Beginning of Year	604,008	946,965	1,550,973
Net Assets, End of Year	<u>\$940,399</u>	<u>\$968,578</u>	<u>\$1,908,977</u>

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



**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**STATEMENT OF SUPPORT AND REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b>Support and Revenue</b>			
Library and Local Government Support	\$1,840,682		\$1,840,682
Property and Other Local Taxes	594,602		594,602
Intergovernmental	86,799		86,799
Patrons Fines and Fees	94,761		94,761
Services Provided to Other Entities	1,048		1,048
Contributions, Gifts and Donations	43,086		43,086
Earnings on Investments	46,597	\$76,110	122,707
Miscellaneous	23,010	971	23,981
	<u>2,730,585</u>	<u>77,081</u>	<u>2,807,666</u>
Total Support and Revenue	2,730,585	77,081	2,807,666
<b>Expenses</b>			
Public Library Services and Programs			
Administration and General			
Salaries and Benefits	1,734,834		1,734,834
Purchased and Contractual Services	593,220	31,980	625,200
Library Materials and Information	262,089		262,089
Supplies	56,290		56,290
Other	15,247		15,247
Capital Outlay	53,960		53,960
	<u>2,715,640</u>	<u>31,980</u>	<u>2,747,620</u>
Total Expenses	2,715,640	31,980	2,747,620
Excess of Support and Revenue Over Expenses	14,945	45,101	60,046
<b>Other Financing Sources (Uses)</b>			
Transfers-In	42,767		42,767
Transfers-Out		(42,767)	(42,767)
	<u>42,767</u>	<u>(42,767)</u>	<u></u>
Total Other Financing Sources (Uses)	42,767	(42,767)	
Change in Net Assets	57,712	2,334	60,046
Net Assets, Beginning of Year	546,296	944,631	1,490,927
Net Assets, End of Year	<u>\$604,008</u>	<u>\$946,965</u>	<u>\$1,550,973</u>

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

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**STATEMENT OF CASH FLOWS - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<b>Cash Flows From Operating Activities</b>		
Increase in Net Assets and Cash and Cash Equivalents	\$358,004	\$60,046
<b>Cash Flows From Investing Activities</b>	<u>137</u>	<u>(141)</u>
Net Decrease in Cash and Cash Equivalents	358,141	59,905
Cash and Cash Equivalents as of Beginning of Year	<u>1,472,945</u>	<u>1,413,040</u>
Cash and Cash Equivalents as of End of Year	<u><u>\$1,831,086</u></u>	<u><u>\$1,472,945</u></u>

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

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

**NOTE 1 – DESCRIPTION OF THE LIBRARY AND REPORTING ENTITY**

The Library Association of Sandusky, Erie County, (the Library) opened in 1895 and was organized as an association library at that time under the laws of the State of Ohio. The Library is directed by a ten-member Board of Directors that are self-appointed. Appointments are for five-year terms and members serve without compensation. Under Ohio statutes, the Library is a corporation 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. The Library was organized under section 1713.28 of the Ohio Revised Code and is governed by the Library's Code of Regulations. The Library is a not-for-profit organization exempt from income tax under Section 501 of the U.S. Internal Revenue Code. The administration of the day-to-day operations of the Library is the responsibility of the Director and financial accountability being solely that of the Clerk-Treasurer.

The Library is independent of any other library hierarchy, but has been a member of Clevnet since 1986 (Cleveland Public Library's automated circulation system and online catalog). As an association library, the Library Association of Sandusky has no independent taxing authority. State law would allow the designation of a taxing authority, but our service area is spread out over four communities (the City of Sandusky, Perkins Township, the Village of Castalia, and the Village of Kelleys Island) and four schools districts (Sandusky, Perkins, Margaretta, and Kelleys Island).

A jointly governed organization is a regional government or other multi-governmental arrangement that is governed by representatives from each of the governments that create the organization, but that is not a joint venture because the participants do not retain an ongoing financial interest or responsibility. The Library participates in no jointly governed organizations and one public entity risk pool. Note 9 to the financial statements provides additional information for this entity. This organization is:

Public Entity Risk Pool:

*Ohio Library Council Workers Compensation Group Rating Program – Group # 05-2001*

The Sandusky Library and Follett House Museum Foundation is also associated with the Library. The Foundation is a separate non-profit corporation to serve for the benefit and services of the Library. The Foundation is managed by a board of directors consisting of nine members, four of whom serve as community members and four of whom are Library Board members and are appointed for limited terms. The Library is not financially accountable for the organization, nor does the Library approve the budget of the organization. Therefore, this organization has been excluded from the reporting entity of the Library.

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**

**A. Basis of Accounting**

The Library's financial statement presentation follows the requirements of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* and is prepared in accordance with the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases are recognized when cash is disbursed rather than when the obligation is incurred.

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)**

As a result of the use of the 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.

**B. Cash and Cash Equivalents**

Cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. The Library's financial institution has completed a depository agreement with assets pledged as collateral.

During 2007 and 2006, investments were limited to STAR Ohio, nonnegotiable certificates of deposit and stock donated to the Library. Except for the donated stock and STAR Ohio these investments are recorded at cost. Stock is recorded at the value at the time of acquisition.

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 Rule2a7 of the Investment Company Act 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.

The carrying amount of Library's deposits was \$775,897 and \$459,825 at December 31, 2007 and 2006, respectively.

The Library's investments at December 31, 2007 and 2006, were:

	<u>2007</u>	<u>2006</u>
STAR Ohio	1,055,189	1,013,120
Donated Common Stock	77,891	78,028
Total investments	<u>\$1,133,080</u>	<u>\$1,091,148</u>

**C. Net Assets**

Under SFAS No. 117, Library is required to report information regarding its financial position and activities according to three classes of net assets. A description of the three net asset categories follows:

- Unrestricted net assets have no donor-imposed restrictions.
- Temporarily restricted net assets have donor-imposed restrictions that will expire in the future. There were no temporarily restricted net assets at December 31, 2007 and 2006.
- Permanently restricted net assets have donor-imposed restrictions which do not expire. Permanently restricted net assets at December 31, 2007 and 2006 were for purchase of library materials and capital projects.

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**NOTE 3 - PROPERTY TAXES**

The State Library of Ohio defines the service area of public libraries in terms of school districts. For the Library this service area covers the Sandusky City School District, Perkins Local School District, Margareta Local School District, and Kelleys Island Local School District. All the school districts except Margareta currently have voted levies to fund the Library.

The County Treasurer collects property tax on behalf of all taxing districts within the county, including those school districts with Library levies. The County Auditor periodically remits to taxing authorities their portion of taxes collected. The service area school districts forward any levy proceeds collected and remitted to them to the Library.

**NOTE 4 - LIBRARY AND LOCAL GOVERNMENT SUPPORT**

The primary source of revenue for Ohio public libraries is the Library and Local Government Support Fund (LLGSF). The LLGSF was enacted by the State of Ohio seeking to incorporate the intangible tax into the State's personal income tax. Currently the LLGSF is funded with 2.2% of the total general revenue fund and is distributed to each county monthly through an equalization formula. The Erie County Budget Commission allocated these funds to the Library based on formula agreed to by all Erie County libraries. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**NOTE 5 - 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:

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>
Westfield Insurance Co.	Commercial	\$16,062,280
	Property	
	General Liability	2,000,000
	Commercial Crime	60,000
	Inland Marine	3,231,407
	Vehicle Liability	1,000,000
	Employee Benefits	1,000,000
	Employer Liability	1,000,000
	Boiler & Machinery	5,991,598
	Law and Ordinance	250,000
Chubb Group of Insurance Companies	Errors and Omissions	5,000,000
Ohio Farmers Insurance Co.	Public Official Bond	25,000

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.

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

Ohio Public Employees Retirement System

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 \$196,931, \$192,911, and \$199,341 respectively; the full amount has been contributed for 2007, 2006, and 2005.

**NOTE 7 - POSTEMPLOYMENT BENEFITS**

A. Ohio Public Employees Retirement System

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 to healthcare was 5.00 percent from January 1 through June 30, 2007 and 6.00 percent from July 1 through December 31, 2007.

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**NOTE 7 - POSTEMPLOYMENT BENEFITS – (CONTINUED)**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, 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 between 0.50 to 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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 percent 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 \$78,201. The actual contribution and the actuarially required contribution amounts are the same. OPERS's 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. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

**NOTE 8 – LEASES**

The Library leases copiers, telephones, and postage equipment under noncancelable leases. The Library disbursed \$26,207 to pay lease costs for the year ended December 31, 2007. The minimum future lease payments remaining on these leases are as follows:

Year	Amount
2008	\$24,791
2009	23,496
2010	10,092
2011	3,869
Total	<u>\$62,248</u>

**NOTE 9 – INSURANCE POOL**

The Library belongs to the Ohio Library Council Workers Compensation Group Rating Program, Group # 05-2001. The group includes other library members and its purpose is to obtain favorable premium ratings for the members in the group. 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 of the group. The Workers Compensation System administers and pays all claims.

**LIBRARY ASSOCIATION OF SANDUSKY  
ERIE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006  
(Continued)**

**NOTE 10 – LITIGATION**

The Library has been named as a defendant in litigation involving the construction of additions and renovations to the Library. The Library has denied these claims and asserted counterclaims against the plaintiff. Management is unable to determine the likelihood of an unfavorable outcome at this time.





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Library Association of Sandusky  
Erie County  
114 West Adams Street  
Sandusky, Ohio 44870-2791

To the Board of Directors:

We have audited the financial statements of the Library Association of Sandusky, Erie County, (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 28, 2008, where in we noted the Library prepared its statement on an other comprehensive basis of accounting. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined 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 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 its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

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### **Compliance and Other Matters**

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Directors. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

April 28, 2008



**Mary Taylor, CPA**  
Auditor of State

**LIBRARY ASSOCIATION OF SANDUSKY**

**ERIE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 15, 2008**