



Mary Taylor, CPA  
Auditor of State



VILLAGE OF JEWETT  
HARRISON COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets – Cash Basis .....	9
Statement of Activities – Cash Basis .....	10
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	11
Statement of Cash Receipts, Disbursements and Changes in – Cash Basis Fund Balances – Governmental Funds.....	12
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Budget and Actual – (Non GAAP Budgetary Basis) – General Fund .....	13
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Budget and Actual (Non GAAP Budgetary Basis) – Street Construction, Maintenance, and Repair Fund .....	14
Statement of Net Assets – Cash Basis – Proprietary Funds .....	15
Statement of Cash Receipts, Disbursements and Changes in Fund Net Assets - Cash Basis – Proprietary Funds .....	16
Statement of Fiduciary Net Assets – Cash Basis – Fiduciary Funds.....	17
Notes to the Basic Financial Statements .....	19
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	33
Schedule of Findings.....	35
Schedule of Prior Audit Findings.....	37

**THIS PAGE INTENTIONALLY LEFT BLANK.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Jewett  
Harrison County  
P.O. Box 192  
Jewett, Ohio 43986-0192

To the Village Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jewett, Harrison County, Ohio (the Village), as of and for the year ended December 31, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, 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 respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jewett, Harrison County, Ohio, as of December 31, 2006, and the respective changes in the cash financial position and the respective budgetary comparison for the General and the Street Construction, Maintenance, and Repair Funds thereof for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2006, the Village revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293  
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2007, on our consideration of the Village'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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

December 5, 2007

Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

---

This discussion and analysis of the Village of Jewett's financial performance provides an overall review of the Village's financial activities for the year ended December 31, 2006, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

### **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 Village's cash basis of accounting.

### **Highlights**

Key highlights for 2006 are as follows:

Net assets of governmental activities decreased \$19,626, or 17 percent, a significant change from the prior year. The fund most affected by the decrease in cash and cash equivalents was the General Fund, which realized the greatest burden of increased costs in 2006; however, cost increases affected most funds.

The Village's general receipts are primarily property and income taxes. These receipts represent respectively 20 and 21 percent of the total cash received for governmental activities during the year.

The water and sewer operations, the Village's only business-type activities, generated a slight increase in receipts. Charges for services receipts increased 8 percent, with \$196,948 collected in 2005 and \$212,622 collected in 2006.

### **Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village 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.

### **Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village 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 Village'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.

Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

---

**Reporting the Village as a Whole**

The statement of net assets and the statement of activities reflect how the Village did financially during 2006, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants 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 or business-type activity draws from the Village's general receipts.

These statements report the Village'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 Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village'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 property and income taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities. Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity. The Village has one business-type activity, the provision of water and sewer. Business-type activities are financed by a fee charged to the customers receiving the service.

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

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities 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 Village are split into three categories: governmental and proprietary, and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village'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 Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor 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 Village has two major governmental funds. These funds are the General Fund and the Street Construction, Maintenance, and Repair Fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements.



Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has five major enterprise funds, the Water Operating Fund, Sewer Operating Fund, Sewer Surplus Fund, Sewer Sinking Fund, and Sewer Reserve Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. This is the Unclaimed Monies fund.

**The Village as a Whole**

Table 1 provides a summary of the Village's net assets for 2006 compared to 2005 on a cash basis.

(Table 1)

**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Cash and Cash Equivalents	\$94,243	\$113,869	\$113,237	\$84,238	\$207,480	\$198,107
Total Assets	\$94,243	\$113,869	\$113,237	\$84,238	\$207,480	\$198,107
<b>Net Assets</b>						
Restricted for:						
Capital Outlay	\$400	\$400			\$400	\$400
Other Purposes	25,789	24,707			25,789	24,707
Unrestricted	68,054	88,762	\$113,237	\$84,238	181,291	173,000
Total Net Assets	\$94,243	\$113,869	\$113,237	\$84,238	\$207,480	\$198,107

As mentioned previously, net assets of governmental activities decreased \$ 19,626 or 17 percent during 2006. The primary reasons contributing to the decreases in cash balances are as follows:

- Transfers from the General Fund to the other funds for audit adjustments.
- Increases in the salary for the fiscal officer.

Table 2 reflects the changes in net assets on a cash basis in 2006 for governmental activities, business-type activities and total primary government.

Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

(Table 2)

**Changes in Net Assets**

	Governmental	Business-Type	Total
	Activities	Activities	
	2006	2006	
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$6,587	\$212,622	\$219,209
Operating Grants and Contributions	26,189		26,189
<b>Total Program Receipts</b>	<b>32,776</b>	<b>212,622</b>	<b>245,398</b>
General Receipts:			
Property and Other Local Taxes	42,441		42,441
Income Taxes	45,260		45,260
Other Taxes	4,729		4,729
Notes Issued	32,655	21,787	54,442
Grants and Entitlements Not Restricted to Specific Programs	25,911	3,049	28,960
Interest	10,289		10,289
Miscellaneous	20,957	1,763	22,720
<b>Total General Receipts</b>	<b>182,242</b>	<b>26,599</b>	<b>208,841</b>
<b>Total Receipts</b>	<b>215,018</b>	<b>239,221</b>	<b>454,239</b>
Disbursements:			
General Government	80,481		80,481
Security of Persons and Property:	21,623		21,623
Leisure Time Activities	2,600		2,600
Basic Utilities	10,150		10,150
Transportation	46,585		46,585
Capital Outlay	32,147		32,147
Principal Retirement	4,463		4,463
Interest and Fiscal Charges	1,443		1,443
Other	11,152		11,152
Water Operating		98,932	98,932
Sewer Operating		45,359	45,359
Water Loan		13,826	13,826
Sewer Sinking		72,863	72,863
Sewer Reserve		665	665
Water Deposit		2,577	2,577
<b>Total Disbursements</b>	<b>210,644</b>	<b>234,222</b>	<b>444,866</b>
Excess (Deficiency) Before Transfers	4,374	4,999	9,373
Transfers	(24,000)	24,000	0
<b>Increase (Decrease) in Net Assets</b>	<b>(19,626)</b>	<b>28,999</b>	<b>9,373</b>

Program receipts represent 54 percent of total receipts and are primarily comprised of charges for services.

Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

---

General receipts represent 46 percent the Village's total receipts, and of this amount, over 44 percent are local taxes. State and federal grants and entitlements, notes issued and interest make up most of the balance of the Village's general receipts (56 percent). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for General Government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, and the clerk/treasurer, and income tax departments, as well as internal services such as payroll and purchasing.

Security of Persons and Property are the cost of police and fire protection; Leisure Time Activities are the cost of maintaining the parks and playing fields; Transportation is the cost of maintaining the roads.

**Governmental Activities**

If you look at the Statement of Activities you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government and transportation, which account for 38 and 22 percent of all governmental disbursements, respectively. Capital outlay also represents a significant cost, about 15 percent. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) 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 is presented in Table 3.

(Table 3)

**Governmental Activities**

	Total Cost of Services 2006	Net Cost of Services 2006
	2006	2006
General Government	\$80,481	\$77,306
Security of Persons and Property	21,623	21,623
Leisure Time Activities	2,600	2,600
Basic Utilities	10,150	10,150
Transportation	46,585	16,984
Capital Outlay	32,147	32,147
Other	11,152	11,152
Principal Retirement	4,463	4,463
Interest and Fiscal Charges	1,443	1,443
<b>Total Expenses</b>	<b>\$210,644</b>	<b>\$177,868</b>

**Business-type Activities**

The water and sewage operation of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal. The infrastructure is beginning to age and the Village has begun discussing the need for a new water system and how this will be funded.

Village of Jewett  
Harrison County  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
(Unaudited)

---

### **The Village's Funds**

Total governmental funds had receipts of \$221,018 and disbursements of \$240,644. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$20,707 as the result of transfers, increased costs for salaries and benefits and not achieving anticipated growth in income and property tax receipts.

General Fund receipts were less than disbursements by \$20,707 indicating that the General Fund is in a deficit spending situation.

### **General Fund Budgeting Highlights**

The Village'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.

During 2006, the Village amended its budget to reflect changing circumstances. Final disbursements were budgeted at \$161,769 while actual disbursements were \$161,060. Although receipts failed to live up to expectations, appropriations were not reduced. The Government kept spending very close to budgeted amounts as demonstrated by the minor reported variances. The result is the decrease in fund balance of \$20,707 for 2006.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

The Village does not currently keep track of its capital assets and infrastructure.

#### **Debt**

At December 31, 2006, the Village's outstanding debt included \$45,367 in general obligation notes issued for a truck lease, purchase of a police vehicle, and the purchase of a backhoe. In addition, \$38,092 was outstanding for the waterline loan, \$1,463,600 for sewer mortgage revenue bonds, and \$38,716 for Ohio Water Development Authority loans. For further information regarding the Village's debt, refer to Note 12 to the basic financial statements.

### **Current Issues**

The challenge for all villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases reduced funding. We rely heavily on local taxes and have very little industry to support the tax base.

### **Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village'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 Linda Ager, Clerk-Treasurer, Village of Jewett, P.O. Box 192, Jewett, Ohio 43986.

**Village of Jewett**  
**Harrison County**  
*Statement of Net Assets - Cash Basis*  
*December 31, 2006*

	Governmental Activities	Business - Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$94,243	\$113,237	\$207,480
<i>Total Assets</i>	<u>\$94,243</u>	<u>\$113,237</u>	<u>\$207,480</u>
<b>Net Assets</b>			
Restricted for:			
Capital Projects	\$400		\$400
Other Purposes	25,789		25,789
Unrestricted	68,054	\$113,237	181,291
<i>Total Net Assets</i>	<u>\$94,243</u>	<u>\$113,237</u>	<u>\$207,480</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2006*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$80,481	\$3,175		(\$77,306)		(\$77,306)
Security of Persons and Property	21,623			(21,623)		(21,623)
Leisure Time Activities	2,600			(2,600)		(2,600)
Basic Utility Services	10,150			(10,150)		(10,150)
Transportation	46,585	3,412	\$26,189	(16,984)		(16,984)
Capital Outlay	32,147			(32,147)		(32,147)
Debt Service:						
Principal Retirement	4,463			(4,463)		(4,463)
Interest and Fiscal Charges	1,443			(1,443)		(1,443)
Other	11,152			(11,152)		(11,152)
<b>Total Governmental Activities</b>	<b>210,644</b>	<b>6,587</b>	<b>26,189</b>	<b>(177,868)</b>		<b>(177,868)</b>
<b>Business Type Activities</b>						
Water Operating	98,932	78,367			(20,565)	(20,565)
Sewer Operating	45,359	33,502			(11,857)	(11,857)
Water Loan	13,826	13,788			(38)	(38)
Sewer Sinking	72,863	73,210			347	347
Sewer Reserve	665	9,809			9,144	9,144
Water Deposit	2,577	3,946			1,369	1,369
<b>Total Business Type Activities</b>	<b>234,222</b>	<b>212,622</b>			<b>(21,600)</b>	<b>(21,600)</b>
<b>Total</b>	<b>\$444,866</b>	<b>\$219,209</b>	<b>\$26,189</b>	<b>(177,868)</b>	<b>(21,600)</b>	<b>(199,468)</b>
<b>General Receipts</b>						
Property Taxes				42,441		42,441
Municipal Income Taxes				45,260		45,260
Other Taxes				4,729		4,729
Grants not Restricted to Specific Programs				25,911	3,049	28,960
Notes Issued				32,655	21,787	54,442
Interest				10,289		10,289
Miscellaneous				20,957	1,763	22,720
<b>Total General Receipts</b>				<b>182,242</b>	<b>26,599</b>	<b>208,841</b>
Transfers				(24,000)	24,000	
<b>Total General Receipts and Transfers</b>				<b>158,242</b>	<b>50,599</b>	<b>208,841</b>
Change in Net Assets				(19,626)	28,999	9,373
<b>Net Assets Beginning of Year</b>				<b>113,869</b>	<b>84,238</b>	<b>198,107</b>
<b>Net Assets End of Year</b>				<b>\$94,243</b>	<b>\$113,237</b>	<b>\$207,480</b>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Cash Basis Assets and Fund Balances*  
*Governmental Funds*  
*December 31, 2006*

	General	Street Construction Maintenance & Repair Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$68,054	\$7,883	\$18,306	\$94,243
<i>Total Assets</i>	<u>\$68,054</u>	<u>\$7,883</u>	<u>\$18,306</u>	<u>\$94,243</u>
<b>Fund Balances</b>				
Unreserved:				
Undesignated (Deficit), Reported in:				
General Fund	68,054			68,054
Special Revenue Funds		7,883	17,906	25,789
Capital Projects Funds			400	400
<i>Total Fund Balances</i>	<u>\$68,054</u>	<u>\$7,883</u>	<u>\$18,306</u>	<u>\$94,243</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances*  
*Governmental Funds*  
For the Year Ended December 31, 2006

	General	Street Construction Maintenance & Repair Fund	Other Governmental Funds	Total Governmental Funds
<b>Receipts</b>				
Municipal Income Taxes	\$45,260			\$45,260
Property and Other Local Taxes	23,949	\$137	\$19,175	43,261
Fines, Licenses and Permits	3,175			3,175
Intergovernmental	26,832	29,391	3,198	59,421
Interest	9,837	262	190	10,289
Miscellaneous		6,113	2,085	8,198
<i>Total Receipts</i>	<u>109,053</u>	<u>35,903</u>	<u>24,648</u>	<u>169,604</u>
<b>Disbursements</b>				
Current:				
General Government	75,058		5,423	80,481
Security of Persons and Property	17,878		3,745	21,623
Leisure Time Activities			2,600	2,600
Basic Utility Services			10,150	10,150
Transportation		30,580	16,005	46,585
Capital Outlay	26,087		6,060	32,147
Debt Service:				0
Principal Retirement	3,018	664	781	4,463
Interest and Fiscal Charges	478	20	945	1,443
<i>Total Disbursements</i>	<u>122,519</u>	<u>31,264</u>	<u>45,709</u>	<u>199,492</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(13,466)</u>	<u>4,639</u>	<u>(21,061)</u>	<u>(29,888)</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued	21,787		10,868	32,655
Transfers In			6,000	6,000
Transfers Out	(30,000)			(30,000)
Other Financing Sources	9,513	341	2,905	12,759
Other Financing Uses	(8,541)		(2,611)	(11,152)
<i>Total Other Financing Sources (Uses)</i>	<u>(7,241)</u>	<u>341</u>	<u>17,162</u>	<u>10,262</u>
<i>Net Change in Fund Balances</i>	<u>(20,707)</u>	<u>4,980</u>	<u>(3,899)</u>	<u>(19,626)</u>
<i>Fund Balances Beginning of Year</i>	<u>88,761</u>	<u>2,903</u>	<u>22,205</u>	<u>113,869</u>
<i>Fund Balances End of Year</i>	<u>\$68,054</u>	<u>\$7,883</u>	<u>\$18,306</u>	<u>\$94,243</u>

See accompanying notes to the basic financial statements



**Village of Jewett**  
**Harrison County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*General Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts			(Optional)
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
<b>Receipts</b>				
Property and Other Local Taxes	\$20,200	\$20,200	\$23,949	\$3,749
Municipal Income Taxes	43,000	43,000	45,260	2,260
Fines, Licenses and Permits	1,050	1,050	3,175	2,125
Intergovernmental	24,222	24,222	26,832	2,610
Interest	5,000	5,000	9,837	4,837
<i>Total receipts</i>	<u>93,472</u>	<u>93,472</u>	<u>109,053</u>	<u>15,581</u>
<b>Disbursements</b>				
Current:				
General Government	90,728	75,767	75,058	709
Security of Persons and Property	25,500	17,878	17,878	0
Capital Outlay	7,000	26,087	26,087	0
Debt Service:				
Principal Retirement		3,018	3,018	0
Interest and Fiscal Charges		478	478	0
<i>Total Disbursements</i>	<u>123,228</u>	<u>123,228</u>	<u>122,519</u>	<u>709</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(29,756)</u>	<u>(29,756)</u>	<u>(13,466)</u>	<u>16,290</u>
<b>Other Financing Sources (Uses)</b>				
Notes Issued		21,645	21,787	142
Transfers Out	(30,000)	(30,000)	(30,000)	0
Advances In			14,000	14,000
Advances Out			(14,000)	(14,000)
Other Financing Sources	20,000	9,513	9,513	0
Other Financing Uses	(8,541)	(8,541)	(8,541)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(18,541)</u>	<u>(7,383)</u>	<u>(7,241)</u>	<u>142</u>
<i>Net Change in Fund Balance</i>	<u>(48,297)</u>	<u>(37,139)</u>	<u>(20,707)</u>	<u>16,432</u>
<i>Fund Balance Beginning of Year</i>	88,761	88,761	88,761	0
Prior Year Encumbrances Appropriated				0
<i>Fund Balance End of Year</i>	<u>\$40,464</u>	<u>\$51,622</u>	<u>\$68,054</u>	<u>\$16,432</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Street Construction, Maintenance, and Repair Fund*  
*For the Year Ended December 31, 2006*

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property and Other Local Taxes	\$130	\$130	\$137	\$7
Intergovernmental	23,670	23,670	29,391	5,721
Interest	200	200	262	62
Miscellaneous			6,113	6,113
<i>Total Receipts</i>	<u>24,000</u>	<u>24,000</u>	<u>35,903</u>	<u>11,903</u>
<b>Disbursements</b>				
Current:				
Transportation	34,048	33,364	30,580	2,784
Debt Service:				
Principal Retirement		664	664	0
Interest and Fiscal Charges		20	20	0
<i>Total Disbursements</i>	<u>34,048</u>	<u>34,048</u>	<u>31,264</u>	<u>2,784</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(10,048)</u>	<u>(10,048)</u>	<u>4,639</u>	<u>14,687</u>
<b>Other Financing Sources (Uses)</b>				
Other Financing Sources	9,000	2,855	341	(2,514)
		0		
<i>Total Other Financing Sources (Uses)</i>	<u>9,000</u>	<u>2,855</u>	<u>341</u>	<u>(2,514)</u>
<i>Net Change in Fund Balance</i>	(1,048)	(7,193)	4,980	12,173
<i>Fund Balance Beginning of Year</i>	2,903	2,903	2,903	0
Prior Year Encumbrances Appropriated	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$1,855</u>	<u>(\$4,290)</u>	<u>\$7,883</u>	<u>\$12,173</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*December 31, 2006*

	Business-Type Activities						Total Enterprise Funds
	Water Operating Fund	Sewer Operating Fund	Sewer Surplus Fund	Sewer Sinking Fund	Sewer Reserve Fund	Other Enterprise Funds	
<b>Assets</b>							
Equity in Pooled Cash and Cash Equivalents	\$6,070	\$25,493	\$21,940	\$7,112	\$44,127	\$8,495	\$113,237
<b>Total Assets</b>	<u>\$6,070</u>	<u>\$25,493</u>	<u>\$21,940</u>	<u>\$7,112</u>	<u>\$44,127</u>	<u>\$8,495</u>	<u>\$113,237</u>
<b>Net Assets</b>							
Unrestricted	<u>\$6,070</u>	<u>\$25,493</u>	<u>\$21,940</u>	<u>\$7,112</u>	<u>\$44,127</u>	<u>\$8,495</u>	<u>\$113,237</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Cash Receipts,*  
*Disbursements and Changes in Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*For the Year Ended December 31, 2006*

	Business-Type Activities						Total Enterprise Funds
	Water Operating Fund	Sewer Operating Fund	Sewer Surplus Fund	Sewer Sinking Fund	Sewer Reserve Fund	Other Enterprise Funds	
<b>Operating Receipts</b>							
Charges for Services	\$78,367	\$33,502		\$73,210	\$9,809	\$17,734	\$212,622
<i>Total Operating Receipts</i>	<u>78,367</u>	<u>33,502</u>		<u>73,210</u>	<u>9,809</u>	<u>17,734</u>	<u>212,622</u>
<b>Operating Disbursements</b>							
Personal Services	18,937	20,071					39,008
Fringe Benefits	8,300						8,300
Contractual Services	19,698	16,068					35,766
Materials and Supplies	26,017	7,391					33,408
Other		1,144				2,577	3,721
<i>Total Operating Disbursements</i>	<u>72,952</u>	<u>44,674</u>				<u>2,577</u>	<u>120,203</u>
<i>Operating Income (Loss)</i>	5,415	(11,172)		73,210	9,809	15,157	92,419
<b>Non-Operating Receipts (Disbursements)</b>							
Notes Issued	21,787						21,787
Intergovernmental			\$3,049				3,049
Capital Outlay	(21,787)						(21,787)
Principal Payments	(3,964)	(685)		(24,500)		(11,611)	(40,760)
Interest and Fiscal Charges	(229)			(48,363)		(2,215)	(50,807)
Other Financing Sources		1,763					1,763
Other Financing Uses					(665)		(665)
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	1,222	(10,094)	3,049	347	9,144	1,331	4,999
Transfers In	24,000						24,000
<i>Change in Net Assets</i>	25,222	(10,094)	3,049	347	9,144	1,331	28,999
<i>Net Assets Beginning of Year</i>	<u>(19,152)</u>	<u>35,587</u>	<u>18,891</u>	<u>6,765</u>	<u>34,983</u>	<u>7,164</u>	<u>84,238</u>
<i>Net Assets End of Year</i>	<u>\$6,070</u>	<u>\$25,493</u>	<u>\$21,940</u>	<u>\$7,112</u>	<u>\$44,127</u>	<u>\$8,495</u>	<u>\$113,237</u>

See accompanying notes to the basic financial statements

**Village of Jewett**  
**Harrison County**  
*Statement of Fiduciary Net Assets - Cash Basis*  
*Fiduciary Funds*  
*December 31, 2006*

---

---

	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$45
<i>Total Assets</i>	<u><u>\$45</u></u>
<b>Net Assets</b>	
Unrestricted	<u><u>\$45</u></u>

See accompanying notes to the basic financial statements

THIS PAGE INTENTIONALLY LEFT BLANK.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006

---

**Note 1 – Reporting Entity**

The Village of Jewett, Harrison County, Ohio (the Village), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as President of Council and votes only to break a tie.

The Village provides, water and sewer utilities, maintenance of Village roads and bridges, park operations, and police services. The Village contracts with the Jewett Volunteer Fire Department to provide fire protection services.

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

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

As discussed further in Note 2.C, these financial statements are presented 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 statements and the fund financial statements for the proprietary funds, 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 Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

**A. Basis of Presentation**

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net assets presents the cash and investment balances of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on a cash basis or draws from the Village's general receipts.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 2 – Summary of Significant Accounting Policies - (Continued)**

Fund Financial Statements

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

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The proprietary fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village uses fund accounting 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. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into two categories, governmental and proprietary, and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village has two major governmental funds, which are the General Fund and the Street Construction, Maintenance, and Repair Fund. The General Fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio. The Street Construction, Maintenance, and Repair Fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets. The other governmental funds of the Village account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the Water Operating Fund, Sewer Operating Fund, Sewer Surplus Fund, Sewer Sinking Fund, and Sewer Reserve Fund.

Water Operating Fund - The Water Operating Fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Operating Fund - The Sewer Operating Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.



Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 2 – Summary of Significant Accounting Policies - (Continued)**

Sewer Surplus Fund - The Sewer Surplus Fund receives revenue from charges for sewage services. The fund was established to pay the principal and interest on the bonds to the extent moneys in the Sinking Fund and Reserve Fund are insufficient, and otherwise may be used for making extensions or improvements to the system, redeeming outstanding bonds, redeeming outstanding bonds prior to maturity, paying other obligations issued to finance improvements to the system, and any other use of the revenues of the system authorized by law.

Sewer Sinking Fund - The Sewer Sinking Fund receives revenue from charges for sewage services. This fund was established, as required by the bond agreements, for the repayment of the sewer bonds.

Sewer Reserve Fund - The Sewer Reserve Fund receives revenue from the charges for sewage services. The fund is to be used and disbursed only for the purpose of paying the cost of repairing or replacing any damage to the system which may be caused by unforeseen catastrophe, and when necessary for the purpose of making payments of principal and interest on the bonds hereby authorized if the amount in the Sinking Fund is not sufficient to meet such payments.

Fiduciary Funds - Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement of individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's agency fund accounts for unclaimed monies (outstanding checks not cashed) of the Village.

**C. Basis of Accounting**

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village'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.

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 liabilities and the related expenses) are not recorded in these financial statements.

**D. Budgetary Process**

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 2 – Summary of Significant Accounting Policies - (Continued)**

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk/Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot 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 Village Council during the year.

**E. Cash and Investments**

Village records identify the purchase of specific investments by specific funds.

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents". Cash and cash equivalents that are held separately in accounts at a financial institution for retainage, bond reserves and debt service are reported as "Cash and Cash Equivalents with Fiscal Agents."

Investments of the cash management pool and investments with an original maturity of three months or less at the time of purchase 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, respectively.

During 2006, the Village invested in nonnegotiable certificates of deposit and STAR Ohio. The nonnegotiable certificates of deposit are reported at cost.

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 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, 2006.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2006 was \$9,837.

**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, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 2 – Summary of Significant Accounting Policies - (Continued)**

G. Inventory and Prepaid Items

The Village 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 Village 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 Village's cash basis of accounting.

K. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 10 and 11, the employer contributions include portions for pension benefits and for postretirement health care benefits.

L. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid.

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.

The Village'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. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 3 – Change in Basis of Accounting and Restatement of Fund Equity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Last year the Village reported fund financial statements by fund type using the regulatory basis of accounting as prescribed by the State Auditor's Office. This year the Village has implemented the cash basis of accounting described in note 2. The fund financial statements now present each major fund in a separate column with nonmajor funds aggregated and presented in a single column, rather than a column for each fund type.

**Note 4 – Compliance**

Contrary to Ohio Revised Code Section 5705.41(D), the Village did not properly certify or record the amount against the applicable appropriation accounts for all expenditures.

**Note 5 – 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 is presented for the General Fund and the Street Construction, Maintenance and Repair Fund prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis 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 and advances outstanding at year end (budgetary basis) amounted to \$-0- for the General Fund and the Street Construction, Maintenance and Repair Fund.

**Note 6 – Deposits and Investments**

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village 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 Council 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.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 6 – Deposits and Investments – (Continued)**

Interim monies held by the Village can be deposited or invested in the following securities:

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).

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

The Village 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 Village 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.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

**Note 6 – Deposits and Investments – (Continued)**

Investments

As of December 31, 2006, the Village had the following:

	<u>Carrying Value</u>	<u>Maturity</u>
Certificate of Deposit	\$12,745	March 14, 2007
Certificate of Deposit	12,745	March 14, 2007
Certificate of Deposit	6,740	March 22, 2007
Certificate of Deposit	21,028	January 9, 2007
Certificate of Deposit	12,761	January 8, 2007
STAR Ohio	127,977	Average
Total Portfolio	<u>\$193,996</u>	

The STAR Ohio carries a rating of AAAM by Standard and Poor's. The Village 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 and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Note 7 – Income Taxes**

The Village levies a one percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Regional Income Tax Agency (RITA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

**Note 8– Property Taxes**

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2006 represent the collection of 2005 taxes. Real property taxes received in 2006 were levied after October 1, 2005, on the assessed values as of January 1, 2005, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2006 represent the collection of 2005 taxes. Public utility real and tangible personal property taxes received in 2006 became a lien on December 31, 2005, were levied after October 1, 2005, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

**Note 8– Property Taxes – (Continued)**

Tangible personal property tax receipts received in 2006 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2006 were levied after October 1, 2005, on the true value as of December 31, 2005. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all Village operations for the year ended December 31, 2006, was \$10.16 per \$1,000 of assessed value. The assessed values of real property, public utility property, and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	
Residential	\$4,502,460
Commercial/Industrial/Mineral	438,840
Tangible Personal Property	
Business	12,030
Public Utility	351,140
Total Assessed Value	\$5,304,470

**Note 9 – Risk Management**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Plan is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool cedes certain premiums to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer be unable to meet its reinsurance obligations.

Members may withdraw at the end of any coverage period upon 60 days' prior notice to the Pool. A withdrawing member not providing the required notification remains responsible for its unpaid claims, and also remains liable for additional assessments (if any) for years during which they were members.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained deficit at December 31, 2006:

	<u>2006</u>
Assets	\$2,331,284
Liabilities	<u>(3,130,475)</u>
Accumulated deficit	<u>(\$799,191)</u>

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 10 – Defined Benefit Pension Plans**

**A. Ohio Public Employees Retirement System**

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administer 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 provide 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, 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 that were in law enforcement contributed 13.70 percent. The Ohio Revised Code provides statutory authority for member and employer contributions the village has paid all contributions required through December 31, 2006.

**Note 11 - 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 2006 local government employer contribution rate was 13.7 percent of covered payroll.

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 8.00 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 6.30 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 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.



Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

**Note 11 - Postemployment Benefits – (Continued)**

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$13,182. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$10.8 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 12 – Debt**

The Village's long-term debt activity for the year ended December 31, 2006, was as follows:

	Interest Rate	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Due Within One Year
<u>Governmental Activities</u>						
2000 Truck Lease	5.8%	\$2,032		\$2,032		
2005 Police Vehicle	4.427%	6,737		2,238	\$4,135	2,579
2006 Backhoe	4.99%		\$43,573	2,341	41,232	7,188
Total Governmental Activities		<u>8,769</u>	<u>43,573</u>	<u>6,611</u>	<u>45,367</u>	<u>9,767</u>
<u>Business-type Activities</u>						
1994 Waterline Loan	5.5%	\$49,703		\$11,611	\$38,092	13,304
1999 Sewer Mortgage Revenue Bond Series A	3.250%	1,370,300		22,600	1,347,700	23,400
1999 Sewer Mortgage Revenue Bond Series B	3.250%	117,800		1,900	115,900	2,100
2004 Ohio Water Development Authority Loan #3880	0.0%	25,000		2,500	22,500	\$2,500
2005 Ohio Water Development Authority Loan #4251	5.00%	5,348	\$10,868		16,216	
Total Business-type Activities		<u>\$1,568,151</u>	<u>\$10,868</u>	<u>\$38,611</u>	<u>\$1,540,408</u>	<u>\$41,304</u>

The original loan amount for the police cruiser was \$7,600 dated July 25, 2005. The loan is collateralized by the Village's taxing authority. This loan is payable in monthly installments of \$226.07 until paid off in full at July 20, 2008.

The original loan amount for the backhoe was \$43,573.40 dated August 25, 2006. The loan is to be paid out of general, street, and water funds. This loan is payable in monthly installments of \$757.02 until paid off in August of 2012. The bank made an error in sending the payment books. The original payment is \$703.04 but the book listed \$757.02. As a result of sending this amount, the Village will pay off the note early.

The Waterline Loan relates to start up costs associated with the new water/sewer project. The original loan amount was \$156,000 dated September 30, 1994. The loan is collateralized by water receipts. This loan is payable in installments of \$1,256.96 per month until paid in full.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

**Note 12 – Debt - (Continued)**

The Sewer System Mortgage Revenue Bonds Series A and B were used to pay part of the cost of certain improvements to the sanitary sewer system of the Village. The original bond amounts were \$1,454,000 and \$125,000, respectively, dated October 26, 1999. The bonds are to be paid off in annual installments from 2002 to 2039. The bonds are collateralized by sewer receipts. The Village has agreed to set utility rates sufficient to cover the debt service requirements.

The Ohio Water Development Authority (OWDA) loan #3880 was for the planning of a water project. The loan of \$25,000 will be repaid in annual installments of \$2,500 over a ten year period with zero percent interest. The final payment is due July 1, 2015. The loan is collateralized by water receipts.

The OWDA loan #4251 was for the water system design. A balloon payment is due on July 1, 2010 for the entire loan balance. The interest rate on this loan is 5%. The Village was approved to borrow \$150,800, and to date has drawn down \$15,457 and accrued \$758.51 in capitalized interest. The amount borrowed is collateralized by water receipts.

The following is a summary of the Village's future annual debt service requirements:

Year	Police Vehicle Loan		Backhoe Loan		Waterline Loan		Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$2,579	\$134	\$7,188	\$1,898	\$13,304	\$1,779	\$25,500	\$47,567	\$2,500	
2008	1,556	25	7,555	1,529	14,050	1,032	26,100	46,738	2,500	
2009			7,941	1,143	10,738	253	27,200	45,890	2,500	
2010			8,346	737			27,900	45,006	2,500	
2011			8,772	311			28,900	44,099	2,500	
2012–2116			1,430	9			159,000	205,803	26,216	
Totals	<u>\$4,135</u>	<u>\$159</u>	<u>\$41,232</u>	<u>\$5,627</u>	<u>\$38,092</u>	<u>\$3,064</u>	<u>\$1,463,600</u>	<u>\$944,024</u>	<u>\$38,716</u>	

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The effects of the debt limitations at December 31, 2006, were an overall debt margin of \$246,378 and an unvoted debt margin of \$511,602.

Village of Jewett  
Harrison County  
Notes to the Financial Statements  
For the Year Ended December 31, 2006  
(Continued)

---

**Note 13 – Interfund Transfers**

During 2006 the following transfers were made:

Transfers from the General Fund to:	
Other Governmental Funds	\$6,000
Major Enterprise Fund	<u>24,000</u>
Total Transfers from the General Fund	<u>\$30,000</u>

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Due to several audit adjustments made in 2006 for the 2004-2005 audit, the Village made transfers from the General Fund to the funds requiring aid. This prevented these funds from entering into a deficit fund balance.

THIS PAGE INTENTIONALLY LEFT BLANK.



# 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

Village of Jewett  
Harrison County  
P.O. Box 192  
Jewett, Ohio 43986-0192

To the Village Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of and for the year ended December 31, 2006, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 5, 2007, wherein, we noted the Village uses a comprehensive accounting basis other than generally accepted accounting principles. We also noted the Village uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Village. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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 Village'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 Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-002.

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

Our consideration of the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe the significant deficiency described above is not a material weakness.

We noted certain matters that we reported to the Village's management in a separate letter dated December 5, 2007.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Village'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 an instance of noncompliance or other matters that we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2006-001.

We did note certain noncompliance or other matters that we reported to the Village's management in a separate letter dated December 5, 2007.

We intend this report solely for the information and use of management and Village Council. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

December 5, 2007

VILLAGE OF JEWETT  
HARRISON COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2006

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2006-001

**Noncompliance Citation**

**Ohio Revised Code Section 5705.41(D)** provides that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively of the Ohio Revised Code.

1. **Then and Now Certificate** – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Village may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

If the amount involved is less than \$3,000 the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Village Council if such expenditure is otherwise valid.

2. **Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be, limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. **Super Blanket Certificate** – The Village may also make expenditures and contracts for any amount from a specific line item appropriation in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extent beyond the current year. More than one super blanket may be outstanding at a particular time for any line item appropriation.

The Village did not properly certify or record the amount against the applicable appropriation accounts for 65% of tested 2006 expenditures. The Village did not utilize the certification exceptions described above for those expenditures lacking prior certification.

Failure to certify the availability of funds and encumber appropriations could result in overspending in negative cash balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Clerk/Treasurer should certify that the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

The Village should certify purchases to which section Ohio Revised Code Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language which Ohio Revised Code Section 5705.41(D) requires authorizing disbursements. The Clerk/Treasurer should sign the certification at the time the Village incurs a commitment, and only when the requirements of Ohio Revised Code Section 5705.41(D) are satisfied. The Clerk/Treasurer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

#### **FINDING NUMBER 2006-002**

##### **Significant Deficiency**

Ohio Administrative Code Section 117-2-02(A) states that all public offices maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements required by the Ohio Administrative Code section 117-2-03. The Village did not correctly code and classify intergovernmental revenue and capital outlay expenditures, resulting in reclassifications of \$21,787 in the General Fund and \$718 in the Capital Projects Fund. The Village Clerk/Treasurer has agreed to and posted the reclassifications and adjustments to the ledgers and these corrected amounts are reflected in the accompanying financial statements.

Failure to adopt and consistently follow a uniform chart of accounts increases the possibility that the Village will not be able to identify, assemble, analyze, classify, record and report its transactions correctly or to document compliance with finance-related legal and contractual requirements. The Village Clerk/Treasurer should maintain an accounting system to enable the Village to identify, assemble, analyze, classify, record and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the adopted chart of accounts to help ensure financial activity of the Village is accurately recorded and reported.

##### **Officials' Response**

We did not receive a response from officials to the findings reported above.



VILLAGE OF JEWETT  
HARRISON COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	ORC Section 5705.41 (D) Disbursements were not properly certified.	No	Cited again as Finding number 2006-001.
2005-002	ORC Section 5705.39 Appropriations exceeded total available revenue.	Yes	





**Mary Taylor, CPA**  
Auditor of State

VILLAGE OF JEWETT

HARRISON 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  
MARCH 20, 2008