



Mary Taylor, CPA
Auditor of State

**SOUTHERN CONSORTIUM FOR CHILDREN
ATHENS COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Southern Consortium for Children
Athens County
P.O. Box 956
Athens, Ohio 45701

To the Board of Directors:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Consortium for Children, Athens County, Ohio (the Consortium), as of October 31, 2009 and December 31, 2008, and also for the 10 months ended October 31, 2009 and for the 12 months ended December 31, 2008, which collectively comprise the Consortium's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Consortium'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. We believe our audit provides a reasonable basis for our opinions.

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 respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Consortium for Children, Athens County, Ohio, as of October 31, 2009 and December 31, 2008, and the respective changes in cash financial position thereof for the 10 months ended October 31, 2009 and for the 12 months ended December 31, 2008, in conformity with the basis of accounting Note 2 describes.

As described in Note 1, the Consortium voted to dissolve the council of governments and cease operations on October 31, 2009. All funds were transferred to the Gallia-Jackson-Meigs Alcohol, Drug Addiction and Mental Health Services Board on October 31, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2010, on our consideration of the Consortium'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

March 3, 2010

Southern Consortium for Children
Management's Discussion and Analysis
For the Years Ended October 31, 2009 and December 31, 2008
Unaudited

This discussion and analysis of the Southern Consortium for Children's (the "Consortium") financial performance provides an overall review of the Consortium's financial activities for the years ended October 31, 2009, and December 31, 2008, within the limitations of the Consortium's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Consortium's financial performance.

Highlights

Key highlights for 2009 are as follows:

Net assets of governmental activities decreased \$318,402 or 100 percent. All funds were affected by the decrease in cash and cash equivalents because the Consortium closed on October 31, 2009.

The Consortium ceased operations due to a cut in state funding.

Key highlights for 2008 are as follows:

Net assets of governmental activities decreased \$24,826 or 7.2 percent. The fund most affected by the decrease in cash and cash equivalents was ordinarily due to the timing of receipts for the Early Childhood Mental Health Initiative and the unrestricted funds in the General Fund.

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 Consortium's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provides information about the cash activities of the Consortium as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Consortium 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 basic 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 Consortium 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 Consortium's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Southern Consortium for Children
Management's Discussion and Analysis
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Unaudited

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 modified cash basis of accounting.

Reporting the Consortium as a Whole

The statements of net assets and the statement of activities reflect how the Consortium did financially during 2009 and 2008, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental activities of the Consortium at year end. The statement of activities compares cash disbursements with program receipts for each governmental program. Program receipts include grants and contributions restricted to meeting the operational requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Consortium's general receipts.

These statements report the Consortium'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 Consortium's financial health. Over time, increases or decreases in the Consortium's cash position are one indicator of whether the Consortium's financial health is improving or deteriorating. When evaluating the Consortium's financial condition, you should also consider other nonfinancial factors as well.

In the statement of net assets and the statements of activities, the Consortium reports only one type of activity:

Governmental activities. The Consortium's basic services are reported here. State and federal grants finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Reporting the Consortium's Most Significant Funds

Fund financial statements provide detailed information about the Consortium's major funds – not the Consortium as a whole. The Consortium 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 Consortium are all governmental funds.

Governmental Funds - All of the Consortium's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Consortium'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 Consortium's programs. The Consortium'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 Consortium's major governmental funds include the General Fund, Time Out, Early Childhood, and Rural Care. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. We describe this relationship in reconciliations presented with the governmental fund financial statements.

Southern Consortium for Children
Management's Discussion and Analysis
For the Years Ended October 31, 2009 and December 31, 2008
Unaudited

The Consortium as a Whole

Table 1 provides a summary of the Consortium's net assets for 2009 and 2008 on a cash basis.

	Governmental Activities		
	2009	2008	2007
Assets			
Cash and Cash Equivalents	\$ 0	\$ 318,402	\$ 343,228
Total Assets	\$ 0	\$ 318,402	\$ 343,228
Net Assets			
Restricted for:			
Rural Care	0	57,090	112,392
Early Childhood	0	201,306	20,855
Other Purposes	0	18,577	11,690
Unrestricted	0	41,429	198,291
Total Net Assets	\$ 0	\$ 318,402	\$ 343,228

As mentioned previously, net assets of governmental activities decreased \$318,402 or 100 percent in 2009 and decreased \$24,826 or 7.2 percent during 2008. The primary reasons contributing to the decrease in cash balances are as follows:

- The Southern Consortium for Children ceased operations on October 31, 2009.

Table 2 reflects the changes in net assets in 2008 and 2009 the comparison to 2007.

Southern Consortium for Children
Management's Discussion and Analysis
For the Years Ended October 31, 2009 and December 31, 2008
Unaudited

(Table 2)

Changes in Net Assets - Cash Basis

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>	Governmental Activities <u>2007</u>
Receipts:			
Program Receipts:			
Charges for Services and Sales	\$ 22,342	\$ 71,977	\$ 36,456
Operating Grants and Contributions	<u>380,924</u>	<u>633,539</u>	<u>883,513</u>
Total Program Receipts	<u>403,266</u>	<u>705,516</u>	<u>\$ 919,969</u>
General Receipts:			
Grants and Entitlements Not Restricted to Specific Programs	435,376	460,895	572,303
Interest	704	5,484	14,983
Miscellaneous	<u>10,569</u>	<u>22,575</u>	<u>1,541</u>
Total General Receipts	<u>446,649</u>	<u>488,954</u>	<u>588,827</u>
Total Receipts	849,915	1,194,470	1,508,796
Disbursements:			
Program Disbursements:			
General Government	557,966	670,243	610,447
Rural Care	241,979	165,814	198,559
Time Out	132,496	159,223	
Early Childhood	187,373	180,903	215,400
Rural Health Telemedicine Network			243,380
Other	<u>48,503</u>	<u>43,113</u>	<u>272,935</u>
Total Disbursements	<u>1,168,317</u>	<u>1,219,296</u>	<u>1,540,721</u>
Increase (Decrease) in Net Assets	(318,402)	(24,826)	(31,925)
Net Assets - January 1	<u>318,402</u>	<u>343,228</u>	<u>375,153</u>
Net Assets - December 31	<u>\$ 0</u>	<u>\$ 318,402</u>	<u>\$ 343,228</u>

In 2009 and 2008 receipts from state and federal grants represented 96.0 percent and 91.6 percent, respectively of the Consortium's total receipts. Other receipts are insignificant and somewhat unpredictable revenue sources. Disbursements for General Government represent the overhead costs of running the Consortium and the services provided for Consortium activities. These include activities such as payroll and purchasing and the costs of providing hospitalization and psychiatric services to children, operating the Time Out network for youth in the ten-county area, working with local agencies to facilitate the Early Childhood Mental Health Initiative, providing Detox services to adults in the 10 county area, and installing and providing support for the Telepsychiatric Network.

Southern Consortium for Children
 Management's Discussion and Analysis
 For the Years Ended October 31, 2009 and December 31, 2008
 Unaudited

Governmental Activities

If you look at the Statement of Activities on pages 10 and 14, you will see that the first column lists the major services provided by the Consortium. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general governmental disbursements, which are described above. The next columns of the statement, entitled "Charges for Services and Sales," reflects income from the purchase of continuing education units by individuals viewing educational videos on our website, www.cbhed.com. The column entitled "Operating Grants and Contributions" identifies grants received by the Consortium that must be used to provide a specific service. The "Net (Disbursement) Receipts" column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up increasing the year-end fund balance. These net costs increase the general receipts balance which is 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)

	Total Cost of Services			Net Cost of Services		
	2009	2008	2007	2009	2008	2007
General Government	\$ 557,966	\$ 670,243	\$ 610,447	\$ 535,624	\$ 598,266	\$ 573,991
Rural Care	241,979	165,814	198,559	153,760	(41,367)	(12,775)
TimeOut	132,496	159,223		74		
Early Childhood	187,373	180,903	215,400	57,090	(36,232)	9,976
Rural Health Telemed.			243,380			
Other	48,503	43,113	272,935	18,503	(6,887)	49,560
Total Expenses	\$ 1,168,317	\$ 1,219,296	\$ 1,540,721	\$ 765,051	\$ 513,780	\$ 620,752

The Consortium's Funds

In 2009 and 2008, total governmental funds had receipts of \$849,915 and \$1,194,470, respectively, and disbursements of \$1,105,772 and \$1,219,296.

Contacting the Consortium's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Consortium's finances and to reflect the Consortium'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 Jenny Metts, Fiscal Officer, Southern Consortium for Children, PO Box 130, Athens, Ohio 45701-0956.

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Southern Consortium for Children, Athens County

Statement of Net Assets - Cash Basis

October 31, 2009

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 0</u>
Total Assets	<u><u>\$ 0</u></u>
Total Net Assets	<u><u>\$ 0</u></u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County

*Statement of Activities - Cash Basis
For the Year Ended October 31, 2009*

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 557,966	\$ 22,342	\$	\$ (535,624)
Rural Care	241,979		88,219	(153,760)
TimeOut	132,496		132,422	(74)
Early Childhood Mental Health Initiative	187,373		130,283	(57,090)
Other	48,503		30,000	(18,503)
Total Governmental Activities	<u>\$ 1,168,317</u>	<u>\$ 22,342</u>	<u>\$ 380,924</u>	<u>(765,051)</u>
		General Receipts		
		Grants and Entitlements not Restricted to Specific Programs		435,376
		Interest		704
		Miscellaneous		10,569
		Total General Receipts		<u>446,649</u>
		Change in Net Assets		(318,402)
		Net Assets Beginning of Year		<u>318,402</u>
		Net Assets End of Year		<u>\$ 0</u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
October 31, 2009

	General	Rural Care	TimeOut	Early Childhood	Other Governmental Funds	Total Governmental Funds
Total Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
 Governmental Funds
 For the Year Ended October 31, 2009

	General	Rural Care	TimeOut	Early Childhood	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ 435,376	\$ 88,219	\$ 132,422	\$ 130,283	\$ 30,000	\$ 816,300
Investment Income	704					704
Workshops	3,753					3,753
Consulting	18,589					18,589
Miscellaneous	10,569					10,569
Total Receipts	468,991	88,219	132,422	130,283	30,000	849,915
Disbursements						
Salaries	167,302	612	34,125	127,105		329,144
Fringe	56,523	502	12,713	13,738		83,476
Travel	4,169			2,114		6,283
Rent	8,925					8,925
Telephone	3,681		672			4,353
Equipment	1,216					1,216
Supplies	9,849					9,849
Legal	940					940
Audit	1,418					1,418
Insurance	7,573					7,573
MACSIS Collaborative Development		12,789				12,789
Other Office	536			8,000	20,000	28,536
Training and Consultation	23,809			17,155		40,964
Research and Development	448					448
Hospital In-Patient	2,735					2,735
Outpatient Evaluations	8,265					8,265
Planned Respite	12,231					12,231
ALS, AHV, GJM, Wash. LPD	108,909					108,909
ALS, AHV, Wash Detox		103,724				103,724
AHV, GJM, Wash Forensic Monitoring		76,346				76,346
Consulting	30,625					30,625
Miscellaneous			74		8,503	8,577
Contract Agencies	56,389	37,884	84,912	19,261	20,000	218,446
Total Disbursements	505,543	231,857	132,496	187,373	48,503	1,105,772
Excess of Receipts Over (Under) Disbursements	(36,552)	(143,638)	(74)	(57,090)	(18,503)	(255,857)
Other Financing Sources (Uses)						
Advance In	47,546					47,546
Advance Out		(47,546)				(47,546)
Close-Out Payment to GJM 317 Board	(52,423)	(10,122)				(62,545)
Total Other Financing Sources (Uses)	(4,877)	(57,668)	0	0	0	(62,545)
Net Change in Fund Balances	(41,429)	(201,306)	(74)	(57,090)	(18,503)	(318,402)
Fund Balances Beginning of Year	41,429	201,306	74	57,090	18,503	318,402
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County

Statement of Net Assets - Cash Basis

December 31, 2008

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 318,402</u>
Total Assets	<u><u>\$ 318,402</u></u>
Net Assets	
Restricted for:	
Rural Care	\$ 201,306
Early Childhood	57,090
TimeOut	74
Other	18,503
Unrestricted	<u>41,429</u>
Total Net Assets	<u><u>\$ 318,402</u></u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County

Statement of Activities - Cash Basis

For the Year Ended December 31, 2008

	Disbursements	Program Receipts		Net (Disbursements) Receipts and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
General Government	\$ 670,243	\$ 71,977	\$	\$ (598,266)
Rural Care	165,814		207,181	41,367
TimeOut	159,223		159,223	0
Early Childhood	180,903		217,135	36,232
Other	43,113		50,000	6,887
Total Governmental Activities	<u>\$ 1,219,296</u>	<u>\$ 71,977</u>	<u>\$ 633,539</u>	<u>(513,780)</u>
		General Receipts		
		Grants and Entitlements not Restricted to Specific Programs		460,895
		Interest		5,484
		Miscellaneous		<u>22,575</u>
		Total General Receipts		<u>488,954</u>
		Change in Net Assets		(24,826)
		Net Assets Beginning of Year		<u>343,228</u>
		Net Assets End of Year		<u>\$ 318,402</u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County
Statement of Cash Basis Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2008

	General	Rural Care	TimeOut	Early Childhood	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 41,429	\$ 201,306	\$ 74	\$ 57,090	\$ 18,503	\$ 318,402
Total Assets	<u>\$ 41,429</u>	<u>\$ 201,306</u>	<u>\$ 74</u>	<u>\$ 57,090</u>	<u>\$ 18,503</u>	<u>\$ 318,402</u>
Fund Balances						
Unreserved:						
Undesignated (Deficit), Reported in:						
General Fund	\$ 41,429					\$ 41,429
Special Revenue Funds		\$ 201,306	\$ 74	\$ 57,090	\$18,503	276,973
Total Fund Balances	<u>\$ 41,429</u>	<u>\$ 201,306</u>	<u>\$ 74</u>	<u>\$ 57,090</u>	<u>\$18,503</u>	<u>\$ 318,402</u>

See accompanying notes to the basic financial statements

Southern Consortium for Children, Athens County
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2008

	General	Rural Care	TimeOut	Early Childhood	Other Governmental Funds	Total Governmental Funds
Receipts						
Intergovernmental	\$ 460,895	\$ 207,181	\$ 159,223	\$ 217,135	\$ 50,000	\$ 1,094,434
Investment Income	5,484					5,484
Workshops	8,353					8,353
Consulting	63,624					63,624
Miscellaneous	22,575					22,575
Total Receipts	560,931	207,181	159,223	217,135	50,000	1,194,470
Disbursements						
Salaries	223,821	1,965	40,331	149,493		415,610
Fringe	96,198	1,015	15,096	3,068		115,377
Administrative Compensation				4,217		4,217
Travel	12,474					12,474
Rent	15,300					15,300
Telephone	4,997		672			5,669
Equipment	3,841					3,841
Supplies	20,027					20,027
Legal	780					780
Audit	8,241					8,241
Insurance	4,789					4,789
MACSIS Collaborative Development		15,887				15,887
Other Office				9,414	40,000	49,414
Training and Consultation	76,088			14,711	3,113	93,912
Research and Development	822					822
Hospital In-Patient	10,321					10,321
Outpatient Evaluations	15,060					15,060
Planned Respite	24,264					24,264
ALS, AHV, GJM, Wash. LPD	114,253					114,253
ALS, AHV, GJM, Wash. Detox		83,420				83,420
AHV, GJM, Wash Forensic Monitoring		47,687				47,687
Public Relations and Marketing			3,072			3,072
Consulting	20,378					20,378
Contract Agencies	18,589	15,840	100,052			134,481
Total Disbursements	670,243	165,814	159,223	180,903	43,113	1,219,296
Excess of Receipts Over (Under) Disbursements	(109,312)	41,367	0	36,232	6,887	(24,826)
Other Financing Sources (Uses)						
Advance In	13,604	59,208		1,947		74,759
Advance Out	(61,154)	(11,661)		(1,944)		(74,759)
Total Other Financing Sources (Uses)	(47,550)	47,547	0	3	0	0
Net Change in Fund Balances	(156,862)	88,914	0	36,235	6,887	(24,826)
Fund Balances Beginning of Year	198,291	112,392	74	20,855	11,616	343,228
Fund Balances End of Year	<u>\$ 41,429</u>	<u>\$ 201,306</u>	<u>\$ 74</u>	<u>\$ 57,090</u>	<u>\$ 18,503</u>	<u>\$ 318,402</u>

See accompanying notes to the basic financial statements

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 1 - Reporting Entity

The Southern Consortium for Children, Athens County, Ohio (the Consortium), is a regional council of governments, authorized by Chapter 167 of the Ohio Revised Code. The Consortium serves as a program planning, development and coordination arm of four (4) Alcohol, Drug Addiction and Mental Health Services Boards (Athens-Hocking-Vinton, Gallia-Jackson-Meigs, Adams-Lawrence-Scioto, and Washington Counties) for youth who are severely emotionally disturbed (SED).

The Consortium is an outcome of Ohio's Mental Health Act of 1988, which put into motion an expansion of the decentralization of the state's mental health system, providing local communities more control over service delivery to the SED population. Direct funding is received from the Ohio Department of Mental Health (ODMH). ODMH funding was derived through the closure of a children's psychiatric hospital whose operating budget was distributed, on a per capita basis, to the counties which historically had admitting privileges.

The Consortium operates under an appointed four (4) member board, consisting of the Executive Director of each of the above mentioned Alcohol, Drug Addiction and Mental Health Services Boards, and is responsible for planning, developing, implementing, maintaining, and monitoring children's mental health service programs within the service district.

The Consortium approved a resolution to dissolve the council of governments effective October 31, 2009. The closing fund balance at October 31, 2009 of \$62,545, was transferred to the Gallia-Jackson-Meigs Alcohol, Drug Addiction and Mental Health Services Board.

The Consortium's management believes the basic financial statements present all activities for which the Consortium 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 modified cash basis of accounting. In the government-wide financial statements, 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 modified cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Consortium's accounting policies.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net assets – cash basis displays information about the Consortium as a whole. The statement of activities – cash basis compares disbursements with program receipts for each function or program of the Consortium. These statements include the financial activities of the primary government. Governmental activities generally are financed through intergovernmental receipts or other non-exchange transactions. The statement of activities presents the cash balance of the governmental activities of the Consortium at year end and compares disbursements and program receipts for each program or function of the Consortium's governmental activities. Disbursements are reported by function.

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

A function is a group of related activities designed to accomplish a major service or regulatory program for which the Consortium is responsible. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational requirements of a particular program.

Receipts which are not classified as program receipts are presented as general receipts of the Consortium, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Consortium.

Fund Financial Statements

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

B. Fund Accounting

The Consortium uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Consortium are all governmental.

Governmental Funds

Governmental funds are those through which most governmental functions of the Consortium are financed. The following are the Consortium's major governmental funds

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

Runaway and Homeless Youth (TimeOut) – This fund receives grant money from the Department of Health and Human Services, Administration for Children and Families, to provide host home facilities for children.

Early Childhood Mental Health Initiative Fund (ECMHI) - This fund receives grant money from the Ohio Department of Mental Health to provide mental health services for children participating in the Head Start Program.

Rural Care Fund – This fund receives money from the four participating Alcohol, Drug Addiction and Mental Health Services Boards to fund detoxification programs for adults, forensic monitoring, and to support collaborative development for MACSIS among the four participating boards.

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

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

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

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

D. Budgetary Process

The Consortium prepares its annual operating budget under the provisions of the Ohio Administrative Code on a fund-by-fund basis. In accordance with those provisions, the following process is used to adopt the annual budgets:

1. Prior to June 1, the Executive Director submits to the Board a proposed operating budget for the Ohio Department of Mental Health Fund and the Early Childhood Mental Health Initiative, both of which operate on a July-to-June fiscal year. Prior to September 1, the Executive Director submits to the Executive Board a proposed operating budget for the Runaway and Homeless Youth grant which operates on an October-to-September federal fiscal year. Expenditures from the Special Projects fund require Board approval and occur on a project-by-project basis.
2. The Board adopts the Proposed Budget by resolution.

All transfers of appropriations between funds and between object categories require Board approval. Advances between funds require the approval of the Executive Director.

The budgets are prepared on the same cash basis of accounting as applied to the governmental funds in the basic financial statements. Revenues and expenditures are reported when they result from cash transactions.

Revenue from interest earned, sale of the Ohio Scales assessment tool, and workshop fees are reported in Special Projects. Because total revenue from workshop fees is not considered material, a proprietary fund has not been established to report revenue and expenditures separately. All advances originate in Special Projects with approval of the Executive Director. As of October 31, 2009, there were no outstanding advances.

All funds are legally required to be budgeted and appropriated. A budget is prepared for each fund on the budgetary basis of accounting. The legal level of control has been established by the Executive Board at the fund level for all funds. The Consortium is not subject to Ohio Revised Code Chapter 5705. Consequently, an entity-wide fund by fund budget is not prepared. Budgets are prepared for the grant period, rather than calendar year. As such, budget to actual comparisons are not included in this report.

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

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

During 2008, the Consortium invested in STAROhio. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2008.

Interest earnings are allocated to Consortium funds according to State statutes. Interest receipts credited to the General Fund during 2008 were \$5,484 and during 2009, \$704.

F. Inventory and Prepaid Items

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

G. 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.

H. Interfund Receivables/Payables

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

I. 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 Consortium's modified cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Consortium recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 6 and 7, the employer contributions include portions for pension benefits and for postretirement health care benefits.

K. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities involving various mental health services, funding set aside for use by one of the contribution ADAMHS boards, and match required by federal grants. The Consortium's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Fund Balance Reserves

The Consortium reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. There were no fund balance reserves at October 31, 2009 and December 31, 2008.

M. Interfund Transactions

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. Repayments from funds responsible for particular cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The Consortium is not required by Ohio Revised Code Chapter 5705 to adopt an entity-wide budget. Consequently, budget to actual comparisons are not included in this report.

Note 4 - Deposits and Investments

Monies held by the Consortium are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the Consortium treasury. Active monies must be maintained either as cash in the Consortium treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the Consortium which are not considered active are classified as inactive. Beginning June 15, 2004, inactive monies could be deposited or invested with certain limitations in the following securities provided the Consortium has filed a written investment policy with the Ohio Auditor of State:

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, or any book entry, zero coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAROhio);

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 4 - Deposits and Investments (Continued)

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the Consortium. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Consortium will not be able to recover deposits or collateral securities that are in the possession of an outside party. At the end of 2008, \$139,154 of the Consortium's bank balance of \$139,154 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Consortium's name.

The Consortium 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 Consortium or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Consortium's investment policy addresses interest rate risk by requiring that the Consortium's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding that need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

As of December 31, 2008, the Consortium had an investment in STAROhio. The carrying and fair value of this investment was \$185,508, respectively, with an average maturity of sixty days. This investment is in an internal investment pool.

STAROhio carries a rating of AAAM by Standard and Poor's. The Consortium has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAROhio 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 Consortium will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Consortium has no investment policy dealing with investment custodial risk beyond the requirements in Ohio Rev. Code Section 135.35(J)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 5 - Risk Management

The Consortium 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. In 2009 and 2008 Franchise Insurance Agency, Inc., was the insuring agent for the Consortium, providing coverage through Philadelphia Insurance Companies. The policy had a \$1,000 deductible. Coverage provided by was as follows:

Directors and Officers Liability	\$2,000,000
Employment Practices Liability	\$2,000,000
Aggregate Limit, All Parts	\$2,000,000

With the exceptions of medical coverage, life insurance coverage, dental coverage, and worker's compensation, insurance was held with Franchise. There has been no significant reduction in insurance coverage from 2008 or 2009, although there was some realignment, and there have been no claims in the past three years.

Since 2004, the Consortium has participated in the Ohio Rural Water Association, a workers' compensation group rating plan (Plan). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating entities calculated as one experience and a common premium rate is applied to all entities in the Plan. Each entity pays its workers' compensation premium to the State based on the rate for the Plan rather than the Consortium's individual rate.

In order to allocate the savings derived by the formation of the Plan and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to entities that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year the Consortium pays an enrollment fee to the Plan to cover the costs of administering the program.

The Consortium may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the Consortium is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any entity leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The Consortium provides employee medical coverage through Medical Mutual of Ohio and employee dental coverage through Medical Benefits Companies. The Consortium pays all but \$1 of each employee's premium.

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 6 - Defined Benefit Pension Plan

Ohio Public Employees Retirement System

The Consortium 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 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 standalone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

For the years ended December 31, 2009 and 2008, members of all three plans were required to contribute 10 percent of their annual covered salary to fund pension obligations. The Consortium's contribution rate for pension benefits for 2009 and 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Consortium's required contribution for pension obligations to the traditional plan for the years ended December 31, 2009, 2008, and 2007 were \$22,397, \$37,144, and \$37,485 respectively. The full amount has been contributed for 2009, 2008 and 2007.

Note 7 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) maintains a cost-sharing multiple-employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the traditional pension and combined plans.

Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care coverage. In order to qualify for post-employment health care coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and qualified survivor benefit recipients is available. The health care coverage provided by the OPERS meets the definition of an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pension."

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to eligible members and beneficiaries. Authority to establish and amend benefits is provided in Ohio Revised Code Chapter 145. The Ohio Revised Code provides the statutory authority requiring public employees to fund postretirement health care through their contributions to OPERS. A portion of each employer's contribution to the traditional pension or combined plans is set aside for the funding of postretirement health care benefits. Employer contributions are expressed as a percentage of the covered payroll of active members.

Southern Consortium for Children
Notes to the Financial Statements
For the Years Ended October 31, 2009 and December 31, 2008

Note 7 - Postemployment Benefits (Continued)

Ohio Public Employees Retirement System (Continued)

In 2009 and 2008, state and local employers contributed at a rate of 14 percent of covered payroll. Active members do not make contributions to the OPEB plan. OPERS' Post Employment Health Care Plan was established under, and is administered in accordance with, Internal Revenue Code Section 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of postemployment health care benefits. For 2009, the employer contribution allocated to the health care plan was 7 percent from January 1, 2009 through March 31, 2009, and 5.5 percent from April 1, 2009 through December 31, 2009 of covered payroll. For 2008, the employer contribution rate was 7 percent of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and that coverage selected.

Benefits are advance-funded using the individual entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2008, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.3 percent based on additional annual pay raises. Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5 percent to 3 percent for the next 6 years. In subsequent years (7 years and beyond), health care costs were assumed to increase at 4 percent (the projected wage inflation rate).

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach, assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investments annually, not to exceed a 12 percent corridor.

The traditional pension and combined plans had 357,584 active contributing participants as of December 31, 2009. The number of active contributing participants for both plans used in the December 31, 2008, actuarial valuation was 356,388. Actual employer contributions for 2009 and 2008 were \$9,794 and \$18,572, respectively. The actual contribution and the actuarial contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2008 (the latest information available), was \$10.7 billion. Based upon the actuarial cost method used, the actuarial valuation as of December 31, 2008, reported the actuarial accrued liability and the unfunded actuarial accrued liability for OPEB at \$29.6 billion and \$18.9 billion, respectively.

The Health Care Preservation Plan adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for state and local employers increased on January 1 of each year from 2006 to 2008. These rate increases allow additional funds to be allocated to the health care plan.

Note 8 - Interfund Transfers

All transfers were approved by the Executive Board.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the Consortium are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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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

Southern Consortium for Children
Athens County
P.O. Box 956
Athens, Ohio 45701

To the Board of Directors:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Consortium for Children, Athens County, Ohio (the Consortium), as of October 31, 2009 and December 31, 2008, and also for the 10 months ended October 31, 2009 and for the 12 months ended December 31, 2008, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated March 3, 2010, wherein we noted the Consortium voted to dissolve effective October 31, 2009. 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 Consortium'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 Consortium's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Consortium'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 Consortium'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 Consortium'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 Consortium'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.

Compliance and Other Matters

As part of reasonably assuring whether the Consortium'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 that 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 black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

March 3, 2010



Mary Taylor, CPA
Auditor of State

SOUTHERN CONSORTIUM FOR CHILDREN
ATHENS 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 30, 2010