



Accountancy Board of Ohio
Annual Report
Fiscal Year 2011

Introduction

The Accountancy Board of Ohio is the state government agency established by the legislature in 1908 to regulate the practice of public accounting in Ohio. The Board is responsible for examining and licensing certified public accountants, licensing public accountants, registering public accounting firms and enforcing the provisions of Chapter 4701 of the Ohio Revised Code as passed by the Ohio General Assembly and Agency 4701 of the Ohio Administrative Code as adopted by the Board.

The Board is entirely self-sustaining and does not spend any tax dollars. Revenue is generated from fees collected for license applications, license renewals and other services. The Board reimburses certain other state agencies for services rendered.

The Ohio Attorney General is the statutory legal counsel to the Board. An Assistant Attorney General represents the Board in administrative hearings and court proceedings.

Mission Statement

The mission of the Accountancy Board of Ohio is to assure that the services received by Ohio's citizens and businesses from CPAs and PAs licensed by the Board, will always be performed in an ethical and professional manner and to strictly and fairly enforce Ohio's statutes and rules.

Vision Statement

It is the vision of the Accountancy Board of Ohio to become the regulatory agency that provides quality service to the public through the effective use of technology and the implementation of best business practices.



Message from the Board Chair Greta J. Russell, CPA

We are pleased to present the Annual Report for the Accountancy Board of Ohio for the fiscal year ended June 30, 2011. The accompanying reports indicate that the Board remains committed to its mission to assure that the services received by Ohio's citizens and businesses from Certified Public Accountants (CPAs) and Public Accountants (PAs) licensed by the Board will always be performed in an ethical and professional manner.

As the regulator of the public accounting profession in Ohio, the citizens have entrusted the Board with ensuring that a CPA's designation means that the professional has met the necessary continuing education requirements, is ethical and professional in the discharge of his or her duties and is licensed to perform the professional services rendered. Additionally, the Accountancy Board must be knowledgeable and responsive to current changes. We meet regularly with our counterparts in other states through the National Association of State Boards of Accountancy (NASBA) to discuss current and future issues from a regulatory standpoint. We are fortunate that several current and past members of the Board serve on various committees and hold leadership positions in NASBA.

We are recognized as a national leader in the accounting regulatory environment. This focus is paying off, both in terms of an enhanced reputation and better outcomes for our licensees. Ohio was the first state in the nation to enact CPA mobility provisions in its accountancy laws. This year the CPA exam was administered in Japan, Bahrain, Kuwait, Lebanon and the United Arab Emirates. This allows Ohio CPAs to work seamlessly across state and national boundaries. The Board again this year increased its scholarship commitments to assist students in the fifth year of study for the CPA certification. We received excellent assistance from the Ohio Society of Certified Public Accountants (OSCPA) to deliver accountancy awareness programs across the state.

I would like to express my thanks and appreciation to each member of the Board and the staff for their devotion in working toward our mission. It has been my honor and privilege to serve as Chair. The success and achievements of the Board are due, in large part, to the hard work of our small but dedicated staff. It has truly been a pleasure to be able to work with such outstanding individuals.

In closing, I encourage you to read the report. The incoming Chair and Board will continue to face a difficult economy and the continuing challenges of our profession, but I am confident that they are up to the task. I look forward to the opportunity afforded me for future service so that we may collectively address the emerging issues.

Respectfully yours,

A handwritten signature in black ink that reads "Greta J. Russell". The signature is written in a cursive, flowing style.

Greta J. Russell, CPA
Chair

Members of the Accountancy Board of Ohio

The Board is composed of nine members, eight of whom are certified public accountants and one who is a member of the general public. The Governor, with the advice and consent of the Senate, appoints each member to a seven-year term. Board members are compensated hourly only for time devoted to the Board's affairs, and are reimbursed for certain expenses incurred in the performance of their official duties.

Chair



Greta J. Russell, CPA

Term 11/17/2006—10/20/2013

Ms. Russell, licensed since 1981, is the University Controller at The Ohio State University, Columbus, Ohio.

Vice Chair



Margaret A. Houston, CPA

Term 1/8/2008—10/20/2014

Ms. Houston, licensed since 1987, is a senior lecturer for the Department of Accountancy at Wright State University, Dayton, Ohio.

Secretary

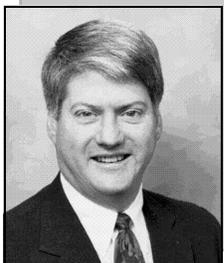


W. Michael Fritz, CPA

Term 2/23/2009 - 10/20/2015

Mr. Fritz, licensed since 1980, is a partner at Deloitte & Touche, LLP of Columbus, Ohio.

Past Chair



Mark B. LaPlace, CPA

Term 2/24/2006—10/20/2012

Mr. LaPlace, licensed since 1982, is a partner at GBQ Holdings, LLC of Columbus, Ohio.

Past Chair



James A. Landaker, CPA

Term 12/3/2004—10/20/2011
Mr. Landaker, licensed since 1974, is President of Landaker & Associates, Inc. of Westerville, Ohio.

Member



Robert F. Fay, CPA

Term 2/23/2009—10/20/2015
Mr. Fay, licensed since 1985, is the owner of Robert F. Fay, CPA of Canton, Ohio.

Member



Michael S. Comer, CPA

Term 10/21/2009—10/20/2016
Mr. Comer, licensed since 2005, is a partner at KPMG, LLP of Cincinnati, Ohio.

Member



James J. Carroll, CPA (Inactive)

Term 11/4/2009—10/20/2016
Mr. Carroll, licensed since 1973, is a member of Cors & Bassett LLC of Cincinnati, Ohio.

Member



Adriana Sfalcin (Public Member)

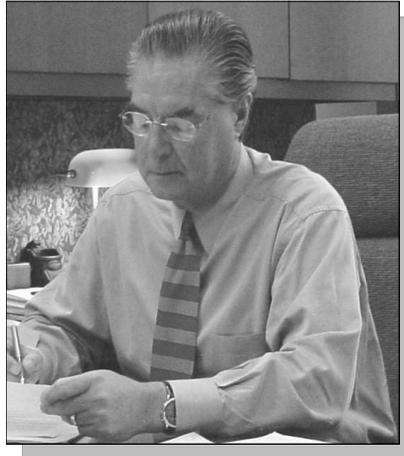
Term 12/6/2010—10/20/2017
Ms. Sfalcin is Executive Director of the Mid-America Jewelers Assoc., Mid-America Jewelry Show and the Ohio Jewelers Education Foundation. She resides in Dublin, Ohio.

Accountancy Board Staff As of June 30, 2011

EXECUTIVE OFFICE



Robert D. Joseph, Ph.D., CPA
Assistant Executive Director
(614) 466-1660



Ronald J. Rotaru
Executive Director
(614) 995-0192



Tracey F. Fithen
Executive Assistant
(614) 644-9037

ENFORCEMENT & DISCIPLINE



Jesse J. Dixon
Investigator
(614) 728-3004



Faith Ottavi
Investigator
(614) 752-2468

OPERATIONS STAFF



Vicky Cahill
Receptionist
(614) 466-4135



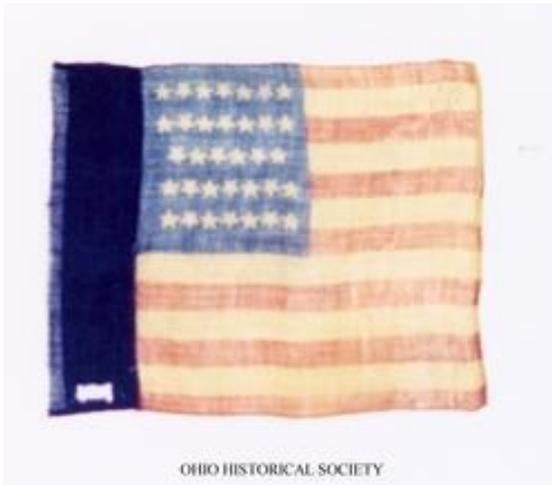
Luann Rager
CPA Licensing/ Renewal
(614) 752-8248



Karen Salyer
CPA Certification
Firm Registration
(614) 752-7472



Kelly Ann Kelly
Clerk
(614) 752-8249



Description: Flank Marker of the 126th Ohio Volunteer Infantry.
Creation Date: ca. 1965-1970

ATTORNEY GENERAL

John E. Patterson
General Counsel, Assistant State Attorney General



Licensing and CPA Examination Fiscal Year 2011

The total of CPA certificates issued since the Accountancy Board's inception in 1908 was 48,369 as of the end of fiscal year 2011. A total of 6,842 PA registrations were issued from 1959 to 1993. In 1993, the General Assembly passed legislation that discontinued the registration of public accountants.

In order to obtain the CPA certificate, a candidate needs to complete the three "E's" of education, examination, and experience.

Prior to January 1, 2000, the educational and experience requirements for the CPA certificate were as follows:

- Either (1) a baccalaureate degree with 24 semester hours in accounting courses, or (2) successful completion of the equivalency examination.
- Successful completion of the CPA examination.
- Two years of experience performing accounting or accounting-related duties acceptable to the Board.

After January 1, 2000, the educational and experience requirements for the CPA certificate were as follows:

- A baccalaureate degree and 150 semester hours of college credit including 30 semester hours in accounting and 24 semester hours in business courses other than accounting courses. In lieu of 150 semester hours, an associates or baccalaureate degree and a passing score on a special examination approved by the Board. The special examination is the Graduate Management Admission Test and the required total score is 620.
- Successful completion of the CPA examination. Experience is four (4) years with GMAT.
- One year of experience performing accounting or accounting-related duties acceptable to the Board.

For more complete information concerning the computer-based CPA exam please refer to the Board's website at the following URL:

<http://acc.ohio.gov/CPAExam.aspx>

CPA Certificates Issued

Fiscal Year	Examination	Reciprocity	SB 316 *	Total
2011	804	134	0	938
2010	729	135	0	864
2009	715	116	0	831
2008	739	167	2	908
2007	590	192	1	783
2006	580	176	1	757
2005	628	130	1	759
2004	720	145	6	871
2003	546	92	10	648

(*) Senate Bill 316, effective April 16, 1993, eliminated the registration of new public accountants. Some currently licensed public accountants, who met certain criteria specified in the new law, were awarded the certificate of "Certified Public Accountant" without passing the CPA examination. These individuals are listed in the table above under the heading "SB 316."

Accountancy Board of Ohio
Statement of Revenues
July 1, 2010-June 30, 2011

REVENUE

Operational Fees

Individual License Fees	\$1,279,170	
Firm License Fees	30,280	
Certification Fees	<u>28,285</u>	
Total Operational Fees		\$1,337,735

Disciplinary Fees/Misc.

Individual Late Fees	\$239,753	
Firm Late Fees	18,060	
Disciplinary Fees & Fines	14,640	
Miscellaneous Income	<u>1,393</u>	
Total Disciplinary Fees/Misc.		<u>\$273,846</u>
Total Revenue		\$1,611,581

Accountancy Board of Ohio
Statement of Expenses
July 1, 2010-June 30, 2011

EXPENSES	
Office Expenses	
Payroll	\$710,487
Building Rent	48,132
State IT Services	40,575
Central Service Agency	26,596
Online Renewal Fees	25,136
Intrastate Service Charges	14,276
State Mail Service	12,803
Board Travel Expenses	12,608
State Auditor Fees	12,375
Telecommunications	7,006
NASBA Dues	6,600
New Computer Equipment	4,720
Office Supplies	4,038
Other Expenses (< \$4,000)	<u>8,322</u>
Total Office Expenses	\$933,674
Scholarship Payments	<u>\$210,000</u>
Total Expenses	\$1,143,674
Excess of Revenue Over Expenses	\$467,907

Ohio Permits

Fiscal Year	CPA Permits	PA Permits	Total
2011	20,672	11	20,683
2010	20,201	12	20,213
2009	19,937	10	19,947
2008	19,563	12	19,575
2007	19,140	18	19,158
2006	18,980	21	19,001
2005	18,766	26	18,792
2004	18,889	30	18,919
2003	18,871	35	18,906

Total Licenses Issued

Fiscal Year	Permit 1 year	Permit 2 year	Permit 3 year	Total Permits	Reg 1 year	Reg 2 year	Reg 3 year	Total Reg	Grand Total
2011	60	1,038	6,692	7,790	61	99	2,966	3,126	10,916
2010	41	927	6,506	7,474	24	80	3,229	3,333	10,807
2009	58	902	5,965	6,925	34	100	3,062	3,196	10,121
2008	58	959	6,159	7,176	30	90	3,103	3,223	10,399
2007	60	872	5,990	6,922	46	96	3,757	3,899	10,821
2006	53	809	5,740	6,602	26	74	3,265	3,365	9,967
2005	51	825	5,829	6,705	47	75	3,669	3,791	10,496
2004	57	931	5,966	6,954	23	72	3,784	3,879	10,833
2003	44	674	5,487	6,205	9	64	3,612	3,685	9,890

Permit 1 year represents one-year Ohio permits (active licenses) issued.
 Permit 2 year represents two-year Ohio permits (active licenses) issued.
 Permit 3 year represents three-year Ohio permits (active licenses) issued.
 Reg 1 year represents one-year Ohio registrations (inactive licenses) issued.
 Reg 2 year represents two-year Ohio registrations (inactive licenses) issued.
 Reg 3 year represents three-year Ohio registrations (inactive licenses) issued.

Facts About The CPA Examination

The computer-based CPA examination was offered for the first time on April 5, 2004. Unlike the paper-based CPA exam that was offered twice a year, the computer-based exam is available to CPA candidates for the first two months of each quarter during the year. This time period is called an examination window. Unlike the paper-based CPA exam for which a candidate needed to sit for all sections not passed and achieve a minimum score of 50 on sections failed, the computer-based CPA exam sections may be taken in any order and the scores are not dependent upon the scores of any failed sections. The computer-based CPA examination is held at the following sites:

Akron-Stow – (3500 Hudson Drive, Suite 4)
Cincinnati – (11353 Reed Hartman Highway, Suite LL50)
Cleveland-Case Western Reserve University (10900 Euclid Avenue, Sears Building 440)
Cleveland-Strongsville – (15201 Pearl Road)
Columbus-Worthington – (933 High Street, Suite 130B)
Dayton-Beavercreek – (2365 Dayton-Xenia Road)
Mentor – (8880 Mentor Avenue)
Toledo-Maumee (1745 Indian Wood Circle, Suite 110)
Youngstown-Niles – (Square 1 Center, 950A Youngstown-Warren Road, Suite D)

The all-time record for the number of candidates taking the CPA examination during a six month period (4,333) was set in November 1999. The all-time record for the number of candidates passing the CPA examination during a six month period (786) was set in November 1989.



OHIO STATEHOUSE — COLUMBUS, OHIO

CANDIDATE PERFORMANCE

Before the Computer Based CPA exam was implemented in 2004, the average percentage passing each section of the CPA exam was approximately 28%.

July-August 2010 CPA Examination Window

SECTION	# TAKING	# PASSING	% PASSING
Auditing	550	298	54.18
BEC ¹	636	372	58.49
FAR ²	589	324	55.01
Regulation	552	315	57.07
Total	2,327	1,309	56.25

October-November 2010 CPA Examination Window

SECTION	# TAKING	# PASSING	% PASSING
Auditing	623	300	48.15
BEC ¹	743	376	50.61
FAR ²	712	350	49.16
Regulation	495	258	52.12
Total	2,573	1,284	49.90

January-February 2011 CPA Examination Window

SECTION	# TAKING	# PASSING	% PASSING
Auditing	317	136	42.90
BEC ¹	230	111	48.26
FAR ²	273	97	35.53
Regulation	342	139	40.64
Total	1,162	483	41.57

¹Business Environment and Concepts

²Financial Accounting and Reporting

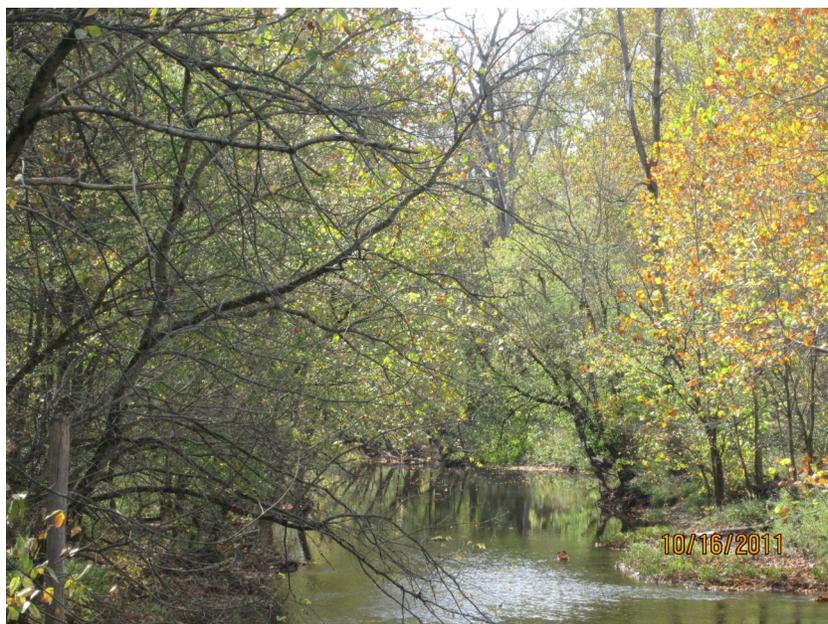
April-May 2011 CPA Examination Window

SECTION	# TAKING	# PASSING	% PASSING
Auditing	404	199	49.26
BEC ¹	308	168	54.55
FAR ²	331	140	42.30
Regulation	387	162	41.86
Total	1,430	669	46.78

Fiscal Year 2011 Totals

SECTION	# TAKING	# PASSING	% PASSING
Auditing	1,894	933	49.26
BEC ¹	1,917	1,027	53.57
FAR ²	1,905	911	47.82
Regulation	1,776	874	49.21
Total	7,492	3,745	49.99

*Big Walnut
Creek—
Gahanna,
OH*



Board Activities and Accomplishments

Fiscal year 2011 Highlights and Calendar of Events

July 9, 2010: The Board conducted two disciplinary hearings and two reinstatement hearings. The disciplinary hearings resulted from charges related to suspension from practice before the Securities and Exchange Commission and continuing education verification.

September 10, 2010: The Board conducted four disciplinary hearings. The disciplinary hearings resulted from charges related to firm registration renewal noncompliance, unlawful practice, and failure to respond to Board communications.

November 5, 2010 (Annual Meeting): The nominating committee met and recommended the following slate of officers for the 2010-2011 Board term:

Greta Russell (Chair)
Maggie Houston (Vice Chair)
W. Michael Fritz (Secretary)

The Board unanimously approved the nominating committee's recommendations and elected the slate of officers.

The Board conducted three disciplinary hearings and one reinstatement hearing. The disciplinary hearings resulted from charges related to firm registration renewal noncompliance, unlawful practice and revocation of the respondent's CPA certificate by another state accountancy board.

December 13, 2010 (Board Retreat): The main topic of discussion was proposed changes to the Board's website. Other topics of discussion were as follows: (1) NASBA Focus Questions for general circulation to the other state accountancy boards, (2) Disciplinary procedures and enforcement manual updates, (3) State agency consolidation issues, and (4) License renewal procedures.

The Board agreed to create a new finance and audit committee and incorporate the committee structure into a proposed Board rule.

December 14, 2010: David Costello, the Chief Executive Officer of the National Association of State Boards of Accountancy (NASBA), spoke to the Board on several issues facing accounting regulators and the accounting profession.

Mr. Costello noted the following items in his presentation:

- NASBA was invited to participate in a study related to accounting standards. The question posed was whether there should be one set of accounting standards for both large and small companies (the current standards) or whether the current accounting standards should be modified in some respects for nonpublic companies.

Board Activities and Accomplishments

Fiscal year 2011 Highlights and Calendar of Events

- The CPA examination would be offered internationally in 2011, and it was expected that the first examination site would be in Tokyo, Japan.
- NASBA continues to lend its support to the CPA credential as the premier world accounting credential and would resist attempts to dilute the CPA credential in an attempt to gain popularity.
- Nearly all states should have mobility legislation within a year or two. Mr. Costello mentioned Ohio's almost 50-year history of permitting interstate mobility of CPAs as a key reason other states passed such legislation

Michael Daggett, the NASBA Board Chair, added the following comments:

- Ohio is represented well on the various NASBA committees. Twelve different Board representatives (Current Board members, Past Board members, and the Executive Director) hold one NASBA committee chair post and 17 other positions on committees.
- NASBA is monitoring the efforts of the European Union to harmonize its accounting standards.
- The recent Public Company Accounting Oversight Board (PCAOB) regulations appear to exempt small and medium size firms from the registration requirements, but the various state accountancy boards continue to monitor the situation.
- Other issues NASBA is monitoring include foreign accounting firms practicing public accounting in the USA, networked CPA firms in the USA, initiatives to define independence in a consistent manner, and multi-state disciplinary procedures.

The Board conducted three disciplinary hearings and one reinstatement hearing. The disciplinary hearings resulted from charges related to firm registration renewal noncompliance, unlawful practice and failure to respond to Board communications.

Chair Greta Russell named the following committee chairs for 2011:

Executive Committee: Greta Russell

Nominating Committee: Mark LaPlace

Office Oversight Committee: James Landaker

Licensing Committee: James Carroll

Disciplinary Advisory Committee: Robert Fay

Peer Review Oversight Committee: Michael Comer

Education Assistance Committee: Robert Fay

Finance and Audit Committee: Michael Fritz (effective April 28, 2011)

Board Activities and Accomplishments

Fiscal year 2011 Highlights and Calendar of Events

February 4, 2011: The Board voted to file 20 rule changes. Most of the changes were technical in nature.

The Board conducted one disciplinary hearing resulting from charges related to unlawful client record retention.

The online license renewal totals indicated that 97.2 per cent of the Ohio certified public accountants and public accountants renewed online.

March 22, 2011: The new Board website went into production. The site has the “look and feel” of the State of Ohio website and can contain more features than the old website. The URL of the new site remains: **<http://acc.ohio.gov>**

April 29, 2011: The Board conducted one disciplinary hearing and one reinstatement hearing. The disciplinary hearing resulted from charges related to felony convictions.

The Board approved two rule changes for filing. The changes represented technical corrections from the previous rule filing.

The Board’s education assistance funds were close to depletion, and the Board agreed to petition the Controlling Board for an additional \$50,000 in appropriation authority to fund the tuition reimbursement program through the end of fiscal year 2011. The total funds awarded for education assistance purposes in fiscal year 2011 was \$210,000, slightly more than double the previous year’s amount and a record since the current scholarship procedures were adopted in fiscal year 2008.

May 23, 2011: The Controlling Board approved the Board’s request for an additional \$50,000 in appropriation authority for scholarship expenses.

June 3, 2011: The Board conducted eight disciplinary hearings and one reinstatement hearing. The disciplinary hearings resulted from charges related to firm registration renewal noncompliance, unlawful practice, continuing education verification and a misdemeanor conviction.

June 30, 2011: Governor Kasich signed the fiscal year 2012-2013 budget bill. The Board’s appropriation was reduced by slightly over 2% for both fiscal years. The Board expected a reduction in funding but the fiscal year 2012-2013 budget was a good outcome considering the budget addressed a significant statewide shortfall in funding. Board revenue has exceeded expenses every year since the Board became an independent state agency in 1959.

Organizational Chart

Governor of Ohio

Board/Commission Member 1

Greta Russell, PCN 20070611	Robert F. Fay, PCN20070606
Margaret Houston, PCN 20070603	Michael S. Comer, PCN 20070608
Wayne M. Fritz, PCN 20070610	James J. Carroll, PCN 20070607
Mark B. LaPlace, PCN 20070609	Adriana Sfalcin, PCN 20070620
James A. Landaker, PCN 20070604	

NOTE: "PCN" means "Position Control Number."
Each state employee has a unique PCN.

Ronald J. Rotaru
ABO Exec Dir - PCN 2070621

Robert D. Joseph PhD CPA
Adm Asst 4 - PCN 20070622

Tracey F. Fithen - Adm Asst 4
PCN 20070623

Faith A. Ottavi - Investigator
PCN 20070612

Luann Rager - Secretary
PCN 20070618

Jesse J. Dixon - Investigator
PCN 20070615

Karen Salyer - Secretary
PCN 20070617

Vacancy - Inv Asst
PCN 20070619

Vicki Cahill - Secretary
PCN 20070613

Kelly Ann Kelly - Part-time
Clerk 2 PCN 20070620

2 Vacancies - Secretary
PCN 20070614/16

Firm Registration and Peer Review

In 1992, the State of Ohio enacted legislation that required all public accounting firms practicing in Ohio to register with the Board. In addition, those firms that performed financial reporting services (attest firms) were required to undergo a comprehensive peer review in accordance with standards adopted by the Board. The peer review program is designed to assess the quality of the firm's work, its professional staff, and its overall performance in the delivery of services to its clients. A review must be completed for each attest firm at least every three years and additional work may often be required between formal reviews if the firm's review identifies deficiencies. Firms that must obtain a review need to submit proof of its completion to the Board in order to renew their firm registration in Ohio.

The Ohio Society of Certified Public Accountants (OSCPA) is the Board's agent in this program and administers the peer review process. The Board and the OSCP work together to assure that the objectives of the peer review program are achieved.

Status Report As of June 30, 2011

Public accounting firms that must undergo a peer review are divided into three groups. One group is reviewed each year and given the opportunity to renew its firm's registration. All firms must renew within a three-year period. There are 1,444 peer review public accounting firms and 1,625 tax/consulting public accounting firms registered in Ohio.

Firm Registrations by Fiscal Year		
Fiscal Year	Peer Review	Tax/Consulting
FY 2011	509	469
FY 2010	510	570
FY 2009	694	601
FY 2008	537	545
FY 2007	584	574
FY 2006	587	580
FY 2005	829	587

Investigations Summary

Fiscal Year 2011

A total of 20 cases were open at the beginning of fiscal year 2011. Of these, 17 were closed in fiscal year 2010 and 3 of these cases remained open at the end of the fiscal year. These remaining cases all involved some type of litigation. During fiscal year 2011, a total of 87 cases were opened and 68 cases were closed, leaving 22 cases open at the end of the fiscal year.

Most frequent complaints

Unethical conduct including SEC violations
(professional standards violations, poor quality work, etc.)
Unlicensed practice
Firm registration noncompliance
Retention of client records



Investigative field calls

Fiscal year 2006: 243
Fiscal year 2007: 269
Fiscal year 2008: 274
Fiscal year 2009: 297
Fiscal year 2010: 167
Fiscal year 2011: 164

Disciplinary hearings Fiscal Year 2010

From 1/1/1990 to effective date of Senate Bill 200 (3/30/99): 30
Hearings in Fiscal Year 2011: 22

Scholarship Program

In 1992, the Ohio General Assembly passed legislation authorizing an education assistance program in order to aid disadvantaged students enrolled in the fifth year of accounting study required for the CPA certificate effective January 1, 2000. The Board began collecting a license surcharge January 1, 1995, and began awarding scholarship grants January 1, 1998. The license surcharge was increased on January 1, 2007.

Scholarship Commitments, Grants, and Payments by Fiscal Year			
Fiscal Year	New Commitments*	New Grants*	Grant Payments
FY 2011	\$244,298	\$149,711	\$210,000
FY 2010	315,338	245,581	101,502
FY 2009	212,429	101,867	116,137
FY 2008	264,003	125,000	62,233
FY 2007	278,144	203,211	184,338
FY 2006	257,427	140,100	173,058

***NOTE:** Commitments represent future funds to be awarded to students who qualify. Grants represent former commitments to students who have completed 120 semester credits of college coursework and are enrolled in the fifth year of a five year program of study leading to CPA certification.

The State Motto - "With God, All Things Are Possible"

During the early 1950s, the Ohio Legislature sponsored a contest to select a state motto. "*With God All Things Are Possible*," became Ohio's state motto on October 1, 1959. James Mastronardo, a twelve-year-old boy, recommended this quotation from the Bible.

In 1997, the American Civil Liberties Union filed a suit against Ohio and its state motto, claiming that this phrase violated the First Amendment to the United States Constitution, which guarantees religious freedom and a separation of church and state. Various federal courts sided with Ohio, allowing the state to retain the motto. Judges ruled that Ohio's motto does not endorse a specific god and, thus, was not a violation of the First Amendment. Ohio is one of five states with the word "God" in their mottos.

**Eddie Rickenbacker
Hat & Ring Aircraft
Fabric Fragment, cir.
1914—1918**



Ohio's official flag was adopted by an act of the Ohio Legislature on May 9, 1902. The Ohio burgee (bûr'je), as the swallow-tailed design is properly called, was drawn by **John Eisenmann**, architect and designer for the Ohio State Pan-American Exposition Commission.

The Ohio flag has three red and two white horizontal stripes. At its staff end is a blue triangular field whose apex is at the center of the middle red stripe; there are 17 white, five-pointed stars grouped around a red disc superimposed upon a white circular "O."

Mr. Eisenmann explained the Ohio flag's symbolism most aptly:

"The triangles formed by the main lines of the flag represent the hills and valleys as typified in the State Seal, and the stripes the roads and waterways.

"The stars, indicating the 13 original states of the Union, are grouped about the circle, which represents the Northwest Territory; and that Ohio was the seventeenth state admitted into the Union is shown by adding four more stars.

"The white circle with its red center, not only represents the initial letter of Ohio, but is suggestive of its being the Buckeye State."

Accountancy Board of Ohio
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