
Logan County Financial Condition

Basic Financial Statements

December 31, 2009

(with Independent Auditors' Report)



Mary Taylor, CPA
Auditor of State

Board of Commissioners
Logan County
117 E. Columbus Ave.
Bellefontaine, Ohio 43311

We have reviewed the *Independent Auditors' Report* of Logan County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2009 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Logan County is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 13, 2010

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Logan County Financial Condition

FOR THE YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITORS' REPORT

County Board of Commissioners
Logan County, Ohio
117 E. Columbus Ave.
Bellefontaine, Ohio 43311

We have audited the accompanying financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of RTC Industries, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of RTC Industries, Inc. were audited by other auditors in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Auto & Gas Fund, and Logan County Board of Developmental Disabilities Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 8 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark Schaefer Hackett

Springfield, Ohio
August 31, 2010

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

The discussion and analysis of Logan County's financial performance provides an overall view of the County's financial activities for the year ended December 31, 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review notes to the basic financial statements, and the financial statements themselves, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2009 are as follows:

- ❑ The County's net assets increased \$1,384,634 as a result of this year's operations. Net assets of the business-type activities increased \$805,495 or 4.7 percent and net assets of our governmental activities increased \$579,139 or 0.7 percent.
- ❑ Business-Type activities had expenses of \$9,400,778 which is \$343,062 less than the \$9,743,840 in program revenues generated for such expenses.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Logan County as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the Logan County, the General Fund is by far the most significant fund.

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the County, the *financial position* of the County has increased or diminished. The cause of this is the result of many factors, some the County can control, some not. Non-controllable financial factors include the County's insurance costs, Workers Compensation costs, the economy, interest rates, and revenues or expenses determined by laws in Ohio restricting revenue growth, required programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two distinct kinds of activities:

- Governmental Activities - Most of the County's programs and services are reported here including public safety, public works, health, human services, conservation and recreation, economic development, urban redevelopment, legislative and executive, and judicial.

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Indian Lake Water Pollution Control District Fund and the Logan Acres County Home Funds are reported as business activities.

Reporting the County's Most Significant Funds

Fund Financial Statements Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, the Auto and Gas Fund, and the Logan County Board of Developmental Disabilities Fund.

Governmental Funds Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County operations. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

The County as a Whole

Recall that the Statement of Net Assets provides the perspective of the County as a whole.

Table 1
Net Assets

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Total 2008
Asset				
Current and Other Assets \$	31,848,039	\$ 5,939,651	\$ 37,787,690	\$ 45,473,196
Capital Assets, Net	66,743,298	39,801,147	106,544,445	94,387,611
Total Assets	<u>98,591,337</u>	<u>45,740,798</u>	<u>144,332,135</u>	<u>139,860,807</u>
Liabilities				
Other Liabilities	11,860,763	2,733,405	14,594,168	10,709,855
Long-Term Liabilities	7,088,148	24,941,180	32,029,328	32,826,947
Total Liabilities	<u>18,948,911</u>	<u>27,674,585</u>	<u>46,623,496</u>	<u>43,536,802</u>
Net Assets				
Invested in Capital				
Assets Net of Debt	57,670,423	13,563,577	71,234,000	61,743,911
Restricted	13,072,217	-	13,072,217	1,370,433
Unrestricted (Deficit)	8,899,786	4,502,636	13,402,422	33,209,661
Total Net Assets	<u>\$ 79,642,426</u>	<u>\$ 18,066,213</u>	<u>\$ 97,708,639</u>	<u>\$ 96,324,005</u>

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Table 2 shows comparative numbers for the changes in net assets for the years 2009 and 2008.

Governmental Activities

Table 2
Changes in Net Assets

	Governmental Activities 2009	Business- Activities 2009	Total 2009	Total 2008
Revenue				
Program Revenues:				
Charges for Services	\$ 3,809,321	\$ 7,009,345	\$ 10,818,666	\$ 10,795,871
Operating Grants	12,442,176	2,734,495	15,176,671	15,167,769
Capital Grants	4,447,784	-	4,447,784	1,427,544
General Revenue:				
Property and Sales Taxes	15,368,571	-	15,368,571	16,386,233
Grants and Entitlements	2,778,305	-	2,778,305	2,989,242
Other	2,686,269	402,605	3,088,874	3,554,261
Total Revenues	<u>\$ 41,532,426</u>	<u>\$ 10,146,445</u>	<u>\$ 51,678,871</u>	<u>\$ 50,320,920</u>
Program Expenses				
General Government – Legislative and Executive	5,814,215	-	5,814,215	6,948,936
General Government – Judicial	2,536,274	-	2,536,274	3,595,887
Public Safety	5,326,457	-	5,326,457	6,347,157
Public Works	7,402,845	-	7,402,845	9,144,835
Health	2,059,199	-	2,059,199	1,444,252
Human Service	16,141,687	-	16,141,687	15,533,035
Conservation and Recreation	325,844	-	325,844	375,985
Economic Development and Assistance	492,354	-	492,354	407,590
Urban Redevelopment and housing	457,379	-	457,379	152,621
Interest and Fiscal Charges	337,205	-	337,205	289,883
Wastewater Pollution Control Fund	-	2,545,626	2,545,626	2,467,690
Logan Acres County Home Fund	-	6,855,152	6,855,152	6,961,255
Total Expenses	<u>40,893,459</u>	<u>9,400,778</u>	<u>50,294,237</u>	<u>53,669,126</u>
Change in Net Assets before transfers	638,967	745,667	1,384,634	(3,348,206)
Net Transfers	(59,828)	59,828	-	-
Increase (Decrease) in Net Assets	579,139	805,495	1,384,634	(3,348,206)
Beginning Net Assets	79,063,287	17,260,718	96,324,005	99,672,211
Ending Net Assets	<u>\$ 79,642,426</u>	<u>\$ 18,066,213</u>	<u>\$ 97,708,639</u>	<u>\$ 96,324,005</u>

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons are made to 2008.

Table 3
 Governmental Activities

	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
General Government - Legislative	\$ 5,814,215	\$ 4,387,374	\$ 6,948,936	\$ 5,646,160
General Government - Judicial	2,536,274	1,633,572	3,595,887	2,231,155
Public Safety	5,326,457	4,298,778	6,347,157	4,872,966
Public Works	7,402,845	(1,932,779)	9,144,835	2,095,666
Health	2,059,199	2,035,815	1,444,252	1,417,212
Human Services	16,141,687	9,134,218	15,533,035	8,642,736
Conservation and Recreation	325,844	218,544	375,985	370,285
Economic Development and Assistance	492,354	(170,628)	407,590	336,595
Urban Redevelopment and Housing	457,379	252,079	152,621	105,114
Interest and Fiscal Charges	337,205	337,205	289,883	289,883
Total Expenses	<u>40,893,459</u>	<u>20,194,178</u>	<u>44,240,181</u>	<u>26,007,772</u>

The dependence upon tax revenues for governmental activities is apparent. After the U.S. Department of Transportation contributed almost \$3.4 million for road and bridge improvement, 50.6 percent of expenses are supported through program revenues. For all governmental activities, taxes and other general revenues support 49.4 percent of expenses.

Business-Type Activities

Business-type activities include the Water Pollution Control Fund and Logan Acres County Home Fund. These programs had program revenues of \$9,743,840 and expenses of \$9,400,778 for the year 2009. Business activities receive no support from tax revenues.

The County's Funds

Information about the County's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other fund sources of \$45,478,649 and expenditures and other fund uses of \$47,311,454. The net change in fund balance for the year was a decrease of \$1,832,805.

General Fund Budgeting Highlights

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

During the course of the year 2009 the County amended its General Fund budget numerous times. The County uses department based budgeting and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the General Fund, final budget revenue was \$15,061,550 and actual revenue was \$14,418,152 resulting in a negative variance of \$643,398. Expenditures had a positive variance for the year of \$675,084.

The County's 2009 ending unobligated General Fund cash balance was \$568,683 which was \$466,663 greater than the final budgeted amount.

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of the 2009 the County had \$106,544,445 invested in land, buildings, equipment, vehicles, and infrastructure, of which \$66,743,298 was in governmental activities. Table 4 shows the 2009 balances.

Table 4
 Capital Assets at December 31

	Governmental Activities 2009	Business-Type Activities 2009	Total 2009	Total 2008
Land	\$ 4,539,133	\$ 205,526	\$ 4,744,659	\$ 4,309,972
Land Improvements	324,319	165,391	489,710	524,967
Buildings and Improvements	13,536,439	11,095,865	24,632,304	25,322,819
Machinery and Equipment	3,312,070	592,626	3,904,696	4,380,465
Infrastructure	43,827,986	27,716,618	71,544,604	58,555,928
Vehicles	1,203,351	25,121	1,228,472	1,293,460
Totals	\$ 66,743,298	\$ 39,801,147	\$ 106,544,445	\$ 94,387,611

Debt

As of December 31, 2009 the County had \$35,310,445 in bonds and notes outstanding, \$5,893,538 due within one year. Table 5 summarizes bonds and notes outstanding.

Table 5
 Outstanding Debt, at Year End

	Governmental Activities 2009	Business- Type Activities 2009	Governmental Activities 2008	Business- Type Activities 2008
Various Purpose Bonds, Series 2	\$ 5,672,875	\$ -	\$ 6,050,625	\$ -
Capital Facilities Note	1,400,000	-	1,400,000	-
Recycling Site Upgrade Note	2,000,000	-	-	-
County Home Revenue Bonds	-	2,847,000	-	2,901,000
County Home Construction Bonds, (1)reclassified	-	6,168,000	-	6,285,000
Sewer System Imp. Revenue Bonds, Series B	-	2,315,000	-	2,400,000
Sewer System Refunding Bonds	-	700,000	-	740,000
Sewer System Imp. Revenue Bonds, Series A	-	2,384,100	-	2,410,000
Sewer Capital Facilities Bonds	-	242,125	-	284,375
O.W.D.A. Loan	-	536,345	-	672,700
Sewer System Improvement Notes, Series 2009	-	1,545,000	-	-
Sewer System Imp. Bonds, Series 2008	-	9,500,000	-	9,500,000
Total	\$ 9,072,875	\$ 26,237,570	\$ 7,450,625	\$ 25,193,075

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000, of the assessed valuation, plus one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

See Notes 10 and 11 for additional information on the County's debt obligations.

For the Future

As we begin 2010, the sales tax seems to be improving over last year's numbers and we trust this improvement to continue. If it does, then the County will have another successful year financially.

In conclusion, the County has committed itself to financial responsibility for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities will be needed to meet the challenges of the future.

Contacting the County's Component Unit

The government-wide financial statements include not only Logan County itself (known as the *primary government*), but also certain organizations for which the County is financially accountable. Financial information for the RTC Industries, Inc, the County's only discretely presented component unit, can be obtained from separately issued financial statements. See note 1 to the basic financial statements for the contact information.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information contact Michael E. Yoder, County Auditor, 100 South Madriver Street, Bellefontaine, Ohio 43311. Or e-mail at myoder@co.logan.oh.us or telephone at (937) 599-7209.

Logan County
Statement of Net Assets
December 31, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$17,024,042	\$ 4,308,010	\$ 21,332,052	\$ -
Cash and Investments:				
With Fiscal Agents	-	49,974	49,974	59,034
Receivables:				
Taxes	8,332,007	-	8,332,007	-
Accounts	485,991	734,764	1,220,755	198,251
Special Assessments	44,526	245,588	290,114	-
Accrued Interest	91,800	-	91,800	-
Intergovernmental	5,051,672	214,192	5,265,864	-
Prepaid Items	179,331	46,751	226,082	67,000
Material and Supplies Inventory	638,670	22,190	660,860	-
Unamortized Bond Issuance Costs	-	318,182	318,182	-
Capital assets, No Depreciation	4,539,133	205,526	4,744,659	-
Capital assets, net of depreciation	62,204,165	39,595,621	101,799,786	1,102,431
Total Assets	98,591,337	45,740,798	144,332,135	1,426,716
<u>Liabilities</u>				
Accounts Payable	805,769	743,107	1,548,876	73,274
Contracts Payable	64,397	-	64,397	-
Accrued Wages	803,170	191,148	994,318	18,533
Due to Other Governments	396,135	99,106	495,241	24,322
Unearned Revenue	6,339,711	-	6,339,711	71,133
Deposits Held and due to Others	-	49,874	49,874	-
Accrued Interest Payable	51,581	105,170	156,751	2,026
General Obligation Note Payable	3,400,000	1,545,000	4,945,000	-
Long-Term Liabilities:				
Due within one year	1,402,235	743,159	2,145,394	29,350
Due in more than one year	5,685,913	24,198,021	29,883,934	308,675
Total Liabilities	18,948,911	27,674,585	46,623,496	527,313
<u>Net Assets</u>				
Invested in capital assets, net of related debt	57,670,423	13,563,577	71,234,000	804,793
Restricted for:				
Capital Projects	559,059	-	559,059	-
Public Safety	645,898	-	645,898	-
Human Services	6,632,575	-	6,632,575	-
Road and Bridge	4,260,619	-	4,260,619	-
Real Estate Assessment	517,744	-	517,744	-
Other Purposes	456,322	-	456,322	-
Unrestricted (deficit)	8,899,786	4,502,636	13,402,422	94,610
Total Net Assets	\$79,642,426	\$18,066,213	\$ 97,708,639	\$ 899,403

See accompanying notes to the basic financial statements.

Logan County
Statement of Activities
For the Year Ended December 31, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total	
Primary government:								
Governmental Activities:								
General Government:								
Legislative and Executive	\$ 5,814,215	\$ 1,171,788	\$ 255,053	\$ -	\$ (4,387,374)		\$ (4,387,374)	
Judicial	2,536,274	522,513	380,189	-	(1,633,572)		(1,633,572)	
Public Safety	5,326,457	570,575	457,104	-	(4,298,778)		(4,298,778)	
Public Works	7,402,845	629,688	4,463,452	4,242,484	1,932,779		1,932,779	
Health	2,059,199	23,384	-	-	(2,035,815)		(2,035,815)	
Human Service	16,141,687	784,073	6,223,396	-	(9,134,218)		(9,134,218)	
Conservation and Recreation	325,844	107,300	-	-	(218,544)		(218,544)	
Economic Development and Assistance	492,354	-	662,982	-	170,628		170,628	
Urban Redevelopment and Housing	457,379	-	-	205,300	(252,079)		(252,079)	
Interest and Fiscal Charges	337,205	-	-	-	(337,205)		(337,205)	
Total Governmental Activities	40,893,459	3,809,321	12,442,176	4,447,784	(20,194,178)		(20,194,178)	
Business-Type activities:								
Water Pollution Control Fund	2,545,626	2,440,738	54,344	-		(50,544)	(50,544)	
Logan Acres County Home Fund	6,855,152	4,568,607	2,680,151	-		393,606	393,606	
Total Business-Type activities	9,400,778	7,009,345	2,734,495	-	-	343,062	343,062	
Total Primary Government	\$ 50,294,237	\$ 10,818,666	\$ 15,176,671	\$ 4,447,784	(20,194,178)	343,062	(19,851,116)	
Component Unit:								
RTC Industries, Inc.	\$ 846,075	\$ 890,328	\$ -	\$ -				\$ 44,253
Total Component Unit	\$ 846,075	\$ 890,328	\$ -	\$ -				44,253
General revenues:								
Taxes:								
Property and sales taxes for general purposes					15,368,571	-	15,368,571	-
Fines & Forfeitures					188,978	-	188,978	-
Grants & Contributions not restricted to specific programs					2,778,305	-	2,778,305	-
Unrestricted Investment earnings					675,422	30,091	705,513	80
Miscellaneous					1,821,869	372,514	2,194,383	-
Transfers					(59,828)	59,828	-	-
Total general revenues					20,773,317	462,433	21,235,750	80
Change in net assets					579,139	805,495	1,384,634	44,333
Net Assets - January 1, 2009					79,063,287	17,260,718	96,324,005	855,070
Net Assets - December 31, 2009					\$ 79,642,426	\$ 18,066,213	\$ 97,708,639	\$ 899,403

See accompanying notes to the basic financial statements.

Logan County
Balance Sheet
Governmental Funds
December 31, 2009

	General	Auto and Gas	Logan County Board of DD	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Equity in Pooled Cash and Investments	\$ 914,463	\$ 1,353,701	\$ 3,533,910	\$ 11,221,968	\$ 17,024,042
Receivables:					
Taxes	3,587,377	-	3,712,567	1,032,063	8,332,007
Accounts	116,675	1,286	142,372	225,658	485,991
Special Assessments	-	-	-	44,526	44,526
Accrued Interest	91,800	-	-	-	91,800
Intergovernmental	1,065,631	2,093,253	470,542	1,422,246	5,051,672
Prepaid Items	107,324	19,548	193	52,266	179,331
Material and Supply Inventory	34,896	603,774	-	-	638,670
Advances to Other Funds	31,475	-	-	15,844	47,319
Total Assets	\$ 5,949,641	\$ 4,071,562	\$ 7,859,584	\$ 14,014,571	\$ 31,895,358
<u>Liabilities</u>					
Accounts Payable	\$ 193,149	\$ 233,037	\$ 31,852	\$ 347,731	\$ 805,769
Contracts Payable	-	-	-	64,397	64,397
Accrued Wages	258,501	80,058	177,551	287,060	803,170
Due to Other Governments	146,086	42,339	62,451	145,259	396,135
Deferred Revenue	3,769,399	1,784,380	4,003,274	2,410,759	11,967,812
General Obligation Notes Payable	-	-	-	3,400,000	3,400,000
Advances from Other Funds	-	-	-	47,319	47,319
Total Liabilities	4,367,135	2,139,814	4,275,128	6,702,525	17,484,602
<u>Fund Balances:</u>					
Reserved for Encumbrances	170,144	16,340	4,635	259,690	450,809
Reserved for Inventory	34,896	603,774	-	-	638,670
Reserved for Advances	31,475	-	-	15,844	47,319
Unreserved , Reported in:					
General Fund	1,345,991	-	-	85,623	1,431,614
Special Revenue Funds	-	1,311,634	3,579,821	8,156,410	13,047,865
Capital Projects Funds	-	-	-	(1,205,521)	(1,205,521)
Total Fund Balances	1,582,506	1,931,748	3,584,456	7,312,046	14,410,756
Total Liabilities and Fund Balances	\$ 5,949,641	\$ 4,071,562	\$ 7,859,584	\$ 14,014,571	\$ 31,895,358

See accompanying notes to the basis financial statements.

Logan County
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2009

Total Governmental Fund Balances \$ 14,410,756

*Amounts reported for governmental activities in the
 statement of net assets are different because:*

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 66,743,298

Other long-term assets are not available to pay for
 current period expenditures and therefore are deferred
 in the funds:

Taxes	\$ 1,210,124	
Special Assessments	44,526	
Grants	4,264,983	
Accounts Receivable	40,613	
Accrued Interest On Investments	67,855	5,628,101

Some liabilities, including bonds payable and accrued interest,
 are not due and payable in the current period and therefore
 are not reported in the funds.

Accrued Interest Payable	\$ (51,581)	
Various Purpose Bonds	(5,672,875)	
Compensated Absences Payable	(1,415,273)	(7,139,729)

Net Assets of Governmental Activities

Net Assets of Governmental Activities \$ 79,642,426

See accompanying notes to the basis financial statements.

Logan County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General	Auto and Gas	Logan County Board of DD	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 9,532,095	\$ -	\$ 4,128,175	\$ 1,864,288	\$ 15,524,558
Intergovernmental	1,462,101	7,230,421	1,719,431	9,325,171	19,737,124
Investment Income	720,937	5,383	-	5,946	732,266
Licenses and Permits	110,870	-	-	85,501	196,371
Fines and Forfeitures	145,134	23,989	-	19,930	189,053
Special Assessments	-	-	-	93,902	93,902
Charges for Services	1,699,393	299,888	284,060	1,615,535	3,898,876
Miscellaneous	460,437	-	420,564	744,497	1,625,498
Total Revenue	14,130,967	7,559,681	6,552,230	13,754,770	41,997,648
Expenditures:					
Current:					
General Government:					
Legislative and Executive	4,179,938	-	-	1,011,837	5,191,775
Judicial	1,555,264	-	-	950,370	2,505,634
Public Safety	4,390,207	-	-	737,831	5,128,038
Public Works	118,451	7,616,422	-	2,741,840	10,476,713
Health	219,195	-	-	2,290,239	2,509,434
Human Service	492,826	-	6,262,518	9,172,886	15,928,230
Conservation and Recreation	271,581	-	-	48,919	320,500
Economic Development and Assistance	-	-	-	488,474	488,474
Urban Redevelopment and Housing	-	-	-	457,379	457,379
Debt Service:					
Principal Retirement	-	-	-	377,750	377,750
Interest and Fiscal Charges	-	-	-	352,723	352,723
Total Expenditures	11,227,462	7,616,422	6,262,518	18,630,248	43,736,650
Excess of Revenues Over (Under) Expenditures	2,903,505	(56,741)	289,712	(4,875,478)	(1,739,002)
Other Financing Sources (Uses):					
Transfers In	-	-	-	3,481,001	3,481,001
Transfers Out	(3,307,276)	-	(216,708)	(16,845)	(3,540,829)
Total Other Sources (Uses)	(3,307,276)	-	(216,708)	3,464,156	(59,828)
Net Change in Fund Balance	(403,771)	(56,741)	73,004	(1,411,322)	(1,798,830)
Fund Balances (Deficit) at Beginning of Year	2,011,005	1,978,376	3,528,962	8,725,218	16,243,561
Increase (Decrease) in Reserve for Inventory	(24,728)	10,113	(17,510)	(1,850)	(33,975)
Fund Balances (Deficits) End of Year	\$ 1,582,506	\$ 1,931,748	\$ 3,584,456	\$ 7,312,046	\$ 14,410,756

See accompanying notes to the basic financial statements.

Logan County
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (1,798,830)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activity the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays was over (under) depreciation in the current period.

Capital Outlay	\$ 6,300,540	
Depreciation	<u>(3,739,412)</u>	2,561,128

Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activity. (10,286)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	\$ (155,987)	
Charges for Services	(99,454)	
Fines and Forfeitures	(75)	
Intergovernmental Grants	37,941	
Special Assessments	(177,454)	
Interest Income	(56,844)	
Miscellaneous Income	<u>(13,349)</u>	(465,222)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 377,750

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 15,518

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Reserve for Inventory	\$ (33,975)	
Compensated Absences	<u>(66,944)</u>	<u>(100,919)</u>

Change in Net Assets of Governmental Activities \$ 579,139

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
General Fund
December 31, 2009

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,770,000	\$ 10,013,000	\$ 9,629,154	\$ (383,846)
Intergovernmental	4,014,730	1,538,500	1,602,929	64,429
Investment Income	932,100	857,100	741,590	(115,510)
Licenses and Permits	149,020	146,020	110,870	(35,150)
Fines and Forfeitures	223,000	223,000	148,777	(74,223)
Charges for Services	2,049,300	2,048,000	1,701,925	(346,075)
Miscellaneous	223,400	235,930	482,907	246,977
Total Revenue	15,361,550	15,061,550	14,418,152	(643,398)
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,287,468	4,559,717	4,018,390	541,327
Judicial	1,838,451	2,074,865	2,051,758	23,107
Public Safety	4,528,649	4,585,281	4,521,631	63,650
Public Works	218,986	110,649	110,419	230
Health	146,865	245,676	237,423	8,253
Human Service	558,000	382,168	343,651	38,517
Conservation and Recreation	271,581	271,581	271,581	-
Total Expenditures	11,850,000	12,229,937	11,554,853	675,084
Excess of Revenues Over (Under) Expenditures	3,511,550	2,831,613	2,863,299	31,686
Other Financing Sources (Uses)				
Advance In	-	-	7,021	7,021
Tranfers In	40,000	40,000	-	(40,000)
Transfers Out	(3,550,000)	(3,775,232)	(3,307,276)	467,956
Total Other Financing Sources (Uses)	(3,510,000)	(3,735,232)	(3,300,255)	434,977
Net Change in Fund Balance	1,550	(903,619)	(436,956)	466,663
Fund Balances at Beginning of Year	620,199	620,199	620,199	-
Prior Year Encumbrances Appropriated	385,440	385,440	385,440	-
Fund Balances (Deficit) at End of Year	\$ 1,007,189	\$ 102,020	\$ 568,683	\$ 466,663

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Auto and Gas Fund
December 31, 2009

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,950,000	\$ 3,950,000	\$ 3,844,673	\$ (105,327)
Investment Income	25,000	25,000	5,383	(19,617)
Fines and Forfeitures	50,000	50,000	25,103	(24,897)
Charges for Services	162,000	162,000	299,888	137,888
Miscellaneous	10,000	10,000	-	(10,000)
Total Revenue	4,197,000	4,197,000	4,175,047	(21,953)
Expenditures:				
Current:				
Public Works	5,022,000	5,208,169	4,535,056	673,113
Total Expenditures	5,022,000	5,208,169	4,535,056	673,113
Excess of Revenues Over (Under) Expenditures	(825,000)	(1,011,169)	(360,009)	651,160
Fund Balances at Beginning of Year	1,282,960	1,282,960	1,282,960	-
Prior Year Encumbrances Appropriated	186,169	186,169	186,169	-
Fund Balances (Deficit) at End of Year	\$ 644,129	\$ 457,960	\$ 1,109,120	\$ 651,160

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Logan County Board of Developmental Disabilities Fund
December 31, 2009

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 4,312,790	\$ 4,312,790	\$ 4,588,357	\$ 275,567
Intergovernmental	1,101,038	1,236,038	1,170,985	(65,053)
Charges for Services	646,000	145,000	189,264	44,264
Miscellaneous	40,000	406,000	504,116	98,116
Total Revenue	<u>6,099,828</u>	<u>6,099,828</u>	<u>6,452,722</u>	<u>352,894</u>
Expenditures:				
Current:				
Human Service	9,232,516	9,310,553	6,354,395	2,956,158
Total Expenditures	<u>9,232,516</u>	<u>9,310,553</u>	<u>6,354,395</u>	<u>2,956,158</u>
Excess of Revenues Over (Under) Expenditures	(3,132,688)	(3,210,725)	98,327	3,309,052
Other Financing Sources (Uses)				
Transfers Out	(240,764)	(240,764)	(216,708)	24,056
Total Other Financing Sources	<u>(240,764)</u>	<u>(240,764)</u>	<u>(216,708)</u>	<u>24,056</u>
Net Change in Fund Balance	(3,373,452)	(3,451,489)	(118,381)	3,333,108
Fund Balances at Beginning of Year	3,491,900	3,491,900	3,491,900	-
Prior Year Encumbrances Appropriated	78,037	78,037	78,037	-
Fund Balances (Deficit) at End of Year	<u>\$ 196,485</u>	<u>\$ 118,448</u>	<u>\$ 3,451,556</u>	<u>\$ 3,333,108</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Fund Net Assets
Proprietary Funds
December 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,877,820	\$ 1,430,190	\$ 4,308,010
Cash and Cash Equivalents:			
With Fiscal Agents	48,352	1,622	49,974
Receivables:			
Accounts	257,006	477,758	734,764
Special Assessments	245,588	-	245,588
Intergovernmental	-	214,192	214,192
Prepaid Items	8,875	37,876	46,751
Material and Supplies Inventory	-	22,190	22,190
Unamortized Bond Costs	318,182	-	318,182
Total Current Assets	3,755,823	2,183,828	5,939,651
Capital Asset, No Depreciation	201,000	4,526	205,526
Capital Assets, (Net of Accumulated Depreciation)	28,695,246	10,900,375	39,595,621
Total Assets	<u>\$ 32,652,069</u>	<u>\$ 13,088,729</u>	<u>\$ 45,740,798</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 509,306	\$ 233,801	\$ 743,107
Accrued Wages	31,682	159,466	191,148
Compensated Absences Payable	59,076	135,045	194,121
Due to Other Governments	16,163	82,943	99,106
Deposits Held and Due to Others	48,252	1,622	49,874
Accrued Interest Payable	71,824	33,346	105,170
Bonds & Notes Payable	1,916,038	178,000	2,094,038
Total Current Liabilities	2,652,341	824,223	3,476,564
Long-Term Liabilities:			
Compensated Absences Payable	13,389	41,100	54,489
Revenue Bonds Payable	14,913,725	8,837,000	23,750,725
OWDA Loan Payable	392,807	-	392,807
Total Long-Term Liabilities	15,319,921	8,878,100	24,198,021
Total Liabilities	17,972,262	9,702,323	27,674,585
<u>Net Assets</u>			
Invested in capital assets, net of related debt	11,673,676	1,889,901	13,563,577
Unrestricted	3,006,131	1,496,505	4,502,636
Total Net Assets	<u>\$ 14,679,807</u>	<u>\$ 3,386,406</u>	<u>\$ 18,066,213</u>

See accompanying notes to the basis financial statements.

Logan County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Totals
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for Services	\$ 2,249,944	\$ 4,568,607	\$ 6,818,551
Special Assessment	190,794	-	190,794
Intergovernmental Revenue	54,344	2,680,151	2,734,495
Other Operating Revenues	261,557	78,747	340,304
Total Operating Revenues	<u>2,756,639</u>	<u>7,327,505</u>	<u>10,084,144</u>
Operating Expenses:			
Personal Services	785,616	3,769,410	4,555,026
Contractual Services	528,574	1,823,743	2,352,317
Materials and Supplies	131,349	383,517	514,866
Other Operating Expense	13,045	73,338	86,383
Depreciation	452,824	369,377	822,201
Total Operating Expenses	<u>1,911,408</u>	<u>6,419,385</u>	<u>8,330,793</u>
Operating Income (Loss)	<u>845,231</u>	<u>908,120</u>	<u>1,753,351</u>
Non-Operating Revenues (Expenses):			
Tap-In Fees	32,210	-	32,210
Gain (Loss) on Sale of Assets	(1,645)	-	(1,645)
Interest Income	29,469	622	30,091
Interest and Fiscal Charges	(632,573)	(435,767)	(1,068,340)
Total Non-Operating Revenues (Expenses)	<u>(572,539)</u>	<u>(435,145)</u>	<u>(1,007,684)</u>
Income (Loss) Before Transfers	272,692	472,975	745,667
Transfers in	52,982	6,846	59,828
Change in Net Assets	325,674	479,821	805,495
Total Net Assets at Beginning of Year	<u>14,354,133</u>	<u>2,906,585</u>	<u>17,260,718</u>
Total Net Assets at End of Year	<u>\$ 14,679,807</u>	<u>\$ 3,386,406</u>	<u>\$ 18,066,213</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Cash Flows-Proprietary Funds
For the Year Ended December 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received for Services	\$ 2,515,472	\$ 4,547,228	\$7,062,700
Cash Received from Other Governments	54,344	2,682,719	2,737,063
Cash Received from Other Operating Sources	261,557	78,747	340,304
Net Change in Deposits	6,622	(5,439)	1,183
Cash Payments to Suppliers for Goods and Services	(638,611)	(2,284,816)	(2,923,427)
Cash Payments to Employees for Services	(782,815)	(3,783,524)	(4,566,339)
Cash Payment for Other Services	(18,635)	(69,099)	(87,734)
Net Cash Provided by (Used in) Operating Activities	<u>1,397,934</u>	<u>1,165,816</u>	<u>2,563,750</u>
Cash Flows from Noncapital Financing Activities:			
Tap-In Fees	32,210	-	32,210
Transfers In	52,982	6,846	59,828
Net Cash Provided by Noncapital Financing Activities	<u>85,192</u>	<u>6,846</u>	<u>92,038</u>
Cash Flows from Capital & Related Financing Activities:			
Proceeds of Notes	1,545,000	-	1,545,000
Principal Payments - Bonds	(329,505)	(171,000)	(500,505)
Payments for Capital Acquisitions	(9,896,522)	(92,534)	(9,989,056)
Interest Paid	(694,764)	(413,369)	(1,108,133)
Net Cash Provided by Capital and Related Financing Activities	<u>(9,375,791)</u>	<u>(676,903)</u>	<u>(10,052,694)</u>
Cash Flows from Investing Activities:			
Interest Income	29,469	622	30,091
Net Cash Provided by Investing Activities	<u>29,469</u>	<u>622</u>	<u>30,091</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,863,196)	496,381	(7,366,815)
Cash and Cash Equivalents Beginning of Year	<u>10,789,368</u>	<u>935,431</u>	<u>11,724,799</u>
Cash and Cash Equivalents End of Year	<u>\$ 2,926,172</u>	<u>\$ 1,431,812</u>	<u>\$ 4,357,984</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ 845,231	\$ 908,120	\$ 1,753,351
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	452,824	369,377	822,201
(Increase) Decrease in Assets:			
Accounts Receivable	(25,191)	(21,379)	(46,570)
Special Assessments Receivable	99,925	-	99,925
Due from Other Governments	-	2,568	2,568
Prepaid Items	817	(2,228)	(1,411)
Increase (Decrease) in Liabilities:			
Accounts Payable	14,905	(74,576)	(59,671)
Accrued Wages and Benefits	736	13,493	14,229
Compensated Absences Payable	9,490	4,202	13,692
Due to Other Governments	(7,425)	(28,322)	(35,747)
Deposits Held for Others	6,622	(5,439)	1,183
Total Adjustments	<u>552,703</u>	<u>257,696</u>	<u>810,399</u>
Net Cash Provided by Operating Activities	<u>\$ 1,397,934</u>	<u>\$ 1,165,816</u>	<u>\$ 2,563,750</u>

Schedule of Noncash Capital and Relating Financing Activities:

During 2009, the Water Pollution Control fund paid \$24,358 for capital assets that were included in 2008 accounts payable. In addition, the fund capitalized \$450,548 that is included in accounts payable at year ended December 31, 2009.

During 2009, the Logan Acres fund capitalized \$14,592 that is included in accounts payable at year ended December 31, 2009.

See accompanying notes to the basic financial statements.

Logan County
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 205,683	\$ 4,083,940
Cash and Cash Equivalents:		
With Fiscal Agents	-	687,375
Receivables:		
Taxes	-	39,013,732
Accounts	-	26,544
Special Assessments	-	752,098
Accrued Interest	655	-
Intergovernmental	-	2,211,258
Total Assets	<u>206,338</u>	<u>46,774,947</u>
<u>Liabilities:</u>		
Accounts Payable	-	93,534
Due to Other Governments	-	6,228,208
Undistributed Monies	-	40,453,205
Claims & Judgements Payable	104,546	-
Total Liabilities	<u>104,546</u>	<u>46,774,947</u>
<u>Net Assets</u>		
Held in Trust for Veterans:		
Non-Expandable	70,787	-
Expendable	31,005	-
Total Net Assets	<u>\$ 101,792</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2009

	Private Trust
Additions:	
Investment Income	\$ 2,124
Total Additions	2,124
Deductions:	
Other Operating Expense	51
Total Deductions	51
Change in Net Assets	2,073
Total Net Assets at Beginning of Year	99,719
Total Net Assets at End of Year	\$ 101,792

See accompanying notes to the basic financial statements.

Logan County
Notes to the Basic Financial Statements
December 31, 2009

NOTE 1 -- DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

The County of Logan (the County) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The County was formed by an act of the Ohio General Assembly in 1818. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of whom is independent as set forth in Ohio Law. The officials are: Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, and Treasurer. The County's basic financial statements include accounts of all County's operations. The County's major operations include human and social services, certain health care and community assistance services, civil and criminal justice systems, road and bridge maintenance and general administrative services. In addition, the county also operates a water pollution control system.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financials are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County. The County provides public safety protection within its boundaries and adjacent townships by mutual agreement contracts. The County provides basic utilities in the form of wastewater treatment. The County constructs and maintains roads and bridges within the County. The County also operates and maintains a recreation and conservation system.

Component units are legally separate organizations for the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Components units may also include organizations that fiscally dependent on the County in that the County approves their budget, the issuance of their debt or the levying of their taxes.

Based on the foregoing criteria, the financial activities of RTC Industries, Inc. has been reflected in the accompanying Basic Financial Statements as follows:

DISCRETELY PRESENTED COMPONENT UNIT

RTC Industries, Inc. - RTC Industries, Inc. (the Workshop) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the Logan County Board of Retardation and Developmental Disabilities, provides sheltered employment for adults with mental retardation or developmental disabilities in Logan County. The Logan County Board of MRDD provides the Workshop staff, salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to mentally retarded or developmentally disabled adults of Logan County, the Workshop is reflected as a component unit of the County. It is reported separately to emphasize that it is legally separate from the County. The Workshop is presented as a governmental fund type component unit in a separate column in the financial statements. Complete financial statements for RTC Industries, Inc. may be obtained from the administrative offices at 36 County Road 32, Bellefontaine, Ohio 43311.

JOINTLY GOVERNED ORGANIZATIONS

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by forty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk

Logan County
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management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Each member has one vote on all matters requiring a vote, to be cast by a designated representative. An elected board of not more than nine trustees manages the affairs of the CORSA. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the Board of Trustees.

RELATED ORGANIZATIONS

Knowlton Public Library - The County is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The County acts as the Library's debt-servicing agent only to comply with statutory requirements.

EXCLUDED POTENTIAL COMPONENT UNITS

As counties are structured in Ohio, the County Auditor and County Treasurer, respectively, serve as fiscal officer and custodian of funds for various agencies, boards, and commissions. As fiscal officer, the Auditor certifies the availability of cash and appropriations prior to the processing of payments and purchases. As the custodian of all public funds, the Treasurer invests public monies held on deposit in the County Treasury.

In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent and custodian, but does not exercise primary oversight responsibility; accordingly the following have been excluded from the County's financial statements:

Logan County Board of Health - The six member Board of Health is appointed by the District Advisory Council, which consists of Township Trustee Chairmen, Clerks and Mayors of participating municipalities. The Board adopts its own budget and operates autonomously from the County.

Soil and Water Conservation District - The five members of the District are independently elected officials. They adopt their own budget and control their separate operations.

Management believes the financial statements included in this report represent all of the funds of the County over which the County has the ability to exercise direct operating control.

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Logan, Ohio (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the provisions of GASB No. 20 the County has elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989 to its proprietary activities. Election of this approach to accounting for proprietary activities by the County has required no change from prior years. The more significant of the County's accounting policies are described below:

A. BASIS OF PRESENTATION

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

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Notes to the Basic Financial Statements
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Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except the fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County programs 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 County at a more detail level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

B. FUND ACCOUNTING

The County uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund, Auto and Gas Fund, and Logan County Board of DD Fund are the County's major governmental funds:

General 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 balances is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Auto and Gas Fund - The Auto and Gas Fund is used to account for monies received by the County for State gasoline tax and vehicle registration fees used for County road and bridge improvement programs.

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Logan County Board of Developmental Disabilities Fund - The County's Board of DD Fund is used to account for a County-wide property tax levy, State grants and reimbursements used for care and services for the mentally handicapped and retarded.

The other governmental funds of the County are for grants and other resources, debt service, and capital projects of the County whose uses are restricted to a particular purpose.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and 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 County's two major enterprise funds are:

Water Pollution Control Fund - The Water Pollution fund is used to account for the financial transactions related to the water treatment service operations of the County.

Logan Acres County Home Fund - The Logan Acres County Home is used to account for home services for individuals of Logan County.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County's only trust fund (Chase Stuart Fund) is a private trust fund recorded as part of the fiduciary funds activities because the fund does not support any of the County's programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds account for assets held in an exclusively custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues and fines and forfeitures collected on behalf of and distributed to other local governments. Agency fund transactions typically involve only the receipt, temporary investment and distribution of these fiduciary resources.

C. MEASUREMENT FOCUS

Government Wide Financial Statements

The Government-wide Financial Statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County as included on the Statement of Net Assets.

Fund Financial Statements

All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and others financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements

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therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

D. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, grants, and rentals.

Deferred Revenue

Deferred revenues, as reported on the balance sheet, arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes that are measurable as of December 31, 2009, but are intended to finance 2010 operations, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenue. Also non-exchange receivables have been deferred, such as, gasoline taxes, motor vehicle license fees, homestead and rollback, permissive license taxes, local government funds and CDBG, Board of DD, VOCA, and other small grants. Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

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Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. BUDGET

An annual appropriated budget is legally required to be prepared for all funds of the County other than agency funds. The Commissioners appropriate at the major account level within a division and fund. The appropriation level accounts for the County include personal services, fringe benefits, county share of the Public Employees Retirement System, unemployment compensation, materials and supplies, services and charges, grants, capital outlays, debt service, interfund transfers, and other expenses. For funds, which the Commissioners directly appropriate, transfers of appropriations at the major account level or between appropriation levels require a resolution signed by at least two Commissioners.

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2009.

Appropriations:

A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year by an approval by at least two Commissioners. Several supplemental appropriation resolutions were legally enacted by the Commissioners during the year and were considered routine. The budget figures, which appear in the statement of budgetary comparisons, present the original and final appropriation amounts including all amendments and modifications.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as reservations of fund balances for subsequent-year expenditures.

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Lapsing of Appropriations:

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding year and need not be reappropriated.

F. CASH AND INVESTMENTS

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalent with Fiscal Agents" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income was credited to the General, Auto and Gas, Ludlow Center Regional Planning, Logan County Solid Waste, Program Income, Permanent Improvement and Ditch Bond Retirement, Water Pollution Control, Logan Acres Bond Service, Escrow General Tax, and the Chase Stewart Expendable Trust Funds. Interest income earned by these funds in 2009 totaled \$764,481. Investments are reported at fair value (See Note 4). All coupon-bearing instruments include the cost of accrued interest paid until such time as the first coupon comes due. Premiums paid for coupon bearing investments are amortized using the straight-line method; discounts are not amortized.

G. INVENTORIES

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expense when used.

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. Inventory in governmental funds consist of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

H. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the government funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of \$1,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized under new requirements of the Governmental Accounting Standards Board. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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All reported capital assets are depreciated, with the exception of land including land under road base. Improvements are depreciated over the remaining useful live of the related capital assets. Useful lives for infrastructure were estimated based on the County’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings and Improvements	50 years	50 years
Furniture and Equipment	10 years	10 years
Vehicles	5 years	5 years
Water Pollution Control Infrastructure		70 years
Roads	15 years	
Bridges	75 years	

J. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as “Advance to/Advance from.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

K. COMPENSATED ABSENCES

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

County employees earn vacation at varying rates ranging from two to five weeks per year. Sick leave is accumulated at the rate of three weeks per year. Vacation and sick leave is accumulated on an hours-worked basis. Accumulated vacation cannot exceed three times the annual accumulation rate for an employee. The County does not accrue a liability for non-vested sick leave or vacation benefits except as required by GASB 16 (see above).

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Notes to the Basic Financial Statements
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L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund statements only to the extent they will be paid with current, expendable, available resources. In general, payments made within thirty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

M. FUND BALANCE RESERVES

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, advances, and inventories of supplies and materials.

N. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net assets reported as restricted include auto and gas tax, Board of DD, Children services, job and family services, and other programs. The County did not have any restrictions through enabling legislation at year ended December 31, 2009.

The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

O. OPERATING REVENUES AND EXPENSE

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are water pollution control and county home resident charges for services. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

P. CONTRIBUTION OF CAPITAL

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grant or outside contributions of resources restricted to capital acquisition and construction.

Q. INTERFUND ACTIVITY

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

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Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented of the financial statements.

R. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

S. ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 -- BUDGET BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balances, Budget and Actual is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis are as follows:

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	Net Change in Fund Balances		
	General	Auto and Gas	Logan County
	Fund	Fund	Board of DD
Budget Basis	\$ (436,956)	\$ (360,009)	\$(118,381)
Adjustments			
Revenue Accruals:			
Accrued 2009			
Received in Cash 2009	(1,171,145)	(181,612)	(301,373)
Accrued 2009			
Not yet Received in Cash	883,960	3,566,246	400,881
Expenditure Accruals:			
Accrued 2009			
Not yet Paid in Cash	472,023	266,026	327,051
Accrued 2008			
Paid in Cash 2009	(490,412)	(3,591,973)	(271,661)
Encumbrances	345,780	244,581	36,487
Advances In	(7,021)	-	-
GAAP Basis	\$ (403,771)	\$ (56,741)	\$ 73,004

NOTE 4 -- DEPOSITS AND INVESTMENTS

Deposits

State statutes classify deposits held by the County into three categories.

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

Inactive deposits are public deposits that the County has identified as not required for use within the current two-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts.

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

1. United State 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

Logan County
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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 that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time for a period not to exceed one hundred eighty days.
8. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts; and
9. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in divisions in divisions (1) or (2) of this section or cash or both securities and cash, equal value for equal value.

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 County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year-end, the County Treasurer had \$8,000 in undeposited drawer and petty cash funds that is included in the financial statements as "Equity in Pooled Cash and Investments. Cash on hand in undeposited drawer and petty cash fund in county departments was \$1,691 that is included in "Cash With Fiscal Agents".

B. Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits, including cash on hand and cash with fiscal agents, was \$24,182,492. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2009, \$2,610,507 of the County's bank balance of \$24,226,867 was covered by the Federal Deposit Insurance Corporation, while \$21,616,360 was exposed to custodial risk as discussed below.

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Custodial credit risk is the risk that, in the event of bank failure, the County's deposits may not be returned. Protection of the County's cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. By law, all financial institutions must collateralize all public deposits. All deposits are collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at the Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the County.

C. Investments

As of December 31, 2009, the District had the following investment and maturities:

<u>Investment Type</u>	<u>Balance st</u> <u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 months or</u> <u>less</u>	<u>7 to 12</u> <u>months</u>	<u>13 to 18</u> <u>months</u>	<u>19 months</u> <u>and over</u>
Federal Home Loan Bank	2,056,671	-	-	-	2,056,671
Federal National Mortgage Association	92,404	-	-	-	92,404
Government National Mortgage Association	27,457	-	-	-	27,457
	<u>\$ 2,176,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,176,532</u>

The weighted average maturity of investments is 2.93 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the County's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The County's investments were rated AAA by Standard & Poor's. The County's investment policy does not restrict individual investments except for those mentioned in the Ohio Rev. Code Section 135.35.

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2009:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
Federal Home Loan Bank	\$ 2,056,671	94.49
Federal National Mortgage Association	92,404	4.25
Governmental Agency Securities	27,457	1.26
	<u>\$ 2,176,532</u>	<u>100.00</u>

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Notes to the Basic Financial Statements
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D. Reconciliation of Cash and investment to the Statements of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2009:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 24,174,492
Investments	2,176,532
Cash on Hand	8,000
Total	<u>\$ 26,359,024</u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental and Business-Type Activities	\$ 21,382,026
Private-Purpose Trust Funds	205,683
Agency Funds	4,771,315
Total	<u>\$ 26,359,024</u>

E. Deficit Fund Balances

The following debt service funds had deficit fund balances at December 31, 2009 as a result of expecting future fund transfers in. The debt service deficits will be eliminated through the future fund transfers as debt payment come due. The Solid Waste fund balance deficit will be eliminated once the County accumulates revenue fees to pay the related recycling center debt payments. The ARRA Grant fund balance deficit will be eliminated through future federal reimbursements of grant expenditures.

<u>Fund</u>	<u>Deficit</u>
Logan County Solid Waste	(366,051)
ARRA Grant	(4,662)
Bond Retirement-Leach Ditch #780	(15,802)
Bond Retirement-McClure 77 Ditch	(12,748)
Bond Retirement-South Fork Ditch	(11,113)
Bond Retirement-Laughlin Ditch	(6,026)
Fiber Ring Construction Project	(1,309,238)

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NOTE 5 -- INTERFUND TRANSACTIONS

The following is a summarized breakdown of the County's operating transfers for 2009.

Funds:	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,307,276
Logan County Board of DD	-	216,708
Other Governmental Funds	3,481,001	16,845
Total Governmental Funds	3,481,001	3,540,829
Proprietary Funds:		
Indian Lake Water Pollution Control	52,982	-
Logan Acres County Home	6,846	-
Total Proprietary Funds	59,828	-
Totals	\$ 3,540,829	\$ 3,540,829

The transfers from the General Fund were made to provide other funds with necessary funds to operate, including debt service, as well as local match portions of federal grants. The County's Board of DD funded the department's related capital improvement fund and community events fund. Other governmental funds transferred out funds that were set aside for special projects to the departments operating fund.

NOTE 6 -- ADVANCES

The following interfund payables and receivables are due at December 31, 2009:

Funds:	Advances From	Advances To
General Fund	\$ 31,475	\$ -
Other governmental Funds	15,844	47,319
Total Governmental Funds	\$ 47,319	\$ 47,319

The advances were made in prior years to provide funds for special assessment projects. As the County collects the special assessment payments, the advances will be repaid. The County expects the advance balances to be outstanding greater than one year.

NOTE 7 -- RECEIVABLES

Receivables at December 31, 2009, consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25% of true value. The assessed value upon which the 2009 taxes were collected was \$1,034,235,280. The full tax rate for all County operations applied to real property for the year ended December 31, 2009, was \$2.50 per \$1,000 of assessed valuation.

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Real property taxes for tax year 2009 are payable annually or semi-annually. If paid annually, payment is due February 10, 2009. If paid semi-annually, the first payment is due February 10, 2009 and the remainder payable by July 20, 2009. Under certain circumstances, state statute permits earlier or later payment dates to be established.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the tax collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due April 30 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first \$10,000 of taxable value is exempt from taxation for each business by state law. The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business files a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

Ohio House Bill No. 66, which was signed into law in 2005, phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is to be phased out by reducing the assessment rate on the property each year. Provisions of the bill also replace future revenues lost by the County due to the phasing out of the tax with reimbursements by the State of Ohio. In calendar years 2011-2017, the reimbursements will be phased out in entirety.

"Real and Other Taxes" receivable represents delinquent real and public utility taxes outstanding as of the last settlement and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2009 operations, the receivable is offset by a credit to "Deferred Revenue". The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2010 are shown as 2009 revenue; the remainder is shown as "Deferred Revenue".

The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

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Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 377,658
Intra-Indigent Counsel	47,318
Gasoline and Excise Tax	1,133,454
Auto Registration Fees	959,799
Homestead and Rollback	145,517
Title XX	32,992
Day Hab Title IX	102,894
Unit Fund Preschool	26,321
Board of DD ARRA Grant	52,743
Juvenile State Income Reimbursements	93,795
IV-E Administrative Training	105,767
VOCA and SVAA Grants	49,409
Pathways II Transportation Grant	8,563
Child Support Enforcement	10,557
Overtime Grant	43,315
Diversion Grant	27,800
Homeland Security Grant	130,244
Byrne Memorial Juvenile State Grant	12,500
Community Corrections Act	22,826
CHIP Grant and CDBG Commissioner Grants	443,739
Rural Law Enforcement	224,760
TCM Claims Reimbursements	45,445
Regional Planning Grant	172,782
Logan County Health Department	285,000
Other	496,474
Total Governmental Activities	\$ 5,051,672
 Business-Type Activities	
Logan Acres - State Aid	\$ 214,192
 Fiduciary Activities	
Local Government and Local Government	
Revenue Assistance	\$ 979,111
Homestead and Rollback	12,551
Gasoline and Excise Tax	717,162
Undivided Auto Licenses	206,208
Soil Conservation State Funds	2,831
Hotel-Motel Tax	2,893
PH Infrastructure Grant	189,236
Women Infants Children Admin Grant	101,266
Total Fiduciary Activities	\$ 2,211,258

NOTE 8 -- INSURANCE

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-

Logan County
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Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

The County continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 -- CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009:

	Balance 12/31/2008	Additions	Retirements	Balance 12/31/2009
Governmental Activities:				
Land	\$ 4,104,446	\$ 434,687	\$ -	\$ 4,539,133
Land Improvements	576,459	-	-	576,459
Buildings and Improvements	19,142,041	8,900	-	19,150,941
Equipment and Machinery	12,063,774	339,784	-	12,403,558
Vehicles	4,371,417	217,922	116,879	4,472,460
Infrastructure-Road and Bridges	56,509,537	5,299,247	-	61,808,784
Total Capital Assets	<u>96,767,674</u>	<u>6,300,540</u>	<u>116,879</u>	<u>102,951,335</u>
Less Accumulated Depreciation:				
Land Improvements	(220,768)	(31,372)	-	(252,140)
Buildings and Improvements	(5,236,835)	(377,667)	-	(5,614,502)
Equipment and Machinery	(8,330,885)	(760,603)	-	(9,091,488)
Vehicles	(3,124,415)	(251,287)	(106,593)	(3,269,109)
Infrastructure-Road and Bridges	(15,662,315)	(2,318,483)	-	(17,980,798)
Totals Accumulated Depreciation	<u>(32,575,218)</u>	<u>(3,739,412) *</u>	<u>(106,593)</u>	<u>(36,208,037)</u>
Governmental Activities-Assets, Net	<u>\$ 64,192,456</u>	<u>\$ 2,561,128</u>	<u>\$ 10,286</u>	<u>\$ 66,743,298</u>
Business-Type Activities:				
Water Pollution Control Capital Assets:				
Land	\$ 201,000	\$ -	\$ -	\$ 201,000
Land Improvements	191,917	-	-	191,917
Buildings and Improvements	4,746,707	-	-	4,746,707
Equipment and Machinery	3,667,313	20,361	-	3,687,674
Vehicles	377,497	-	26,450	351,047
Infrastructure	21,195,020	10,302,351	-	31,497,371
Total Capital Assets	<u>30,379,454</u>	<u>10,322,712</u>	<u>26,450</u>	<u>40,675,716</u>
Less Accumulated Depreciation:				
Land Improvements	(23,818)	(3,747)	-	(27,565)
Buildings and Improvements	(4,280,425)	(24,979)	-	(4,305,404)
Equipment and Machinery	(3,224,825)	(33,117)	-	(3,257,942)
Vehicles	(327,447)	(19,692)	(24,805)	(322,334)
Infrastructure-Sewer Systems	(3,494,936)	(371,289)	-	(3,866,225)
Totals Accumulated Depreciation	<u>(11,351,451)</u>	<u>(452,824)</u>	<u>(24,805)</u>	<u>(11,779,470)</u>
Water Pollution Control Capital Assets, Net	<u>\$ 19,028,003</u>	<u>\$ 9,869,888</u>	<u>\$ 1,645</u>	<u>\$ 28,896,246</u>

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	Balance 12/31/2008	Additions	Retirements	Balance 12/31/2009
Logan Acres County Home Capital Assets:				
Land	\$ 4,526	\$ -	\$ -	\$ 4,526
Land Improvements	1,453	-	-	1,453
Buildings and Improvements	12,396,262	-	-	12,396,262
Equipment and Machinery	632,175	29,846	-	662,021
Vehicles	21,547	-	-	21,547
Infrastructure	9,052	77,280	-	86,332
Total Capital Assets	13,065,015	107,126	-	13,172,141
Less Accumulated Depreciation:				
Land Improvements	(276)	(138)	-	(414)
Buildings and Improvements	(1,444,931)	(296,769)	-	(1,741,700)
Equipment and Machinery	(427,087)	(72,040)	-	(499,127)
Vehicles	(25,139)	-	-	(25,139)
Infrastructure	(430)	(430)	-	(860)
Totals Accumulated Depreciation	(1,897,863)	(369,377)	-	(2,267,240)
Logan Acres County Home Capital Assets, Net	<u>\$ 11,167,152</u>	<u>\$ (262,251)</u>	<u>\$ -</u>	<u>\$ 10,904,901</u>

* Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	\$ 651,644
Judicial	13,949
Conversation and Recreation	5,344
Public Works	2,578,197
Public Safety	233,633
Human Services	182,843
Health	73,802
Total Depreciation Expense	<u>\$ 3,739,412</u>

NOTE 10 -- NOTES PAYABLE

The Ohio Revised Code provides that notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes or of the bonds anticipated by the notes, or from available fund of the County or a combination of these sources. The County is retiring its notes payable by issuance of one-year renewal notes until general obligation bonds are issued.

Logan County
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	Principal Balance 12/31/2008	Issued	Retirements	Principal Balance 12/31/2009
Governmental Activities:				
Capital Facilities Note,				
Matures 11/12/09, 3.25%	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Matures 11/12/10, 1.50%	-	1,400,000	-	1,400,000
Recycling Site Upgrade Note,				
Matures 11/12/09, 1.71%	-	2,000,000	2,000,000	-
Matures 11/10/10, 1.50%		2,000,000	-	2,000,000
	<u>\$ 1,400,000</u>	<u>\$ 5,400,000</u>	<u>\$ 3,400,000</u>	<u>\$ 3,400,000</u>
Business-Type Activities:				
Sewer Improvement Notes, Series 2009				
Matures 7/14/10, 2.25%	<u>\$ -</u>	<u>\$ 1,545,000</u>	<u>\$ -</u>	<u>\$ 1,545,000</u>

In November 2009 the County issued \$1,400,000 of Capital Facilities Notes for the purpose of paying the costs of acquiring and installing an information systems infrastructure network to provide for high-speed telecommunications throughout the county.

In March 2009 The County issued \$2,000,000 bond anticipation notes for the purpose of improving the Logan County Solid Waste Management District by constructing and equipping recycling centers throughout the County. This note was paid and reissued during the year as noted below.

In November 2009 the County issued \$2,000,000 bond anticipation notes to partially pay previous issued noted for the purpose of upgrading the recycling site.

In July 2009 the County issued \$1,545,000 bond anticipation notes for the purpose of paying the cost of improving the Logan County Water Pollution Control District by constructing a new sewage pumping station and associated force main.

NOTE 11 -- DEBT OBLIGATIONS

	Principal Balance 12/31/08	Additions	Retirements	Principal Balance 12/31/09	Amounts Due in One Year
Governmental Activities:					
Various Purpose Bonds, Series 2 Issued 11/01/02, 1.7% to 4.75%	\$ 6,050,625	\$ -	\$ 377,750	\$ 5,672,875	\$ 399,500
Compensated Absences Payable	1,348,329	1,019,664	952,720	1,415,273	1,002,735
Total Governmental Type Activities Debt	<u>\$ 7,398,954</u>	<u>\$ 1,019,664</u>	<u>\$ 1,330,470</u>	<u>\$ 7,088,148</u>	<u>\$ 1,402,235</u>

Logan County
Notes to the Basic Financial Statements
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	<u>Principal Balance 12/31/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Principal Balance 12/31/09</u>	<u>Amounts Due in One Year</u>
Business-Type Activities:					
Sewer System Refunding Bonds Issued 11/13/2002, 1.7% to 3%	\$ 740,000	\$ -	\$ 40,000	\$ 700,000	\$ 40,000
Sewer System Improvement Bonds, Series 2007, Issued 03/30/2007, 4.00%	2,400,000	-	85,000	2,315,000	100,000
O.W.D.A. Loan 07/23/1992, 5.2%	672,700	-	136,355	536,345	143,538
Sewer System Improvement Revenue Bonds, Series 2007A/B Issued 03/30/07, 4.125%	2,410,000	-	25,900	2,384,100	27,000
Sewer System Improvement Bonds Series 2008, Issued 12/17/08 3% to 5%	9,500,000	-	-	9,500,000	15,000
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36 (1)	6,285,000	-	117,000	6,168,000	122,000
County Sewer Capital Facility Bonds Issued 11/01/02, 1.7% to 4.75%	284,375	-	42,250	242,125	45,500
County Home Revenue Bonds Issued 08/11/06, 4.5%	2,901,000	-	54,000	2,847,000	56,000
Compensated Absences Payable	234,918	224,654	210,962	248,610	194,121
Total Business-Type Debt	<u>\$ 25,427,993</u>	<u>\$ 224,654</u>	<u>\$ 711,467</u>	<u>\$ 24,941,180</u>	<u>\$ 743,159</u>

In December 1992, the County issued \$2,093,141 of Ohio Water Development Authority (“OWDA 1992”) Collection Sewers and Separation Notes under a cooperative agreement for construction, maintenance, and operation of a sewer project within the County’s Indian Lake Water Pollution Control District.

In November 2002, the County issued \$11,015,000 of Various Purpose Bonds, Series 2002 and \$1,865,000 of its own funds to advance refund various Bonds and to currently refund the Sewer Bonds; Jail Construction and Capital Facility Notes; and Sanitary Improvement notes.

In August, 2007, the County issued \$3,000,000 of County Home Revenue Bonds and \$6,500,000 of County Home Construction Bonds, Series 2007, to finance the construction of a new county home.

In March 2007 the County issued \$2,485,000 of Sewer System Improvement General Obligation Bonds, Series 2007, for the purpose of constructing Huntsville-Cherokee-Manns area sanitary sewers.

In March 2007 the County issued \$2,410,000 of Sewer System Improvement Revenue Bonds, Series A/B, for the purpose of paying the cost of improving the Logan County Water Pollution Control District by constructing sanitary sewers and installing individual grinder pumping stations.

In December 2008 the County issued \$9,500,000 of Sewer System Improvement Bonds, series 2008 for the purpose of paying the cost of improving the wastewater treatment plant, including constructing a new sewage pumping station and associated force main, an equalization basin, a septage receiving station, new office facilities, and a pump maintenance building, installing a fine screening facility, solids handling equipment, aerobic equipment, disinfection equipment, a current age design aeration system, yard piping, electrical control systems, and ventilation and air handling systems.

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The following is a summary of the County's future annual debt service requirements for long-term debt:

Various Purpose Bonds, Series 2002						
		Principal		Interest		Total
2010	\$	399,500	\$	258,439	\$	657,939
2011		409,500		244,057		653,557
2012		426,250		228,906		655,156
2013		444,625		212,708		657,333
2014		463,000		195,146		658,146
2015-2019		2,040,000		676,836		2,716,836
2020-2022		1,490,000		143,687		1,633,687
Total	\$	5,672,875	\$	1,959,779	\$	7,632,654

County Home Construction Bonds						
		Principal		Interest		Total
2010	\$	122,000	\$	277,560	\$	399,560
2011		127,000		272,070		399,070
2012		132,000		267,085		399,085
2013		139,000		260,415		399,415
2014		145,000		254,160		399,160
2015-2019		830,000		1,167,420		1,997,420
2020-2024		1,033,000		963,647		1,996,647
2025-2029		1,287,000		708,658		1,995,658
2030-2034		1,605,000		391,581		1,996,581
2035-2036		748,000		50,897		798,897
Total	\$	6,168,000	\$	4,613,493	\$	10,781,493

Sewer System Refunding Bonds						
		Principal		Interest		Total
2010	\$	40,000	\$	32,355	\$	72,355
2011		45,000		30,915		75,915
2012		45,000		29,250		74,250
2013		45,000		27,540		72,540
2014		50,000		25,763		75,763
2015-2019		275,000		91,189		366,189
2020-2022		200,000		19,239		219,239
Total	\$	700,000	\$	256,251	\$	956,251

Sewer System Improvement Bonds Series 2007						
		Principal		Interest		Total
2010	\$	100,000	\$	91,650	\$	191,650
2011		100,000		88,100		188,100
2012		95,000		84,600		179,600
2013		100,000		80,800		180,800
2014		105,000		76,800		181,800
2015-2019		590,000		317,200		907,200
2020-2024		720,000		189,800		909,800
2025-2027		505,000		41,000		546,000
Total	\$	2,315,000	\$	969,950	\$	3,284,950

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Notes to the Basic Financial Statements
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OWDA Loan

	Principal	Interest	Total
2010	\$ 143,538	\$ 26,048	\$ 169,586
2011	151,099	18,487	169,586
2012	159,058	10,527	169,585
2013	82,650	2,146	84,796
Total	\$ 536,345	\$ 57,208	\$ 593,553

Sewer System Improvement Revenue Bonds Series 2007A/B

	Principal	Interest	Total
2010	\$ 27,000	\$ 98,345	\$ 125,345
2011	28,100	97,230	125,330
2012	29,300	96,072	125,372
2013	30,500	94,863	125,363
2014	31,700	93,605	125,305
2015-2019	179,300	447,289	626,589
2020-2024	219,300	407,146	626,446
2025-2029	268,400	358,025	626,425
2030-2034	328,700	297,895	626,595
2035-2039	402,500	224,256	626,756
2040-2044	492,400	134,125	626,525
2045-2047	346,900	29,006	375,906
Total	\$ 2,384,100	\$ 2,377,857	\$ 4,761,957

County Sewer Facilities Bonds

	Principal	Interest	Total
2010	\$ 45,500	\$ 9,296	\$ 54,796
2011	45,500	7,658	53,158
2012	48,750	3,285	52,035
2013	50,375	4,122	54,497
2014	52,000	2,132	54,132
Total	\$ 242,125	\$ 26,493	\$ 268,618

County Home Revenue Bonds

	Principal	Interest	Total
2010	\$ 56,000	\$ 128,115	\$ 184,115
2011	59,000	125,595	184,595
2012	61,000	123,277	184,277
2013	64,000	120,195	184,195
2014	67,000	117,315	184,315
2015-2019	382,000	538,910	920,910
2020-2024	476,000	445,086	921,086
2025-2029	596,000	327,315	923,315
2030-2034	741,000	180,685	921,685
2035-2036	345,000	23,467	368,467
Total	\$ 2,847,000	\$ 2,129,960	\$ 4,976,960

Logan County
Notes to the Basic Financial Statements
December 31, 2009

Sewer System Improvement Bonds, Series 2008						
		Principal		Interest		Total
2010	\$	15,000	\$	445,774	\$	460,774
2011		250,000		445,324		695,324
2012		260,000		437,824		697,824
2013		270,000		429,374		699,374
2014		275,000		419,924		694,924
2015-2019		1,560,000		1,925,496		3,485,496
2020-2024		1,940,000		1,545,476		3,485,476
2025-2029		2,465,000		1,034,448		3,499,448
2030-2033		2,465,000		338,172		2,803,172
Total	\$	9,500,000	\$	7,021,812	\$	16,521,812

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The code further provides that the total voted and unvoted net debt of the County less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000, of the assessed valuation, plus one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

Pledged Revenues on Debt Issuances – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay \$3.0 million in county home revenue bonds issued in August 2006. Proceeds from the bonds provided financing for the construction of the new Logan Acres facility. The bonds are payable solely from the home customers net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 20 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,976,960. Principal and interest paid for the current year and total customer net revenues were \$184,204 and \$1,284,965, respectively.

The County also has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2.41 million in sewer system improvement revenue bonds issued in March 2007. Proceeds from the bonds provided financing for the construction of sanitary sewers and installing individual grinder pumping stations. The bonds are payable solely from sewer customer net revenues and are payable through 2047. Annual principal and interest payments on the bonds are expected to require less than 13 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,761,956. Interest paid for the current year and total customer net revenues in 2009 were \$125,313 and \$1,411,071, respectively.

NOTE 12 -- COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government Wide Basic Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2009 vested vacation, compensatory, and sick leave benefits for governmental activity type and business type activity employees totaled \$1,415,273 and \$248,610, respectively.

NOTE 13 -- DEFINED BENEFIT PENSION PLANS

The employees of the County are covered by either the Ohio Public Employees Retirement System or the State Teachers Retirement System. The State of Ohio accounts for the activities of the retirement systems and the amounts of these funds are not reflected in the accompanying financial statements.

Logan County
Notes to the Basic Financial Statements
December 31, 2009

Ohio Public Employees Retirement System (OPERS) - All County employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans as described below:

1. The Traditional Pension Plan (TP) a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) - 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 member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

The authority to establish and amend benefits is established by Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2009, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Tradition Pension Plan.

The 2009 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 10.1%.

The 2009 employer contribution rate for local government employer units was 14.00% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2009 was 17.63%.

The County's contributions to OPERS for all employees for the years ended December 31, 2009, 2008, and 2007, were \$2,704,418, \$2,932,435, and \$2,938,137, respectively, equal to the required contributions for the year.

State Teachers Retirement Systems - The County contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options – New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and the DB. In the Combined Plan, the member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer the Defined Benefit Plan during their fifth year of membership

Logan County
Notes to the Basic Financial Statements
December 31, 2009

unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits – The member allocates Member contributions, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio’ public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offer by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio Law health care benefits are not guaranteed.

A Defined Benefit or Combined Plan member with five or more years’ credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit

Logan County
Notes to the Basic Financial Statements
December 31, 2009

coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contributions rate are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

For the year ended December 31, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. The County's required contribution for pension obligations for the year December 31, 2009, 2008 and 2007 were \$136,969, \$131,400, and \$134,077, respectively, equal to the required contributions for the year.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2009 Comprehensive Annual Financial Report will be available after December 31, 2009. Additional information or copies of STRS Ohio's 2009 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

Social Security System – Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security of the appropriate state system. As of December 31, 2009, none have elected Social Security.

NOTE 14 -- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Ohio Public Employees Retirement System (OPERS) - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan is a cost-sharing multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and contribution plan.

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 the Traditional Pension and the 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 Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described GASB Statement 45.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-5601 or 1-800-222-7377.

Funding Policy. The Ohio Revised Code provides statutory authority requiring public employers to fund post retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

Logan County
Notes to the Basic Financial Statements
December 31, 2009

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employer units contributed at 17.63%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. 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 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2008, the employer contribution allocated to the health care plan was 7.0% from January 1 through March 31, 2009 and 5.5% from April 1, through December 31, 2009. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care coverage by the retiree or their surviving beneficiaries. Payments amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution to OPERS for the years ending December 31, 2009, 2008, and 2007 were \$2,704,418, \$2,932,435, and \$2,938,137, respectively, of which \$1,355,153, \$1,522,884, and \$1,060,667, respectively, was allocated to the healthcare plan.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees 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. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan

State Teachers Retirement System - STRS Ohio provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current plan includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Revised Code (R.C.) the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strs.org or by requesting a copy by calling toll-free 1-888-227-7877.

Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post employment health care for the years ended June 30, 2009, 2008, and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law.

The County's contribution to STRS for the years ending December 31, 2009, 2008, and 2007 were \$127,067, \$131,400, and \$134,077, respectively, of which \$9,774, \$9,386, and \$9,577, respectively, was allocated to the STRS post employment healthcare plan.

NOTE 15 -- DEFERRED COMPENSATION PLAN

Logan County employees and elected officials participate in a statewide deferred compensation plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Logan County
Notes to the Basic Financial Statements
December 31, 2009

NOTE 16 -- RELATED PARTY TRANSACTIONS

RTC Industries, Inc. – RTC Industries Inc., a discretely presented component unit of Logan County, received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as operating revenues and expenses at cost or fair market value as applicable, in the financial statements of the corporation. In 2009, these contributions were \$100,708.

NOTE 17 -- CONTINGENT LIABILITIES

Federal and State Grants

The County participates in several federally assisted programs. These programs are subject to financial and compliance audits by grantor agencies or their representative. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Pending Litigation

The County is a defendant in a lawsuit. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the County's counsel that a resolution of this matter will not have a material adverse effect on the financial condition of the County.

NOTE 18 — SUBSEQUENT EVENTS

In July 2010 the County issued \$4,530,000 in three series of General Obligation Bonds. The issuance of bonds are for the purpose of paying the cost of constructing and improving the Logan Acres County home with a new wing. The debt will be paid from ad valorem property taxes. The County has awarded bid contracts for this project.

Logan County Financial Condition
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/ Pass Through Agency/ Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Water and Waste Disposal Systems for Rural Communities	(1)	10.760	\$ 54,344
Technical Assistance and Training Grants	(1)	10.761	23,380
<i>Passed Through Ohio Department of Job & Family Services</i>			
Supplemental Nutrition Assistance Program (SNAP) Cluster:			
State Administrative Matching Grants for the SNAP	G-1011-11-5068/G-1011-11-5069	10.561	22,402
ARRA- State Administrative Matching Grants for the SNAP	G-1011-11-5068/G-1011-11-5069	10.561	228,149
Total Supplemental Nutrition Assistance Program Cluster			<u>250,551</u>
<i>Passed Through Ohio Department of Education</i>			
Nutritional Cluster:			
National School Breakfast Program	05-PU-09	10.553	6,789
National School Lunch Program	LLP4-09	10.555	12,974
Total Nutrition Cluster			<u>19,763</u>
Total U.S. Department of Agriculture			<u>348,038</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<i>Passed through the Ohio Department of Development</i>			
Community Development Block Grant - Neighborhood Stabilization Program	NSP-08-14-3	14.218	184,760
Community Development Block Grant			
Formula Grant	B-F-042-1	14.228	107,300
Community Housing Improvement Program	B-C-042-1	14.228	204,419
Total Community Development Block Grant			<u>311,719</u>
Home Investment Partnership Grant	B-C-042-2	14.239	104,806
Total U.S. Department of Housing and Urban Development			<u>601,285</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
<i>Passed through the Ohio Attorney General's Office</i>			
Crime Victim Assistance	2009VAGENE007T	16.575	59,613
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Edward Byrne Memorial Justice Assistance Grants:			
Edward Byrne Memorial Justice Assistance Grant - Crime Prevention Program	2004-JG-C01-6619	16.738	48,919
Edward Byrne Memorial Justice Assistance Grant - Overtime Detectives	2007-JG-LLE-5281	16.738	9,191
Edward Byrne Memorial Justice Assistance Grant - Crime Prevention Program	2004-DG-BOV-V7686	16.579	8,320
ARRA- Edward Byrne Memorial Justice Assistance Grant	2009-RA-LLE-2119	16.803	2,718
Total Edward Byrne Memorial Justice Assistance Grant			<u>69,148</u>
Total U.S. Department of Justice			<u>128,761</u>
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job & Family Services and Area 7 Workforce Investment Board</i>			
Employment Service / Wagner Peyser Grant	(1)	17.207	14,599
Workforce Investment Act Cluster			
Workforce Investment Act - Adult	(1)	17.258	129,034
ARRA- Workforce Investment Act - Adult	(1)	17.258	26,270
Workforce Investment Act - Youth	(1)	17.259	48,674
ARRA- Workforce Investment Act - Youth	(1)	17.259	151,462
Workforce Investment Act - Dislocated Worker	(1)	17.260	336,015
ARRA- Workforce Investment Act - Dislocated Worker	(1)	17.260	58,190
Workforce Investment Act - Unemployment Insurance	(1)	17.225	923
Total Workforce Investment Act Cluster			<u>750,568</u>
Total U.S. Department of Labor			<u>765,167</u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal Awards

Logan County Financial Condition
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/ Pass Through Agency/ Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction Grants:			
Highway Planning and Construction Grant	PID #75705	20.205	1,396,096
Highway Planning and Construction Grant	PID #79659	20.205	945,251
Highway Planning and Construction Grant	PID #79660	20.205	592,746
Highway Planning and Construction Grant	PID #83251	20.205	83,315
Highway Planning and Construction Grant	PID #83318	20.205	150,000
Highway Planning and Construction Grant	PID #83319	20.205	188,679
Total Highway Planning and Construction Grants			<u>3,356,087</u>
<i>Passed through the Ohio Department of Public Safety</i>			
Law Enforcement Overtime Grant	HVEO-2010-46-00-00-00266-00	20.600	25,825
Hazardous Material Emergency Preparedness Grant	(1)	20.703	5,319
Total U.S. Department of Transportation			<u>3,387,231</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education Grants to States	6BSF-2009	84.027	57,401
Special Education Preschool Grants	PGS1-2009	84.173	38,544
Total Special Education Cluster			<u>95,945</u>
Title V	C2S1-2009	84.298	147
Total U.S. Department of Education			<u>96,092</u>
<u>U.S. ELECTION ASSISTANCE COMMISSION</u>			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act- Pollworker Training Program	06-SOS-HHHS-46	90.401	604
Voting Access for Individuals with Disabilities- Grants to States	06-SOS-HHHS-46	93.617	2,564
Total U.S. Election Assistance Commission			<u>3,168</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed through the National Association of County Health Officials</i>			
Medical Reserve Corps Small Grant	(1)	93.008	1,166
<i>Passed Through Ohio Department of Job & Family Services</i>			
Promoting Safe and Stable Families	G-1011-11-5068/G-1011-11-5069	93.556	25,161
Temporary Assistance for Needy Families (TANF)	G-1011-11-5068/G-1011-11-5069	93.558	1,571,119
Child Support Enforcement Grants:			
Child Support Enforcement	G-1011-11-5068/G-1011-11-5069	93.563	673,845
ARRA- Child Support Enforcement	G-1011-11-5068/G-1011-11-5069	93.563	298,280
Total Child Support Enforcement Grants			<u>972,125</u>
Child Care and Development Block Grant Program Cluster:			
Child Care and Development Block Grant	G-1011-11-5068/G-1011-11-5069	93.575	104,747
Child Care Mandatory & Matching Funds of the Child Care Program	G-1011-11-5068/G-1011-11-5069	93.596	132,988
Total Child Care and Development Block Grant Program Cluster			<u>237,735</u>
Child Welfare Services- State Grants	G-1011-11-5068/G-1011-11-5069	93.645	24,261

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal Awards

Logan County Financial Condition
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Federal Agency/ Pass Through Agency/ Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Foster Care- Title IV-E	G-1011-11-5068/G-1011-11-5069	93.658	198,707
Adoption Assistance	G-1011-11-5068/G-1011-11-5069	93.659	318,077
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant - Title XX	(1)	93.667	44,330
<i>Passed Through Ohio Department of Job & Family Services</i>			
Social Services Block Grant - Title XX	G-1011-11-5068/G-1011-11-5069	93.667	287,657
Total Social Services Block Grant			<u>331,987</u>
<i>Passed Through Ohio Department of Job & Family Services</i>			
Child Abuse and Neglect Prevention- Grants to States	G-1011-11-5068/G-1011-11-5069	93.669	374
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
State Children's Health Insurance Program	(1)	93.767	214
Medicaid Cluster:			
<i>Passed Through Ohio Department of Job & Family Services</i>			
Medical Assistance Program	G-1011-11-5068/G-1011-11-5069	93.778	321,319
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Title XIX - Medicaid Assistance Program - Day Habilitation	(1)	93.778	279,626
Title XIX - Medicaid Assistance Program - TCM	(1)	93.778	61,846
ARRA- Title XIX- Federal Medicaid Assistance Percentage Increase		93.778	69,785
Total Title XIX - Medicaid Assistance Program			<u>732,576</u>
Total U.S. Department of Health and Human Services			<u>4,413,502</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
<i>Passed through the Ohio Department of Public Safety Emergency Management Agency</i>			
Emergency Management Performance Grant	2008-EM-E7-0024	97.042	48,147
Homeland Security Grant Cluster:			
FY 2007 Citizen Corps Program	2007-GE-T7-0030	97.067	376
FY 2007 State Homeland Security Grant Program (SHSP) - Exercise Funds	2007-GE-T7-0030	97.067	8,704
FY 2007 State Homeland Security Grant Program (SHSP)	2007-GE-T7-0030	97.067	54,036
FY 2008 State Homeland Security Grant Program (SHSP)	2008-GE-T8-0025	97.067	4,236
Total Homeland Security Grant Cluster			<u>67,352</u>
Total Department of Homeland Security			<u>115,499</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u>\$ 9,858,743</u>

(1) Pass through number not available or multiple.

See accompanying notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – GENERAL:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Logan County, Ohio (the County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies are included on the Schedule.

NOTE 2 – BASIS OF ACCOUNTING:

The accompanying Schedule of Federal Awards has been prepared using the cash basis of accounting in accordance with the format as set forth in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 3 – MATCHING REQUIREMENTS:

Certain Federal Programs require that the County contribute non-federal funds (matching funds) to support the Federally-funded programs. The expenditures of non-Federal matching funds are not included on the Schedule.

NOTE 4 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

The County received several different grants that fall under CDBG and within each grant there are various programs for projects within the County. The County primarily uses these funds for street improvements within the county, historical preservation projects and the fair housing program. The fair housing program allows the County to provide low-interest loans to eligible persons for the rehabilitation of their homes.

NOTE 5 – HOMELAND SECURITY CLUSTER:

The County reported the following federal programs for the Homeland Security Cluster on the County's Federal Schedule. Several programs for Federal Fiscal Years 2007 through 2009 were incorporated into the Homeland Security Grant Program Cluster (CFDA #97.067) in accordance with the guidance from the U.S. Department of Homeland Security.

CFDA Number	Program	Amount
97.053	Citizen Corps	\$ 376
97.073	State Homeland Security Program	<u>66,976</u>
97.067	Homeland Security Grant Cluster	\$ <u>67,352</u>

NOTE 6 – TRANSFERS BETWEEN FEDERAL PROGRAMS:

During fiscal year 2009, the County made allowable transfers of \$218,183 from the Temporary Assistance for Needy Families (TANF) (93.558) program to the Social Services Block Grant (SSBG) (93.667) program. The Schedule shows the County spent approximately \$1,571,119 on the TANF program. The amount reported for the TANF program on the Schedule excludes the amount transferred to the SSBG program. The amount transferred to the SSBG program is included as SSBG expenditures when disbursed. The following table shows the gross amount drawn for the TANF program during fiscal year 2009 and the amount transferred to the Social Services Block Grant program.

Temporary Assistance for Needy Families	\$ 1,789,302
Transfer to Social Services Block Grant	<u>(218,183)</u>
Total Temporary Assistance for Needy Families	\$ <u>1,571,119</u>

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

County Board of Commissioners
Logan County, Ohio
117 E. Columbus Ave.
Bellefontaine, Ohio 43311

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 31, 2010. We did not audit the financial statements of RTC Industries, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a material weakness.

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as items 2009-2 and 2009-3 in the accompany schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the County in a separate letter dated August 31, 2010.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Audit Committee, management, Board of Commissioners, the Auditor of the State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Springfield, Ohio
August 31, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Board of Commissioners
Logan County, Ohio
117 E. Columbus Ave.
Bellefontaine, Ohio 43311

Compliance

We have audited the compliance of Logan County, Ohio (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

As described in items 2009-5 and 2009-6 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Cash Management and Reporting that are applicable to its Community Development Block Grant. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program. In addition, item 2009-4 notes the County did not comply with requirements regarding the preparation and completion of the Schedule of Expenditures of Federal Awards.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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Internal Control over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-7 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2009-4 and 2009-8 to be significant deficiencies.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Audit Committee, management, Board of Commissioners, the Auditor of the State of Ohio, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer Harkess & Co.

Springfield, Ohio
August 31, 2010

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None noted

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors’ report issued on compliance for major programs:	Qualified
Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133?	Yes – CDBG CFDA 14.228

Identification of major programs:

- CFDA 10.561 – Supplemental Nutrition Assistance Program Cluster
- CFDA 14.228 – Community Development Block Grant
- Workforce Investment Act Cluster:
 - CFDA 17.258 – Workforce Investment Act - Adult
 - CFDA 17.259 – Workforce Investment Act – Youth
 - CFDA 17.260 – Workforce Investment Act – Dislocated Worker
 - CFDA 17.225 – Workforce Investment Act – Unemployment Insurance
- CFDA 93.558 – Temporary Assistance for Needy Families
- CFDA 93.563 – Child Support Enforcement
- CFDA 93.659 – Adoption Assistance
- CFDA 93.667 – Social Services Block Grant
- CFDA 93.778 – Medical Assistance Program

Dollar threshold to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

2009-1: Material Weakness – Financial Reporting:

The compilation and presentation of materially correct financial statements and the related footnotes is the responsibility of management of the County. Thus, it is important that management develop control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes.

As a result of our audit, we identified misstatements in the County's financial statements pertaining to (1) Identifying and reporting of restricted net assets; (2) Reporting of capital asset acquisitions not identified; (3) Recording of prior year's reversing entries; (4) Reporting of ODOT project funds twice in the Governmental Activities for bridge replacements and reporting of the related OPWC contributed capital revenues; (5) Calculation error in estimate of receivables; and (6) the classification of revenues during the GAAP entries to be consistent across the basic financial statements. We also identified various adjustments to the notes of the financial statements. The misstatements are an indicator that the County does not have sufficient internal control procedures in place related to financial reporting. It is recommended the County implement sufficient control procedures over the financial reporting process in order to enable management to prevent and detect potential misstatement in the financial statements and footnotes.

Officials Response: The County's accountant has been informed of the audit adjustments and a review of the compiled financial statements by the County's management will be reflected upon the start of the audit.

2009-2: Significant Deficiency – Capital Asset Reporting:

The County should maintain effective management controls over tracking and reporting capital assets throughout all departments. During the audit, the County had utilized a computerized capital asset inventory system to provide a comprehensive listing of the assets being reported on the financial statements. However, the listing was not complete and the detail book value of assets is not accurate causing the list to be inconsistent to prior or current year's financial statements.

We recommend the County proceed with a correction plan and review the current and prior years fixed asset reports to insure all historical cost and net book values are included in their comprehensive listing of capital assets to substantiate the accuracy of the assets being reported in the financial statements.

Officials Response: We will continue our efforts to make the County's capital asset tracking system work towards our financial reporting needs. Due to the complexity in identifying and valuing/depreciating capital assets in a county, we have had difficulties getting the system to balance.

2009-3: Significant Deficiency – Monitoring Cash with Fiscal Agents:

The County identified one staff member in control of the reconciliation and disbursements of residents cash deposits. The deposits are handled outside the County treasurer as cash with fiscal agents and the lack of separation of duties over the deposits provided opportunity for the staff member to utilize the funds to reimburse personal expenditures without approval of disbursements. Subsequently, the staff member's employment has been terminated and the County is seeking restitution for those unallowable expenditures.

We recommend the County proceed with a correction plan by evaluating all cash accounts outside the County treasurer's department and review the monitoring controls for separation of duties over those cash accounts to minimize the opportunity for staff members to utilize County funds for unallowable expenditures.

Officials Response: The department has adjusted the staffing responsibilities over the cash accounts outside the County treasurer to minimize such future risk.

Section III – Federal Awards Findings and Questioned Costs

2009-4: Noncompliance and Significant Deficiency – Completion of the Federal Expenditures Schedule:

Office of Management and Budget (OMB) Circular A-133.300(a) requires each recipient to “identify”, in its accounts, all federal awards received and expended and the federal programs under which they were received, including, as applicable, the CFDA title and number, the award number and year, the name of the federal agency and the pass-through entity.” According to OMB Circular A-133.205(a), “the determination of when an award is expended is based on when the activity related to the award occurs. Generally, the activity pertains to events that require the non-federal entity to comply with laws, regulations, and the provisions of contracts or grant agreements, such as expenditures/expense transactions associated with grants, cost reimbursements contracts, cooperative agreements, and direct appropriations; the disbursements of funds passed through to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or consumption of food commodities; the disbursements of amounts entitling the non-Federal entity to an interest subsidy; and, the period when insurance is in force.”

The County reporting inaccurate or incomplete grant information in the Schedule of Expenditures of Federal Awards may jeopardize future grant funding and/or require the County to return funding to the grantor agency. The County should utilize due care in preparing the annual schedule to ensure completeness and accuracy of all information reported. This effort will require all departments to carefully review grant documents and accounting records to ensure the correct amounts and program information is provided to the responsible official to prepare the annual schedule. The final schedule should be reviewed after completion and agreed to underlying cash accounting records of the County.

Officials Response: Each year the County works diligently attempting to make certain what grants have been received and the CFDA title and number. The County will continue to work hard to make certain there are no omissions regarding this matter.

2009-5: Noncompliance Citation – CDBG Program Cash Management:

The OHCP Financial Management Handbook, Section 3(f), states “The grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating the prompt disbursement of funds”. This rule states that funds drawn should be limited to a balance of less than \$5,000. We noted that the County’s CDBG Grant Program drawdowns were not always expended to below the \$5,000 threshold within 15 days of receipt. This problem was also noted in prior audits. The County and its consultants should attempt to more accurately forecast cash requirements to eliminate this problem.

Officials Response: Our consultant in the area of federal awards has been contacted for this citation and is being addressed.

2009-6: Noncompliance Citation – CDBG Program Reporting:

The Final Performance reports for the 2007 CHIP and 2007 Formula Grant programs were not filed by the date specified by ODOD. Although the County has assigned the preparation of grants reports to CDC of Ohio (CHIP), the County is responsible for assuring timely filing, and thus should more closely monitor to assure that reports are filed when due. This is a repeat of a citation in the previous audit.

Officials Response: Our consultant in the area of federal awards has been contacted for this citation and is being addressed.

2009-7: Material Weakness – CDBG Program Reporting:

As evidenced by the noncompliance citations (findings 2009-5 and 2009-6) related to the Community Development Block Grant program, the County’s controls for monitoring compliance with requirements of this program are not as effective as they should be. The County should implement sufficient

monitoring controls which ensure program requirements are adhered to, including those aspects of the grant which are administered by the outside consulting company.

Officials Response: The County will continue to work towards establishing procedures to ensure compliance with grant requirements.

2009-8: Significant Deficiency – WIA Program Eligibility:

During the testing of controls over the eligibility determinations of the WIA program, some instances found applications without appropriate signatures as proof a final eligibility determination was concluded before the assistance payments were paid. Although, the case files contain all the supporting documents and eligibility checklists, the County should ensure that all applications are signed by the interviewed and the reviewer prior to authorizing invoices to be paid. In addition, individuals who transfer from one WIA program to another may require additional eligibility determination requirements. As found in the testing, the County should reevaluate the determination checklist again to ensure all requirements are met.

Officials Response: The County has sought to utilize software for tracking WIA case activity and will implement procedures over appropriate signatures.

Section IV – Summary Schedule of Prior Audit Findings

2008-1: Material control weakness over financial reporting as a result of significant audit adjustments and various adjustments to the notes of the financial statements.

Status: Not-corrected see current year finding 2009-1

2008-2: Significant control deficiency over the tracking and reporting of the County's capital assets.

Status: Not-corrected see current year finding 2009-2

2008-3: The County's noncompliance and control procedures over properly reporting the Schedule of Expenditures of Federal Awards.

Status: Not-corrected see current year finding 2009-4

2008-4: County's noncompliance over CDBG grants cash management system to ensure compliance with the Fifteen Day rule relating to the prompt disbursement of funds.

Status: Not-corrected see current year finding 2009-5

2008-5: County's noncompliance over CDBG grant reporting requirements specified by ODOD for the filing of status and final performance reports.

Status: Not-corrected see current year finding 2009-6

2008-6: County's material control weakness over implementation of more effective controls over CDBG federal program.

Status: Not-corrected see current year finding 2009-7



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success



Mary Taylor, CPA
Auditor of State

LOGAN COUNTY

LOGAN 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
SEPTEMBER 28, 2010