



Dave Yost • Auditor of State

**FINANCIAL CONDITION
LOGAN COUNTY**

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LOGAN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the County's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Auto and Gas and Developmental Disabilities Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the County restated Governmental Activities Net Position for December 31, 2013 for an accounting change in sales tax receivable. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the County's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards also presents 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 also not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2015, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

October 16, 2015

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LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

As management of Logan County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$115.4 million (net position). Of this amount, approximately \$17.1 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's Governmental Activities net position increased by \$4.0 million and the County's Business-Type Activities net position increased by \$683,777.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$21.3 million, a \$1,100,332 decrease in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County included general government, public safety, public works, health, human services, conservation and recreation, economic development and assistance, and urban redevelopment and housing. The business-type activities of the County include water pollution control operations and county home operations.

The government-wide financial statements included not only the County itself (known as the primary government), but also a legally separate nonprofit organization for which the County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 11-13 of this report.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 145 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement revenues, expenditures, and changes in fund balances for the general fund, auto and gas fund, and developmental disabilities fund, each of which are considered to be major funds. Data from the other 142 governmental funds are combined into a single, aggregated presentation.

The County adopts annual appropriated budgets for the general fund, auto and gas fund, and developmental disabilities fund. A budgetary comparison statement has been provided for each to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 14-20 of this report.

Proprietary funds - The County utilizes one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water pollution control and county home operations.

Proprietary funds provided the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provided separate information for water pollution control and county home operations, both of which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a comparative summary of the County's net position at December 31, 2014 and December 31, 2013:

	Net Position			
	2014 Governmental Activities	2014 Business-Type Activities	Restated 2013 Governmental Activities	2013 Business-Type Activities
Assets				
Current and other assets	\$ 36,013,056	\$ 11,679,761	\$ 35,774,783	\$ 10,705,118
Capital assets, net	<u>75,434,949</u>	<u>38,982,242</u>	<u>71,707,662</u>	<u>39,859,286</u>
Total assets	<u><u>\$ 111,448,005</u></u>	<u><u>\$ 50,662,003</u></u>	<u><u>\$ 107,482,445</u></u>	<u><u>\$ 50,564,404</u></u>
Deferred Outflows of Resources				
Deferred Charge on Refunding	<u>-</u>	<u>176,048</u>	<u>-</u>	<u>-</u>
Liabilities				
Current and other liabilities	\$ 2,548,758	\$ 1,065,375	\$ 1,728,366	\$ 1,067,355
Long-term liabilities	<u>8,385,717</u>	<u>27,735,280</u>	<u>9,179,892</u>	<u>28,143,430</u>
Total liabilities	<u>10,934,475</u>	<u>28,800,655</u>	<u>10,908,258</u>	<u>29,210,785</u>
Deferred Inflows of Resources				
Property and Other Local Taxes	<u>7,131,114</u>	<u>-</u>	<u>6,734,994</u>	<u>-</u>
Net position				
Net Investment in Capital Assets	68,334,949	12,231,863	63,942,642	12,425,086
Restricted	17,727,503	-	16,952,234	-
Unrestricted	<u>7,319,964</u>	<u>9,805,533</u>	<u>8,944,317</u>	<u>8,928,533</u>
Total net position	<u><u>\$ 93,382,416</u></u>	<u><u>\$ 22,037,396</u></u>	<u><u>\$ 89,839,193</u></u>	<u><u>\$ 21,353,619</u></u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred inflows of resources exceeded liabilities and deferred inflows of resources by approximately \$115.4 million at the close of the most recent fiscal year. Of this amount, approximately \$17.1 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

By far the largest portion of the County's net position reflects its investment in capital assets (e.g. land, buildings, equipment and machinery, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (restricted net position) represents resources that are subject to external restriction on how they may be used.

The table below provides a comparative analysis of changes in net position for 2014 and 2013:

	Change in Net Position			
	Governmental Activities 2014	Business-Type Activities 2014	Governmental Activities 2013	Business-Type Activities 2013
Revenues				
Program revenues:				
Charges for Services	\$ 7,505,076	\$ 10,067,217	\$ 7,012,080	\$ 10,045,214
Operating Grants and Contributions	14,063,703	2,700,984	15,523,602	2,543,472
Capital Grants and Contributions	656,555	-	993,940	-
Total program revenues	<u>22,225,334</u>	<u>12,768,201</u>	<u>23,529,622</u>	<u>12,588,686</u>
General revenues:				
Property and Sales Taxes	15,977,856	-	15,733,280	-
Unrestricted Grants and Entitlements	1,008,239	-	920,640	-
Unrestricted Investment Earnings	145,904	-	204,219	168
Insurance Proceeds	-	-	3,075,406	-
Other	280,319	9,466	484,446	-
Total general revenues	<u>17,412,318</u>	<u>9,466</u>	<u>20,417,991</u>	<u>168</u>
Total revenues	<u>39,637,652</u>	<u>12,777,667</u>	<u>43,947,613</u>	<u>12,588,854</u>
Expenses				
General Government- Legislative and Executive	5,457,156	-	4,536,862	-
General Government- Judicial	2,755,562	-	2,734,629	-
Public Safety	5,361,312	-	5,436,575	-
Public Works	7,021,450	-	7,452,783	-
Health	1,523,650	-	2,322,187	-
Human Services	13,198,065	-	13,960,143	-
Conservation and Recreation	4,680	-	4,680	-
Economic Development and Assistance	362,958	-	860,864	-
Urban Redevelopment and Housing	149,640	-	154,555	-
Interest and Fiscal Charges	164,450	-	194,890	-
Wastewater Pollution Control Fund	-	3,864,524	-	3,507,583
Logan Acres County Home Fund	-	8,324,872	-	8,072,104
Total expenses	<u>35,998,923</u>	<u>12,189,396</u>	<u>37,658,168</u>	<u>11,579,687</u>
Change in Net Position Before Transfers	3,638,729	588,271	6,289,445	1,009,167
Net Transfers	<u>(95,506)</u>	<u>95,506</u>	<u>(93,155)</u>	<u>93,155</u>
Change in Net Position	3,543,223	683,777	6,196,290	1,102,322
Net position, Beginning of year, As Restated	89,839,193	21,353,619	83,642,903	20,251,297
Net Position, End of Year	<u>\$ 93,382,416</u>	<u>\$ 22,037,396</u>	<u>\$ 89,839,193</u>	<u>\$ 21,353,619</u>

For governmental activities, total revenues decreased by approximately \$4.3 million in 2014. This decrease was primarily the result of a \$3.1 million decrease in insurance proceeds received and a \$1.5 million decrease in operating grants and contributions, which resulted from National Emergency Grants in 2013.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2014 and 2013. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program expenses				
General Government- Legislative and Executive	\$ 5,457,156	\$ 2,920,659	\$ 4,536,862	\$ 1,973,837
General Government- Judicial	2,755,562	1,548,759	2,734,629	1,514,748
Public Safety	5,361,312	4,554,081	5,436,575	4,525,671
Public Works	7,021,450	957,565	7,452,783	2,135,109
Health	1,523,650	(577,498)	2,322,187	67,149
Human Services	13,198,065	3,983,915	13,960,143	3,967,624
Conservation and Recreation	4,680	4,680	4,680	4,680
Economic Development and Assistance	362,958	209,897	860,864	(388,217)
Urban Redevelopment an Housing	149,640	7,081	154,555	133,055
Interest and Fiscal Charges	164,450	164,450	194,890	194,890
Total program expenses	<u>\$ 35,998,923</u>	<u>\$ 13,773,589</u>	<u>\$ 37,658,168</u>	<u>\$ 14,128,546</u>

As can be seen in the chart above, the County is highly dependent upon property and sales taxes to support its governmental activities. For all governmental activities, taxes and other general revenues support 38 percent of expenses.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$21.3 million, a decrease of \$1.0 million in comparison with the prior year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately \$2.7 million, while total fund balance reached approximately \$4.2 million. As a measure of general fund liquidity, it may be useful to compare both unassigned and total fund balance to total general fund expenditures. Unassigned fund balance represents 20.3 percent of total general fund expenditures, while total fund balance represents 32.3 percent of that same amount.

The fund balance of the County's general fund decreased by \$1.8 million during the current fiscal year. This decrease represents the amount in which expenditures (\$13.1 million) and operating subsidies (\$926,261) exceeded revenues (\$12.2 million).

The fund balance of the County's auto and gas fund increased by \$198,725 during the current fiscal year. This increase represents the amount in which program revenues exceeded program expenditures.

The fund balance of the County's developmental disabilities fund increased by \$957,403 during the current fiscal year. This increase represents the amount in which property taxes and program revenues exceeded program expenditures.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)

General Fund Budgeting Highlights

The County's actual revenues exceeded the final revenue estimate by \$508,369, or 3.4%. This variance was primarily the result of a conservative sales tax estimate.

The County's final actual budgetary expenditures were \$544,139, or 3.8% less than the final expenditure budget. This variance is primarily the result of conservative budgeting.

The variances between the County's original and final revenue and expenditure budgets were insignificant.

Capital Assets

The County's investment in capital assets for governmental activities as of December 31, 2014, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure, totaled \$75.4 million (net of accumulated depreciation), an increase of \$3.7 million in comparison with the prior year. This increase consists of current year acquisitions of approximately \$8.1 million, offset by current year depreciation of approximately \$4.2 million and net current year disposals of \$91,723.

The City's investment in capital assets for business-type activities as of December 31, 2014, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure totaled \$38.9 million (net of accumulated depreciation), a decrease of \$877,044 in comparison with the prior year. This decrease represents the amount in which current year depreciation of approximately \$1.2 million and net current year disposals of \$3,273 exceeded current year acquisitions of \$261,626.

Detailed information regarding capital asset activity is included in the Note 9 to the basic financial statements.

Debt Administration

The County's governmental activities debt as of December 31, 2014 totaled approximately \$7.2 million, a decrease of \$749,994 in comparison with the prior year. This decrease represents the amount of amortization and principal payments made during the year.

The County's business-type activities debt as of December 31, 2014 totaled \$27.5 million, a decrease of \$434,504 in comparison with the prior year. This decrease primarily represents the amount in which amortization and principal payments made during the year exceeded the new loan issue.

Detailed information regarding debt activity is included in the Note 10 to the basic financial statements.

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 meyoder@co.logan.oh.us or telephone at (937) 599-7209.

LOGAN COUNTY

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in Pooled Cash and Investments	\$ 20,877,053	\$ 9,126,922	\$ 30,003,975
Cash and Cash Equivalents with Fiscal Agents	-	221,620	221,620
Receivables:			
Taxes	10,080,325	-	10,080,325
Accounts	397,910	1,073,879	1,471,789
Special Assessments	37,569	975,453	1,013,022
Accrued Interest	32,305	-	32,305
Intergovernmental	3,545,049	229,114	3,774,163
Prepaid Items	236,446	52,773	289,219
Materials and Supplies Inventory	640,149	-	640,149
Loans Receivable	166,250	-	166,250
Nondepreciable Capital Assets	4,796,172	287,214	5,083,386
Depreciable Capital assets, Net	70,638,777	38,695,028	109,333,805
Total Assets	111,448,005	50,662,003	162,110,008
Deferred Outflows of Resources			
Deferred Charge on Refunding	-	176,048	176,048
Total Deferred Outflows of Resources	-	176,048	176,048
Liabilities			
Accounts Payable	1,640,881	503,059	2,143,940
Accrued Wages	469,716	147,334	617,050
Due to Other Governments	424,330	180,666	604,996
Accrued Interest Payable	13,831	234,316	248,147
Long-Term Liabilities:			
Due Within One Year	1,063,033	895,537	1,958,570
Due in More Than One Year	7,322,684	26,839,743	34,162,427
Total Liabilities	10,934,475	28,800,655	39,735,130
Deferred Inflows of Resources:			
Property and Other Local Taxes	7,131,114	-	7,131,114
Total Deferred Inflows of Resources	7,131,114	-	7,131,114
Net Position			
Net Investment in Capital Assets	68,334,949	12,231,863	80,566,812
Restricted for:			
Legislative and Executive	998,967	-	998,967
Public Safety	334,731	-	334,731
Human Services	9,130,928	-	9,130,928
Public Works	6,294,341	-	6,294,341
Urban Redevelopment and Housing	23,462	-	23,462
Judicial	614,256	-	614,256
Economic Development and Assistance	330,818	-	330,818
Unrestricted	7,319,964	9,805,533	17,125,497
Total Net Position	\$ 93,382,416	\$ 22,037,396	\$ 115,419,812

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 5,457,156	\$ 2,536,497	\$ -	\$ -
Judicial	2,755,562	646,184	560,619	-
Public Safety	5,361,312	501,977	305,254	-
Public Works	7,021,450	512,275	4,895,055	656,555
Health	1,523,650	1,667,932	433,216	-
Human Service	13,198,065	1,621,960	7,592,190	-
Conservation and Recreation	4,680	-	-	-
Economic Development and Assistance	362,958	18,251	134,810	-
Urban Redevelopment and Housing	149,640	-	142,559	-
Interest and Fiscal Charges	164,450	-	-	-
Total Governmental Activities	<u>35,998,923</u>	<u>7,505,076</u>	<u>14,063,703</u>	<u>656,555</u>
Business-Type Activities:				
Water Pollution Control Fund	3,864,524	3,835,048	-	-
Logan Acres County Home Fund	8,324,872	6,232,169	2,700,984	-
Total Business-type Activities	<u>12,189,396</u>	<u>10,067,217</u>	<u>2,700,984</u>	<u>-</u>
Total Primary Government	<u>\$ 48,188,319</u>	<u>\$ 17,572,293</u>	<u>\$ 16,764,687</u>	<u>\$ 656,555</u>

General Revenues:
Property Taxes Levied for:
 General Purposes
 Developmental Disabilities
 Children Services
Sales Taxes Levied for:
 General Purposes
 Permanent Improvements
Unrestricted Grants and Contributions
Unrestricted Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year, As Restated
Net Position at End of Year

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
(2,920,659)		(2,920,659)
(1,548,759)		(1,548,759)
(4,554,081)		(4,554,081)
(957,565)		(957,565)
577,498		577,498
(3,983,915)		(3,983,915)
(4,680)		(4,680)
(209,897)		(209,897)
(7,081)		(7,081)
(164,450)		(164,450)
<u>(13,773,589)</u>		<u>(13,773,589)</u>
	(29,476)	(29,476)
	608,281	608,281
	<u>578,805</u>	<u>578,805</u>
\$ (13,773,589)	\$ 578,805	\$ (13,194,784)
2,507,893	-	2,507,893
3,457,194	-	3,457,194
973,210	-	973,210
6,030,674	-	6,030,674
3,008,885	-	3,008,885
1,008,239	-	1,008,239
145,904	9,466	155,370
280,319	-	280,319
(95,506)	95,506	-
<u>17,316,812</u>	<u>104,972</u>	<u>17,421,784</u>
3,543,223	683,777	4,227,000
89,839,193	21,353,619	111,192,812
<u>\$ 93,382,416</u>	<u>\$ 22,037,396</u>	<u>\$ 115,419,812</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2014

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$ 3,773,453	\$ 1,059,124	\$ 5,744,162	\$ 10,300,314	\$ 20,877,053
Receivables:					
Taxes	4,201,413	-	3,737,457	2,141,455	10,080,325
Accounts	134,500	6,390	118,761	138,259	397,910
Special Assessments	-	-	-	37,569	37,569
Accrued Interest	32,305	-	-	-	32,305
Intergovernmental	428,261	2,030,088	276,974	809,726	3,545,049
Interfund	-	-	-	123,836	123,836
Prepaid Items	173,797	23,451	-	39,198	236,446
Materials and Supplies Inventory	-	640,149	-	-	640,149
Due From Other Funds	200,000	-	-	-	200,000
Advances to Other Funds	69,746	-	-	-	69,746
Loans Receivable	166,250	-	-	-	166,250
Total Assets	<u>\$ 9,179,725</u>	<u>\$ 3,759,202</u>	<u>\$ 9,877,354</u>	<u>\$ 13,590,357</u>	<u>\$ 36,406,638</u>
Liabilities:					
Accounts Payable	\$ 503,131	\$ 72,941	\$ 110,596	\$ 954,213	\$ 1,640,881
Accrued Wages	181,905	52,358	93,793	141,660	469,716
Due to Other Governments	187,529	42,180	41,756	152,865	424,330
Interfund Payable	-	-	-	123,836	123,836
Matured Compensated Absences	-	-	623	19,723	20,346
Due To Other Funds	-	-	-	200,000	200,000
Advances from Other Funds	-	-	-	69,746	69,746
Total Liabilities	<u>872,565</u>	<u>167,479</u>	<u>246,768</u>	<u>1,662,043</u>	<u>2,948,855</u>
Deferred Inflows of Resources:					
Property and Other Local Taxes	2,453,647	-	3,366,368	1,311,099	7,131,114
Unavailable Revenue	1,618,402	1,688,252	605,091	1,111,703	5,023,448
Total Deferred Inflows of Resources	<u>4,072,049</u>	<u>1,688,252</u>	<u>3,971,459</u>	<u>2,422,802</u>	<u>12,154,562</u>
Fund Balances:					
Nonspendable:					
Inventory	-	640,149	-	-	640,149
Advances	69,746	-	-	-	69,746
Prepays	173,797	23,451	-	39,198	236,446
Unclaimed Monies	156,829	-	-	-	156,829
Loans	166,250	-	-	-	166,250
Restricted:					
Legislative and Executive	-	-	-	997,385	997,385
Public Safety	-	-	-	299,402	299,402
Human Services	-	-	5,659,127	2,459,084	8,118,211
Public Works	-	1,239,871	-	2,257,337	3,497,208
Urban Redevelopment and Housing	-	-	-	23,462	23,462
Judicial	-	-	-	610,706	610,706
Economic Development and Assistance	-	-	-	276,180	276,180
Committed:					
Health	35,790	-	-	1,060,770	1,096,560
Public Safety	-	-	-	113,339	113,339
Assigned:					
Encumbrances	220,523	-	-	-	220,523
Judicial	668,347	-	-	-	668,347
Legislative and Executive	83,176	-	-	-	83,176
Capital Projects	-	-	-	1,198,377	1,198,377
Public Works	-	-	-	211,170	211,170
Unassigned	2,660,653	-	-	(40,898)	2,619,755
Total Fund Balances	<u>4,235,111</u>	<u>1,903,471</u>	<u>5,659,127</u>	<u>9,505,512</u>	<u>21,303,221</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,179,725</u>	<u>\$ 3,759,202</u>	<u>\$ 9,877,354</u>	<u>\$ 13,590,357</u>	<u>\$ 36,406,638</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total Governmental Fund Balances	\$ 21,303,221
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	75,434,949
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.	
Sales Taxes	1,508,620
Property Taxes	546,532
Special Assessments	5,226
Intergovernmental	2,724,116
Accounts Receivable	211,431
Accrued Interest on Investments	27,523
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	(13,831)
Various Purpose Bonds	(7,100,000)
Unamortized Premium	(136,686)
Compensated Absences Payable	<u>(1,128,685)</u>
Net Position of Governmental Activities	<u><u>\$ 93,382,416</u></u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Sales Taxes	\$ 6,032,954	\$ -	\$ -	\$ 3,009,571	\$ 9,042,525
Property Taxes	2,512,642	-	3,465,123	957,891	6,935,656
Intergovernmental	985,882	4,935,110	2,651,350	7,193,682	15,766,024
Investment Income	142,674	-	-	8	142,682
Licenses and Permits	114,647	-	-	100,898	215,545
Fines and Forfeitures	205,028	49,327	-	36,412	290,767
Special Assessments	-	-	-	35,560	35,560
Charges for Services	1,945,203	301,977	413,690	3,057,133	5,718,003
Miscellaneous	322,102	41,612	297,565	724,425	1,385,704
Total Revenues	<u>12,261,132</u>	<u>5,328,026</u>	<u>6,827,728</u>	<u>15,115,580</u>	<u>39,532,466</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	5,936,487	-	-	1,312,068	7,248,555
Judicial	2,083,086	-	-	654,217	2,737,303
Public Safety	4,333,239	-	-	928,845	5,262,084
Public Works	162,463	4,988,410	-	3,022,129	8,173,002
Health	102,018	-	-	1,484,616	1,586,634
Human Service	489,687	-	5,870,325	6,804,628	13,164,640
Economic Development and Assistance	-	-	-	362,958	362,958
Urban Redevelopment and Housing	-	-	-	149,640	149,640
Capital Outlay	-	-	-	878,378	878,378
Debt service:					
Principal Retirement	-	-	-	735,000	735,000
Interest and Fiscal Charges	-	-	-	180,669	180,669
Total Expenditures	<u>13,106,980</u>	<u>4,988,410</u>	<u>5,870,325</u>	<u>16,513,148</u>	<u>40,478,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(845,848)	339,616	957,403	(1,397,568)	(946,397)
Other Financing Sources (Uses):					
Transfers In	-	-	-	938,755	938,755
Transfers Out	(926,261)	(108,000)	-	-	(1,034,261)
Total Other Financing Sources (Uses)	<u>(926,261)</u>	<u>(108,000)</u>	<u>-</u>	<u>938,755</u>	<u>(95,506)</u>
Net Change in Fund Balances	(1,772,109)	231,616	957,403	(458,813)	(1,041,903)
Fund Balance, Beginning of Year	6,032,758	1,704,746	4,701,724	9,964,325	22,403,553
Increase (Decrease) in Inventory	(25,538)	(32,891)	-	-	(58,429)
Fund Balance, End of Year	<u>\$ 4,235,111</u>	<u>\$ 1,903,471</u>	<u>\$ 5,659,127</u>	<u>\$ 9,505,512</u>	<u>\$ 21,303,221</u>

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, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (1,041,903)

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 activities, 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 Outlays	8,064,989
Depreciation	(4,245,979)

Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activities (91,723)

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

Sales Taxes	(2,966)
Property Taxes	2,641
Charges for Services	160,267
Intergovernmental Grants	(37,527)
Special Assessments	2,919
Interest Income	3,222
Miscellaneous	(23,370)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond and Note Principal Repayments	735,000
Bond Premium Amortization	14,994

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,225

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.

Change in Inventory	(58,429)
Compensated Absences	59,863

Change in Net Position of Governmental Activities \$ 3,543,223

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues:				
Sales Taxes	\$ 8,714,000	\$ 8,714,000	\$ 9,018,397	\$ 304,397
Property Taxes	2,350,000	2,350,000	2,532,413	182,413
Intergovernmental	1,282,000	1,282,000	1,418,977	136,977
Investment Income	214,000	214,000	209,977	(4,023)
Licenses and Permits	113,200	113,200	114,647	1,447
Fines and Forfeitures	193,000	193,000	193,228	228
Charges for Services	1,726,700	1,726,700	1,604,720	(121,980)
Miscellaneous	351,600	351,600	360,510	8,910
Total Revenues	14,944,500	14,944,500	15,452,869	508,369
Expenditures:				
Current:				
General Government:				
Legislative and Executive	6,894,332	7,007,687	6,560,949	446,738
Judicial	1,672,514	2,060,148	2,043,786	16,362
Public Safety	4,239,851	4,431,476	4,403,587	27,889
Public Works	103,205	165,839	165,013	826
Health	72,824	114,839	110,684	4,155
Human Service	560,312	561,312	513,143	48,169
Total Expenditures	13,543,038	14,341,301	13,797,162	544,139
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,401,462	603,199	1,655,707	1,052,508
Other Financing Sources (Uses):				
Insurance Proceeds	-	-	234,619	234,619
Advances In	-	-	5,260	5,260
Advances Out	-	(52,601)	(52,601)	-
Transfers In	-	-	100,000	100,000
Transfers Out	(3,758,185)	(3,931,642)	(3,927,786)	3,856
Total Other Financing Sources (Uses)	(3,758,185)	(3,984,243)	(3,640,508)	343,735
Net Change in Fund Balances	(2,356,723)	(3,381,044)	(1,984,801)	1,396,243
Fund Balance, Beginning of Year	3,781,094	3,781,094	3,781,094	-
Prior Year Encumbrances Appropriated	378,695	378,695	378,695	-
Fund Balance, End of Year	\$ 1,803,066	\$ 778,745	\$ 2,174,988	\$ 1,396,243

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
AUTO AND GAS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Intergovernmental	\$ 3,855,000	\$ 4,775,299	\$ 4,902,925	\$ 127,626
Investment Income	1,000	1,000	-	(1,000)
Fines and Forfeitures	40,000	40,000	46,783	6,783
Charges for Services	175,000	175,000	301,977	126,977
Miscellaneous	55,000	55,000	41,612	(13,388)
Total Revenues	<u>4,126,000</u>	<u>5,046,299</u>	<u>5,293,297</u>	<u>246,998</u>
Expenditures:				
Current:				
Public Works	5,029,378	5,842,232	5,174,077	668,155
Total Expenditures	<u>5,029,378</u>	<u>5,842,232</u>	<u>5,174,077</u>	<u>668,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(903,378)	(795,933)	119,220	915,153
Other Financing Sources (Uses):				
Transfers Out	-	(108,000)	(108,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(108,000)</u>	<u>(108,000)</u>	<u>-</u>
Net Change in Fund Balances	(903,378)	(903,933)	11,220	915,153
Fund Balance, Beginning of Year	725,819	725,819	725,819	-
Prior Year Encumbrances Appropriated	178,378	178,378	178,378	-
Fund Balance, End of Year	<u>\$ 819</u>	<u>\$ 264</u>	<u>\$ 915,417</u>	<u>\$ 915,153</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Property Taxes	\$ 3,989,812	\$ 3,778,279	\$ 3,491,741	\$ (286,538)
Intergovernmental	1,778,381	2,319,262	2,771,546	452,284
Charges for Services	396,800	396,800	412,487	15,687
Miscellaneous	345,200	291,200	418,072	126,872
Total Revenues	<u>6,510,193</u>	<u>6,785,541</u>	<u>7,093,846</u>	<u>308,305</u>
Expenditures:				
Current:				
Human Service	6,915,815	7,215,705	6,050,661	1,165,044
Total Expenditures	<u>6,915,815</u>	<u>7,215,705</u>	<u>6,050,661</u>	<u>1,165,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(405,622)	(430,164)	1,043,185	1,473,349
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(250,110)	(250,110)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,110)</u>	<u>(250,110)</u>	<u>-</u>
Net Change in Fund Balances	(655,622)	(680,274)	793,075	1,473,349
Fund Balance, Beginning of Year	4,416,609	4,416,609	4,416,609	-
Prior Year Encumbrances Appropriated	191,726	191,726	191,726	-
Fund Balance, End of Year	<u>\$ 3,952,713</u>	<u>\$ 3,928,061</u>	<u>\$ 5,401,410</u>	<u>\$ 1,473,349</u>

LOGAN COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 4,143,898	\$ 4,983,024	\$ 9,126,922
Cash and Cash Equivalents With Fiscal Agents	55,843	165,777	221,620
Receivables:			
Accounts	660,898	412,981	1,073,879
Special Assessments	975,453	-	975,453
Intergovernmental	-	229,114	229,114
Prepaid Items	9,109	43,664	52,773
Total Current Assets	<u>5,845,201</u>	<u>5,834,560</u>	<u>11,679,761</u>
Noncurrent Assets:			
Nondepreciable Capital Assets	287,214	-	287,214
Depreciable Capital assets, Net	<u>24,979,673</u>	<u>13,715,355</u>	<u>38,695,028</u>
Total Noncurrent Assets	<u>25,266,887</u>	<u>13,715,355</u>	<u>38,982,242</u>
Total Assets	<u>31,112,088</u>	<u>19,549,915</u>	<u>50,662,003</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	-	176,048	176,048
Total Deferred Inflows of Resources	<u>-</u>	<u>176,048</u>	<u>176,048</u>
Liabilities			
Current Liabilities			
Accounts Payable	293,901	209,158	503,059
Accrued Wages	22,012	125,322	147,334
Due to Other Governments	17,409	163,257	180,666
Accrued Interest Payable	120,994	113,322	234,316
Compensated Absences Payable	21,804	90,733	112,537
Revenue Bonds Payable	<u>543,000</u>	<u>240,000</u>	<u>783,000</u>
Total Current Liabilities	1,019,120	941,792	1,960,912
Long-Term Liabilities:			
Compensated Absences Payable	56,269	88,418	144,687
Revenue Bonds Payable	13,739,500	12,165,000	25,904,500
OWDA Loan Payable	415,764	-	415,764
Unamortized Bond Premium	<u>30,865</u>	<u>343,927</u>	<u>374,792</u>
Total Long-Term Liabilities	<u>14,242,398</u>	<u>12,597,345</u>	<u>26,839,743</u>
Total Liabilities	<u>15,261,518</u>	<u>13,539,137</u>	<u>28,800,655</u>
Net Position			
Net Investment in Capital Assets	10,984,387	1,247,476	12,231,863
Unrestricted	<u>4,866,183</u>	<u>4,939,350</u>	<u>9,805,533</u>
Total Net Position	<u>\$ 15,850,570</u>	<u>\$ 6,186,826</u>	<u>\$ 22,037,396</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Operating Revenues			
Charges for Services	\$ 2,740,025	\$ 6,206,727	\$ 8,946,752
Special Assessments	995,531	-	995,531
Intergovernmental	-	2,647,823	2,647,823
Miscellaneous	99,492	25,442	124,934
Total Operating Revenues	<u>3,835,048</u>	<u>8,879,992</u>	<u>12,715,040</u>
Operating Expenses			
Personal Services	869,683	4,268,745	5,138,428
Contractual Services	1,385,576	2,217,983	3,603,559
Materials and Supplies	187,276	578,749	766,025
Miscellaneous	14,976	205,019	219,995
Depreciation	808,653	404,158	1,212,811
Total Operating Expenses	<u>3,266,164</u>	<u>7,674,654</u>	<u>10,940,818</u>
Operating Income (Loss)	<u>568,884</u>	<u>1,205,338</u>	<u>1,774,222</u>
Nonoperating Revenues (Expenses)			
Interest Income	67	9,399	9,466
Intergovernmental	-	53,161	53,161
Interest and Fiscal Charges	(598,360)	(650,218)	(1,248,578)
Total Non-Operating Revenues (Expenses)	<u>(598,293)</u>	<u>(587,658)</u>	<u>(1,185,951)</u>
Income (Loss) Before Transfers	(29,409)	617,680	588,271
Transfers In	95,506	-	95,506
Change in Net Position	66,097	617,680	683,777
Net Position, Beginning of Year	15,784,473	5,569,146	21,353,619
Net Position, End of Year	<u>\$ 15,850,570</u>	<u>\$ 6,186,826</u>	<u>\$ 22,037,396</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	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 from Services	\$ 3,829,014	\$ 6,373,067	\$ 10,202,081
Cash Received from Other Governments	-	2,645,186	2,645,186
Cash Received from Other Operating Sources	101,840	24,866	126,706
Cash Payments to Employees for Services	(859,825)	(4,311,921)	(5,171,746)
Cash Payments to Suppliers for Goods and Services	(1,489,561)	(2,784,735)	(4,274,296)
Cash Payments for Other Services	(14,505)	(191,254)	(205,759)
Net Cash Flows from Operating Activities	<u>1,566,963</u>	<u>1,755,209</u>	<u>3,322,172</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Bonds	-	12,647,746	12,647,746
Payment to Refunding Bond Escrow Agent	-	(12,590,909)	(12,590,909)
Payments for Capital Acquisitions	(226,226)	(35,400)	(261,626)
Principal Payments	(526,700)	(242,000)	(768,700)
Interest and Fiscal Charges Paid	(636,984)	(717,577)	(1,354,561)
Intergovernmental	-	53,161	53,161
Transfers In	95,506	-	95,506
Loan Proceeds	104,262	-	104,262
Net Cash Flows from Capital and Related Financing	<u>(1,190,142)</u>	<u>(884,979)</u>	<u>(2,075,121)</u>
Cash Flows from Investing Activities			
Interest Income	67	9,399	9,466
Net Cash Flows from Investing Activities	<u>67</u>	<u>9,399</u>	<u>9,466</u>
Net Increase (Decrease) in Cash and Cash Equivalents	376,888	879,629	1,256,517
Cash and Cash Equivalents at Beginning of Year	3,822,853	4,269,172	8,092,025
Cash and Cash Equivalents at End of Year	<u>\$ 4,199,741</u>	<u>\$ 5,148,801</u>	<u>\$ 9,348,542</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 568,884	\$ 1,205,338	\$ 1,774,222
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	808,653	404,158	1,212,811
Loss on Disposal of Capital Assets	2,984	289	3,273
(Increase)/Decrease in Assets:			
Accounts Receivable	(452,014)	181,829	(270,185)
Special Assessments Receivable	547,820	-	547,820
Due from Other Governments	-	(2,637)	(2,637)
Materials and Supplies Inventory	-	11,500	11,500
Prepaid Items	(2,346)	(2,278)	(4,624)
Increase/(Decrease) in Liabilities:			
Accounts Payable	80,778	13,965	94,743
Accrued Wages	6,016	7,707	13,723
Compensated Absences Payable	5,385	20,969	26,354
Due to Other Governments	803	(69,566)	(68,763)
Deposits Held for Others	-	(16,065)	(16,065)
Total Adjustments	<u>998,079</u>	<u>549,871</u>	<u>1,547,950</u>
Net Cash Flows from Operating Activities	<u>\$ 1,566,963</u>	<u>\$ 1,755,209</u>	<u>\$ 3,322,172</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	Private Purpose Trust Fund	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 85,312	\$ 3,575,592
Cash and Cash Equivalents with Fiscal Agents	-	566,155
Receivables:		
Taxes	-	42,720,272
Accounts	-	4,501
Special Assessments	-	873,722
Intergovernmental	-	2,124,018
Prepaid items	-	68,582
Total Assets	85,312	49,932,842
Liabilities		
Accounts Payable	-	70,898
Due To Other Governments	-	45,382,103
Undistributed Monies	-	4,427,608
Accrued Wages	-	52,233
Total Liabilities	-	49,932,842
Net Position		
Held in Trust for Veterans:		
Non-Expendable	70,787	-
Expendable	14,525	-
Total Net Position	\$ 85,312	\$ -

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Private Purpose Trust Fund</u>
Additions	
Investment Income	\$ 1,487
Total Additions	<u>1,487</u>
Deductions	
Other Operating Expense	<u>9,925</u>
Total Deductions	<u>9,925</u>
Change in Net Position	(8,438)
Net Position at Beginning of Year	<u>93,750</u>
Net Position at End of Year	<u>\$ 85,312</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 1 – 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 and provides home services for individuals of the County.

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 which 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. Component units may also include organizations that are 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 County does not have any component units.

JOINTLY GOVERNED ORGANIZATIONS

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-two 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 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 1 – REPORTING ENTITY (Continued)

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 basic 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 County's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (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. 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 position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net position 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of net position 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 Board of Developmental Disabilities 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 balance 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.

Developmental Disabilities Fund - The Developmental Disabilities Fund is used to account for a County-wide property tax levy and state and federal grants and reimbursements used for care and services for individuals with developmental disabilities.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, committed, or assigned 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 position, 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 Control fund is used to account for the financial transactions related to the water treatment service operations of the County.

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

Fiduciary Funds

Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County does not have any pension trust funds or investment trust 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 Position.

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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements 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 liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position 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 unavailable 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.

Unavailable Revenue

On the governmental funds balance sheet, unavailable revenue represent receivables that do not meet the County's availability criteria for recognition in the current period, such as sales taxes, special assessments, gasoline taxes, motor vehicle license fees, homestead and rollback funding, permissive license taxes, local government funds, state and federal grants, and delinquent property taxes, whose availability is indeterminate. In subsequent periods, when revenue recognition criteria are met, the unavailable revenue deferral is removed from the balance sheet and revenue is recognized.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Other Local Taxes

On the government-wide statement of net position and governmental funds balance sheet, property and other local taxes represents property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations.

Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

Expenditures/Expenses

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 2014.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, General Fund encumbrances outstanding at year-end are reported as Assigned for Encumbrances.

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 Equivalents 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, Ludlow Center Regional Planning, Program Income, Water Pollution Control, Logan Acres Bond Service, Escrow General Tax, and the Chase Stewart Expendable Trust Funds. Interest income earned by these funds in 2014 totaled \$155,370. 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 expensed 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.

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year 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 position 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 position 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 \$5,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized in accordance with 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.

All reported capital assets are depreciated, with the exception of land including land under road base. Improvements are depreciated over the remaining useful life 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</u>	<u>Business-Type Activities</u>
Land Improvements	15 years	15 years
Buildings and Improvements	30-100 years	30-100 years
Furniture and Equipment	10-20 years	10-20 years
Vehicles	5-10 years	5-10 years
Water Pollution Control Infrastructure	N/A	70 years
Roads	15 years	N/A
Bridges	75 years	N/A

(j) Interfund Balances

On fund financial statements, receivables and payables resulting from interfund loans are classified as "Due to/From Other Funds" or "Advances To/From Other Funds", the latter not expected to be repaid within one year, and outstanding repayments from funds responsible for particular expenditures to the funds that initially paid for them are classified as "Interfund Receivable/Payable". All of these amounts are eliminated in the governmental and business-type activities columns of the statement of net position, 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the proprietary and government-wide statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance year 2015 operations, and other revenues received in advance of the year for which they were intended to finance, have been recorded as deferred inflows of resources on the statement of net position. Sales taxes, grants and entitlements, and other revenues not received within the available period and delinquent property taxes due at year-end are recorded as unavailable revenue in the governmental funds and as revenue on the statement of activities.

(l) 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).

(m) 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund statements only to the extent they are due and payable at year-end. Bonds, capital leases, 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.

(n) Fund Balance

In accordance with Governmental Accounting Standards Board Statements No. 54, Fund Balance Reporting, the County classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories were used:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can be used for the specified purposes imposed by a formal action (resolution) of the County Commissioners (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the County Commissioners remove or change the specified use by taking the same action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the County Commissioners, which includes giving the County Auditor the authority to constrain monies for intended purposes.

Unassigned – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In Other Governmental Funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The County applies restricted resources first when disbursements are incurred for purposes for which both restricted and unrestricted (committed, assigned and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The County considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets 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 position 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 position reported as restricted represent state and federal grants and entitlements. The County did not have any restrictions through enabling legislation at year-end.

(p) Operating Revenues and Expenses

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.

(q) Capital Contributions

Capital Contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grant or outside contributions of resources restricted to capital acquisition and construction, or from capital related transactions with governmental funds. The County did not receive any capital contributions during the fiscal year.

(r) Interfund Activity

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

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.

(s) 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 the current fiscal year.

(t) Estimates

The preparation of the financial statements in conformity with GAAP 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.

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 3 – BUDGET BASIS OF ACCOUNTING

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

The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) 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 Assigned or Restricted fund balance (GAAP).
- (d) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

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:

	Net Change in Fund Balances		
	General Fund	Auto and Gas Fund	Developmental Disabilities Fund
Budget Basis	\$ (1,984,801)	\$ 11,220	\$ 793,075
Revenue Accruals	(854,871)	34,729	(145,611)
Expenditure Accruals	285,321	41,960	(32,813)
Advances	47,341	-	-
Encumbrances	719,566	143,707	342,752
Unclaimed Funds Activities	44,367	-	-
Recorder Equipment	(3,984)	-	-
Certificate of Title	(25,048)	-	-
Long Term Environment	-	-	-
GAAP Basis	\$ (1,772,109)	\$ 231,616	\$ 957,403

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 4 – DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such moneys 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.

Inactive moneys may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and 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);
7. Certain banker's acceptance 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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.

(b) Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits, including cash with fiscal agents, was \$22,469,135 and the bank balance was \$22,418,020. Of the County's bank balance, \$2,636,191 was covered by the Federal Deposit Insurance Corporation, while the remaining balance was exposed to custodial risk, as discussed below.

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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

(c) Investments

Interest Rate Risk: Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. The reporting of effective duration in the table below quantifies, to the fullest extent possible, the interest rate risk of the County's fixed income assets.

Investment Type	Fair Value	Investment Maturities		
		Less than one year	1 to 2 years	Greater than 2 years
US Bank Overnight Sweep	\$ 28,063	\$ 28,063	\$ -	\$ -
Federal Farm Credit Bank	2,488,935	-	-	2,488,935
FHLMC	2,987,247	-	-	2,987,247
Brokered Certificate of Deposit	2,444,818	-	-	2,444,818
Federal Home Loan Bank	1,000,210	-	-	1,000,210
Federal National Mortgage Association	2,518,088	-	-	2,518,088
Corporate Note	499,935	-	499,935	-
Government National Mortgage Association	8,223	-	-	8,223
Total	\$ 11,975,519	\$ 28,063	\$ 499,935	\$ 11,447,521

Credit Risk: Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. At year-end, the County's investments were rated as follows:

Investment Type	Fair Value	Standard and Poor's Ratings		
		AAA	AA+	Not Rated
US Bank Overnight Sweep	\$ 28,063	\$ -	\$ -	\$ 28,063
Federal Farm Credit Bank	2,488,935	-	2,488,935	-
FHLMC	2,987,247	-	2,987,247	-
Brokered Certificate of Deposit	2,444,818	-	-	2,444,818
Federal Home Loan Bank	1,000,210	-	1,000,210	-
Federal National Mortgage Association	2,518,088	-	2,518,088	-
Corporate Note	499,935	-	499,935	-
Government National Mortgage Association	8,223	8,223	-	-
Total	\$ 11,975,519	\$ 8,223	\$ 9,494,415	\$ 2,472,881

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: Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. 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, 2014:

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
US Bank Overnight Sweep	\$ 28,063	0.24%
Federal Farm Credit Bank	2,488,935	20.78%
FHLMC	2,987,247	24.94%
Brokered Certificate of Deposit	2,444,818	20.42%
Federal Home Loan Bank	1,000,210	8.35%
Federal National Mortgage Association	2,518,088	21.03%
Corporate Note	499,935	4.17%
Government National Mortgage Association	8,223	0.07%
Total	<u>\$ 11,975,519</u>	<u>100%</u>

(d) Reconciliation of Cash on Hand, Deposits and Investments to the Statement of Net Position

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 position as of December 31, 2014:

Cash and Investments Per Note

Carrying Amount of Deposits	\$ 22,469,135
Investments	11,975,519
Cash on Hand	8,000
Total	<u>\$ 34,452,654</u>

Cash and Investments Per Statement of Net Position

Governmental and Business-Type Activities	\$ 30,225,595
Private-Purpose Trust Funds	85,312
Agency Funds	4,141,747
Total	<u>\$ 34,452,654</u>

(e) Deficit Fund Balances

The following governmental funds had deficit fund balances at December 31, 2014 as a result of accruals recorded in accordance with accounting principles generally accepted in the United States of America. The General Fund transfers funds when deficit cash balances exist, not when accruals occur.

<u>Fund</u>	<u>Deficit</u>
LUC Regional Planning	(11,042)
Childrens Trust Fund	(7,220)
Bond Retirement- McClure 77 Ditch	(5,340)
Bond Retirement- South Fork Ditch	(11,038)
Bond Retirement- Laughlin Ditch	(6,027)
Office of Juvenile Justice and Delinquency Prevention	(231)

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity during the fiscal year was as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ -	\$ 926,261
Auto and Gas Fund		108,000
Other Governmental Funds	938,755	-
Total Governmental Funds	<u>\$ 938,755</u>	<u>\$ 1,034,261</u>
<u>Proprietary Funds:</u>		
Indian Lake Water Pollution Control	95,506	-
Total Proprietary Funds	<u>\$ 95,506</u>	<u>\$ -</u>
Totals	<u>\$ 1,034,261</u>	<u>\$ 1,034,261</u>

The transfers from the General Fund to Other Governmental Funds represent recurring subsidies for program (\$192,624) and debt service (\$733,637) expenditures. The transfers from the Auto and Gas Fund to Other Governmental Funds and from the General Fund to the Indian Lake Water Pollution Control Fund represent normal recurring subsidies for debt service expenditures.

NOTE 6 – INTERFUND LOANS

Interfund loan activity during the fiscal year was as follows:

<u>Fund</u>	<u>Beginning Balance</u>	<u>New Advances</u>	<u>Advance Repayments</u>	<u>Ending Balance</u>
General	\$ 222,405	\$ 52,601	\$ (5,260)	\$ 269,746
Job and Family Services	-	5,260	(52,601)	(47,341)
McClure 77 Ditch	(5,340)	-	-	(5,340)
South Fork Ditch	(11,038)	-	-	(11,038)
Laughlin Ditch	(6,027)	-	-	(6,027)
Moving Forward Ohio	(200,000)	-	-	(200,000)
	<u>\$ -</u>	<u>\$ 57,861</u>	<u>\$ (57,861)</u>	<u>\$ -</u>

These outstanding loans related to special assessment projects and grant programs. As the County collects the special assessment payments and grant funds, the loans will be repaid. The County expects the special assessment loans balances to be outstanding greater than one year; however, the grant funds are expected to be repaid within one year.

In addition, interfund receivables/payables at year-end totaled \$123,836. This represents the outstanding balance of operating costs incurred by the Public Assistance Fund on behalf of the Workforce Development (\$77,524) and Child Support (\$46,312) Funds, but not yet reimbursed by those Funds. The Public Assistance Fund is expected to be reimbursed in calendar year 2015.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 7 – RECEIVABLES

Receivables at December 31, 2014, 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 and public utility 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 total assessed value of real and public utility property for tax year 2013, which was used to collect property taxes in calendar year 2014, was \$1,143,648,230. The full tax rate for all County operations applied to real property for the year ended December 31, 2014, was \$2.50 per \$1,000 of assessed valuation.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due February 10. If paid semi-annually, the first payment is due February 10, and the remainder payable by July 20. 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, phased 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 was eliminated in calendar year 2011. The taxes were 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.

Property 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 2014 operations, the receivable is offset by a credit to Deferred Inflows of Resources (Property and Other Local Taxes). The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2015 are shown as 2014 revenue; the remainder is shown as "Unavailable 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.

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 7 – RECEIVABLES (Continued)

A detailed breakdown of intergovernmental receivables is as follows:

	Amounts
Governmental Activities:	
Local Government and Revenue Assistance	\$ 224,712
Excess IRP Compensation	62,887
Gasoline and Excise Tax	1,159,524
Auto Registration Fees	807,678
Homestead and Rollback	414,705
Casino Revenue Tax	252,973
Indigent Counsel Fees	33,126
Sheriff Subsidy	3,954
Family Drug Court Grant	7,597
Title XX	5,955
Targeted Case Management	2,555
ODE Unit Funding	69,512
Developmental Disabilities State Subsidy	96,299
Childrens Services Grant	277,825
Traffic Grant	9,006
Drug Task Force Grant	4,354
Workforce Development Grant	26,625
JAIBG Grant	2,533
Family Drug Court Grant	35,034
Homeland Security Grant	14,408
911 Charges	7,500
CHIP Grant	13,665
Bellefontaine Municipal Court	12,622
Total Governmental Activities	\$ 3,545,049
Business-Type Activities	
Logan Acres-State Aid	\$ 229,114

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-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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 9 – CAPITAL ASSETS

Capital asset activity for Governmental Activities during the fiscal year was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 3,951,674	\$ 82,910	\$ (45,600)	\$ 3,988,984
Construction in Progress	-	807,188	-	807,188
Total Nondepreciable Assets	<u>3,951,674</u>	<u>890,098</u>	<u>(45,600)</u>	<u>4,796,172</u>
Depreciable Capital Assets				
Land Improvements	654,992	-	-	654,992
Building and Improvements	21,505,067	2,574,654	-	24,079,721
Machinery and Equipment	15,013,787	384,118	(18,640)	15,379,265
Vehicles	3,472,000	298,143	(285,321)	3,484,822
Infrastructure- Roads and Bridges	75,016,438	3,917,976	-	78,934,414
Total Depreciable Assets	<u>115,662,284</u>	<u>7,174,891</u>	<u>(303,961)</u>	<u>122,533,214</u>
Less accumulated depreciation				
Land Improvements	(439,711)	(22,654)	-	(462,365)
Building and Improvements	(7,339,611)	(487,422)	-	(7,827,033)
Machinery and Equipment	(9,790,479)	(907,073)	17,705	(10,679,847)
Vehicles	(2,988,039)	(132,577)	240,133	(2,880,483)
Infrastructure- Roads and Bridges	(27,348,456)	(2,696,253)	-	(30,044,709)
Total accumulated depreciation	<u>(47,906,296)</u>	<u>(4,245,979)</u>	<u>257,838</u>	<u>(51,894,437)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>67,755,988</u>	<u>2,928,912</u>	<u>(46,123)</u>	<u>70,638,777</u>
Total Capital Assets, Net	<u>\$ 71,707,662</u>	<u>\$ 3,819,010</u>	<u>\$ (91,723)</u>	<u>\$ 75,434,949</u>

Depreciation expense was charged to the governmental functions as follows:

General Government	
Legislative	\$ 774,389
Judicial	16,350
Conservation and Recreation	4,680
Public Works	3,055,365
Public Safety	225,436
Human Services	104,133
Health	65,626
Total depreciation expense	<u>\$ 4,245,979</u>

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 9 – CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities during the fiscal year was as follows:

Water Pollution Control Capital Assets:	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 209,800	\$ -	\$ -	\$ 209,800
Construction in Progress	-	77,414	-	77,414
Total Nondepreciable Assets	209,800	77,414	-	287,214
Depreciable Capital Assets				
Land Improvements	336,647	-	-	336,647
Building and Improvements	15,048,584	-	-	15,048,584
Machinery and Equipment	3,857,635	217,635	-	4,075,270
Vehicles	353,225	8,591	(59,685)	302,131
Infrastructure	21,300,550	-	-	21,300,550
Total Depreciable Assets	40,896,641	226,226	(59,685)	41,063,182
Less accumulated depreciation				
Land Improvements	(203,429)	(3,747)	-	(207,176)
Building and Improvements	(3,875,473)	(207,940)	-	(4,083,413)
Machinery and Equipment	(3,316,247)	(64,348)	-	(3,380,595)
Vehicles	(323,695)	(4,686)	56,701	(271,680)
Infrastructure	(7,612,713)	(527,932)	-	(8,140,645)
Total accumulated depreciation	(15,331,557)	(808,653)	56,701	(16,083,509)
Depreciable Capital Assets, Net of accumulated depreciation	25,565,084	(582,427)	(2,984)	24,979,673
Total Capital Assets, Net	\$ 25,774,884	\$ (505,013)	\$ (2,984)	\$ 25,266,887
Logan Acres County Home:	Beginning Balance	Additions	Deductions	Ending Balance
Depreciable Capital Assets				
Land Improvements	\$ 1,453	\$ -	\$ -	\$ 1,453
Building and Improvements	16,880,526	20,297	-	16,900,823
Machinery and Equipment	709,423	15,103	(5,789)	718,737
Vehicles	71,923	-	-	71,923
Infrastructure	9,052	-	-	9,052
Total Depreciable Assets	17,672,377	35,400	(5,789)	17,701,988
Less accumulated depreciation				
Land Improvements	(966)	(138)	-	(1,104)
Building and Improvements	(2,914,338)	(380,143)	-	(3,294,481)
Machinery and Equipment	(601,768)	(23,447)	5,500	(619,715)
Vehicles	(68,323)	-	-	(68,323)
Infrastructure	(2,580)	(430)	-	(3,010)
Total accumulated depreciation	(3,587,975)	(404,158)	5,500	(3,986,633)
Total Capital Assets, Net	\$ 14,084,402	\$ (368,758)	\$ (289)	\$ 13,715,355

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 10 – LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2014:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%	\$ 7,835,000	\$ -	\$ (735,000)	\$ 7,100,000	\$ 600,000
Series 2012 A/B - Premium	151,680	-	(14,994)	136,686	-
Compensated Absences	1,193,212	857,487	(901,668)	1,149,031	463,033
Total Governmental Activities	\$ 9,179,892	\$ 857,487	\$ (1,651,662)	\$ 8,385,717	\$ 1,063,033
 Business-Type Activities					
Sewer System Improvement Bonds, Series 2007, Issued 03/30/2007, 4.00%	\$ 1,920,000	\$ -	\$ (105,000)	\$ 1,815,000	\$ 110,000
Sewer System Improvement Revenue Bonds, Series 2007A/B Issued 03/30/07, 4.125%	2,269,200	-	(31,700)	2,237,500	33,000
Sewer System Improvement Bonds Series 2008, Issued 12/17/08 3% to 5%	8,705,000	-	(275,000)	8,430,000	285,000
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%	1,915,000	-	(115,000)	1,800,000	115,000
Series 2012 A/B - Premium	33,549	-	(2,684)	30,865	-
O.W.D.A. Loan 10/25/2012, 1.0%	309,811	105,953	-	415,764	-
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36	5,648,000	-	(5,648,000)	-	-
County Home Revenue Bonds Issued 08/11/06, 4.5%	2,607,000	-	(2,607,000)	-	-
County Home Improvement Bonds, Series A Issued 07/21/10, 2.0% to 3.0%	135,000	-	(30,000)	105,000	45,000
County Home Improvement Bonds, Series B Issued 07/21/10, 4.51% to 6.67%	2,130,000	-	(2,130,000)	-	-
County Home Improvement Bonds, Series C Issued 07/21/10, 6.82%	2,240,000	-	(2,240,000)	-	-
2014 Refunding Bonds, 3-5% Issued 9/30/14, Matures 12/1/39	-	12,300,000	-	12,300,000	195,000
2014 Refunding Bonds Premium	-	347,746	(3,819)	343,927	-
Compensated Absences Payable	230,870	174,455	(148,101)	257,224	112,537
Total Business-Type Activities	\$ 28,143,430	\$ 12,928,154	\$ (13,336,304)	\$ 27,735,280	\$ 895,537

In August, 2006, the County issued \$3,000,000 of County Home Revenue Bonds and \$6,500,000 of County Home Construction Bonds, Series 2006, 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 10 – LONG TERM LIABILITIES (Continued)

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.

In July 2010, the County issued \$4,530,000 of County Home Improvement Bonds, Series 2010 A/B/C, for the purpose of renovations and new construction of the Homestead assisted living facility to the existing Logan Acres operations. The Series B bonds were issued under the Build America Bonds where 35% of interest payments made by the County are remitted back to the County and are reported as revenues. The Series C bonds were issued under the Recovery Zone Bonds where 35% of interest payments made by the County are remitted back to the County and are reported as revenues.

In November 2012, the County issued \$10,585,000 of Various Purpose Bonds, Series 2012 A and Series 2012 B. \$9,830,000 for the purpose of advance refunding Series 2002 Various Purpose Bonds, Series 2002 Sewer System Refunding Bonds, Series 2011 Capital Facilities Bond Anticipation Note, Series 2011 Recycling Upgrade Bond Anticipation Note, and Series 2011 Sewer Improvement Note, and \$755,000 for the purpose of paying the costs of improving, rehabilitating and renovating the Carnegie Library Building.

In October 2012, the County issued \$2,280,848 of Ohio Water Development Authority (“OWDA 2012”) No Feasible Alternative Evaluation Notes for planning and design for the reduction/elimination of secondary treatment bypasses and for the reduction/elimination of sanitary sewer overflow in the collection system within the County’s Indian Lake Water Pollution Control District. The District will combine the planning and design loan with the final construction loan in 2015.

On September 30, 2014, the County issued \$12,300,000 of refunding bonds with a true cost of 3.48%, to advance refund \$12,413,000 of outstanding 2006 and 2010 bonds. The proceeds of \$12,647,746 (net of \$200,654 in issuance costs) provided for a deposit into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 and 2010 bonds. As a result, the 2006 and 2010 bonds are considered to be defeased and the liability for those bonds was removed from the bonds payable balance.

The 2014 refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$177,909. This difference, reported in the accompanying basic financial statements as a deferred outflow of resources, is being charged to operations through calendar year 2039 using the straight-line method. The County completed the advance refunding to reduce its total bond payments through calendar year 2039 by \$1,446,136 and to obtain an economic gain (difference between the present values of the old and new bond payments) of \$1,096,898.

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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 10 – LONG TERM LIABILITIES (Continued)

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

Sewer System Improvement Bonds, Series 2007			
	Principal	Interest	Totals
2015	110,000	72,600	\$ 182,600
2016	115,000	68,200	183,200
2017	120,000	63,600	183,600
2018	120,000	58,800	178,800
2019	125,000	54,000	179,000
2020-2024	720,000	189,800	909,800
2025-2028	505,000	41,000	546,000
Total	\$ 1,815,000	\$ 548,000	\$ 2,363,000

	Sewer System Improvement Bonds, Series 2007			Sewer System Improvement Bonds, Series 2008		
	Principal	Interest	Totals	Principal	Interest	Totals
2015	33,000	92,297	\$ 125,297	285,000	410,299	\$ 695,299
2016	34,400	90,935	125,335	300,000	399,611	699,611
2017	35,800	89,517	125,317	310,000	387,611	697,611
2018	37,300	88,040	125,340	325,000	372,111	697,111
2019	38,800	86,501	125,301	340,000	355,861	695,861
2020-2024	219,300	406,996	626,296	1,940,000	1,545,474	3,485,474
2025-2029	268,400	358,026	626,426	1,925,000	1,034,452	2,959,452
2030-2034	328,700	297,897	626,597	3,005,000	631,052	3,636,052
2035-2039	402,500	224,256	626,756	-	-	-
2040-2044	492,400	134,126	626,526	-	-	-
2045-2048	346,900	29,006	375,906	-	-	-
Total	\$ 2,237,500	\$ 1,897,597	\$ 4,135,097	\$ 8,430,000	\$ 5,136,471	\$ 13,566,471

Various Purpose Refunding Bonds, Series 2012 A/B			
	Principal	Interest	Totals
2015	715,000	210,325	\$ 925,325
2016	715,000	196,025	911,025
2017	735,000	181,725	916,725
2018	755,000	167,026	922,026
2019	765,000	151,926	916,926
2020-2024	3,005,000	504,673	3,509,673
2025-2029	1,450,000	231,512	1,681,512
2030-2034	760,000	46,200	806,200
Total	\$ 8,900,000	\$ 1,689,412	\$ 10,589,412

As of December 31, 2014, the County has drawdown \$415,764 of the OWDA 2012 loan. Since the loan was not completed at year end, this amount was excluded from the future debt service schedules presented above.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 10 – LONG TERM LIABILITIES (Continued)

	County Home Improvement Bonds, Series 2010A			2014 Refunding Bonds		
	Principal	Interest	Totals	Principal	Interest	Totals
2015	\$ 45,000	\$ 2,925	\$ 47,925	\$ 195,000	\$ 526,762	\$ 721,762
2016	60,000	1,800	61,800	260,000	444,588	704,588
2017	-	-	-	380,000	436,788	816,788
2018	-	-	-	395,000	425,388	820,388
2019	-	-	-	410,000	409,588	819,588
2020-2024	-	-	-	2,285,000	1,818,190	4,103,190
2025-2029	-	-	-	2,795,000	1,301,889	4,096,889
2030-2034	-	-	-	3,315,000	792,205	4,107,205
2035-2039	-	-	-	2,265,000	209,945	2,474,945
Total	<u>\$ 105,000</u>	<u>\$ 4,725</u>	<u>\$ 109,725</u>	<u>\$ 12,300,000</u>	<u>\$ 6,365,343</u>	<u>\$ 18,665,343</u>

Pledged Revenues on Debt Issuances – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay \$3.0 million of county home revenue bonds issued in August 2006, which were refunded with the 2014 Refunding Bonds. Proceeds from the bonds provided financing for the construction of the 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 \$3,528,625. Principal and interest paid for the current year and total customer net revenues in 2014 were \$184,315 and \$1,205,338, 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 \$4,135,097. Principal and interest paid for the current year and total customer net revenues in 2014 were \$125,304 and \$568,884, respectively.

NOTE 11 – COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government-wide 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, 2014 vested vacation, compensatory, and sick leave benefits for governmental activity and business-type activity employees totaled \$1,149,031 and \$257,224, respectively.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 12 – 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.

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 provides 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 2014, 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 2014 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 12.0% and 13.00% respectively.

The 2014 employer contribution rate for local government employer units was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll. The County's contributions to OPERS for all employees for the years ended December 31, 2014, 2013, and 2012, were \$2,663,089, \$2,636,951, and \$2,621,429, respectively, equal to the required contributions in each year.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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 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, 2014, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent. The County's required contribution for pension obligations for the years ended December 31, 2014, 2013 and 2012 were \$97,939, \$92,063, and \$93,225, respectively, equal to the required contributions for each year.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2014 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 or the appropriate state system. As of December 31, 2014, none have elected Social Security.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 13 – 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; and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined 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 in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing OPERS, 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.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employer units contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. 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. The portion of employer contribution allocated to the health care for members in the Traditional Plan was 1.0% during calendar year 2014. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2014. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2% for both plans, as recommended by the OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. 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, 2014, 2013, and 2012 were \$2,663,089, \$2,636,951, and \$2,621,429, respectively, of which \$380,441, \$188,352, and \$748,942, respectively, was allocated to the healthcare plan. The County's contributions were equal to the required contribution in each year.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing on January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the transition period.

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, 2014, 2013, and 2012. 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, 2014, 2013, and 2012 were \$97,939, \$92,063, and \$93,225, respectively, of which \$6,996, \$6,573, and \$6,659, respectively, was allocated to the STRS post-employment healthcare plan. The County's contributions were equal to the required contributions in each year.

NOTE 14 – DEFERRED COMPENSATION PLAN

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.

NOTE 15 – 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

NOTE 16 – RESTATEMENT OF NET POSITION

The County's 2013 financial statements were restated due to an accounting change for Sales Tax Receivable. The restatement resulted in a change in beginning Net Position as detailed below:

	Governmental Activities Net Position
Net Position, December 31, 2013	\$ 89,056,464
Sales Tax Receivable	782,729
Net Position, January 1, 2014, Restated	89,839,193

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2014, the County has implemented the following:

GASB Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees" enhances comparability of financial statements by requiring consistent reporting by those governmental entities that extend nonexchange financial guarantees and by those governmental entities that receive nonexchange financial guarantees. The implementation of this statement did not have a significant effect on the financial statements of the County.

NOTE 18 – NEW PRONOUNCEMENTS

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The implementation of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015.

NOTE 19 – SUBSEQUENT EVENTS

On January 28, 2015, the County issued a \$6 million Capital Facilities Bond Anticipation Note for the purpose of paying the cost of renovating, improving, furnishing and equipping the County Courthouse.

On April 1, 2015, the Board of County Commissioners approved Resolution 1780-27 providing for the issuance and sale of bonds, in the maximum aggregate principal amount of \$3,810,000, for the purpose of purchasing equipment for the Water Pollution Control District and improving the Indian Lake Wastewater Treatment Plant. The County issued the bonds in April 2015.

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**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Food Stamp Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1415-11-5383	10.561	\$246,352
 <i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	05-PU-09	10.553	5,600
National School Lunch Program	LLP4-09	10.555	10,471
Total Child Nutrition Cluster			<u>16,071</u>
Total U.S. Department of Agriculture			<u>262,423</u>
 U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass through the Ohio Development Services Agency</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:			
Formula Grant	B-F-12-1BP-1	14.228	60,549
Formula Grant	B-F-13-1BP-1	14.228	22,497
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			<u>83,046</u>
 Home Investment Partnerships Program:			
Home Investment Partnerships Program	B-C-11-1BP-2	14.239	58,965
Home Investment Partnerships Program	B-C-13-1BP-2	14.239	89,979
Total Home Investment Partnerships Program			<u>148,944</u>
Total U.S. Department of Housing and Urban Development			<u>231,990</u>
 U.S. DEPARTMENT OF JUSTICE			
<i>Passed through the Ohio Department of Youth Services</i>			
Juvenile Accountability Block Grants	2010-JB-015-B009	16.523	9,993
Drug Court Discretionary Grant Program	2011-DC-BX-0003	16.585	90,807
 <i>Passed through the Ohio Attorney General's Office</i>			
Crime Victim Assistance	2014VAGENE007	16.575	36,450
Crime Victim Assistance	2015VAGENE007	16.575	20,729
Total Crime Victim Assistance			<u>57,179</u>
 Edward Byrne Memorial Justice Assistance Grant Program:			
Edward Byrne Memorial JAG - Stokes Enforcement	2009-JG-LLV-5281	16.738	6,682
Edward Byrne Memorial JAG - Retaining Deputies and Overtime	2013-JG-A02-6821	16.738	39,998
Edward Byrne Memorial JAG - The Circles Project	2013-JG-D01-6619	16.738	14,736
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>61,416</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program	2012-MO-BX-0031	16.745	138,990
Total U.S. Department of Justice			<u>358,385</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
U.S. DEPARTMENT OF LABOR			
<i>Passed through the Ohio Department of Job & Family Services and Area 7 Workforce Investment Board</i>			
Workforce Investment Act Cluster:			
WIA/WIOA Adult Program	2010-7346	17.258	57,843
WIA/WIOA Youth Activities	2010-7346	17.259	48,183
WIA/WIOA Dislocated Worker Formula Grants	2010-7346	17.278	48,581
Total Workforce Investment Act Cluster			<u>154,607</u>
Employment Services/Wagner-Peyser Funded Activities	2010-7346	17.207	10,154
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	2010-7346	17.277	203,120
Total U.S. Department of Labor			<u>367,881</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction Grant	PID #87081	20.205	3,985
Highway Planning and Construction Grant	PID #91595	20.205	18,397
Highway Planning and Construction Grant	PID #97058	20.205	50,000
Highway Planning and Construction Grant	PID #97077	20.205	2,421
Total Highway Planning and Construction Grant			<u>74,803</u>
<i>Passed through the Ohio Department of Public Safety</i>			
State and Community Highway Safety			
High Visibility Enforcement Overtime Grant	HVEO-2014-46-00-00-00-360-00	20.600	28,919
Selective Traffic Enforcement Program	STEP-2015-46-00-22-00-531-00	20.600	1,629
Total State and Community Highway Safety			<u>30,548</u>
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
National Priority Safety Programs	IDEP-2015-46-00-00-00-359-00	20.616	3,968
Interagency Hazardous Materials Public Sector Training and Planning Grants	HM-HMP-0355-13-01-00	20.703	3,840
Total U.S. Department of Transportation			<u>113,159</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster:			
Special Education Preschool Grants	PGS1-2010	84.173	35,015
Total U.S. Department of Education			<u>35,015</u>
U.S. ELECTION ASSISTANCE COMMISSION			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act Requirements Payments	06-SOS-HHHS-46	90.401	1,139
Total U.S. Election Assistance Commission			<u>1,139</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Award Disbursements</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Promoting Safe and Stable Families	G-1415-11-5383	93.556	46,145
Temporary Assistance for Needy Families (TANF)	G-1415-11-5383	93.558	444,679
<i>Passed through Area 7 Workforce Investment Board</i>			
Temporary Assistance for Needy Families (TANF)	2010-7346	93.558	50,630
Temporary Assistance for Needy Families (TANF)			<u>495,309</u>
<i>Passed through the Ohio Department of Job & Family Services</i>			
Child Support Enforcement	G-1415-11-5383	93.563	509,778
Child Care and Development Block Grant	G-1415-11-5383	93.575	73,971
Community Based Child Abuse Prevention Grants	G-1415-11-5383	93.590	1,720
<i>Passed through the Ohio Secretary of State</i>			
Voting Access for Individuals with Disabilities - Grants to States	06-SOS-HHHS-46	93.617	860
<i>Passed through the Ohio Department of Job & Family Services</i>			
Stephanie Tubbs Jones Child Welfare Services Program	G-1415-11-5383	93.645	50,563
Foster Care - Title IV-E	G-1415-11-5383	93.658	228,180
Foster Care - Title IV-E	G-1415-06-0212	93.658	72,790
Total Foster Care - Title IV-E			<u>300,970</u>
Adoption Assistance	G-1415-11-5383	93.659	294,494
Social Services Block Grant:			
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	G-1415-11-5383	93.667	25,231
<i>Passed through the Ohio Department of Job & Family Services</i>			
Social Services Block Grant	G-1415-11-5383	93.667	459,235
Total Social Services Block Grant			<u>484,466</u>
Chafee Foster Care Independence Program	G-1415-11-5383	93.674	480
Medical Assistance Program:			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Medical Assistance Program	G-1415-11-5383	93.778	419,701
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Medicaid Administrative Claiming	(1)	93.778	111,526
Total Medical Assistance Program			<u>531,227</u>
Total U.S. Department of Health and Human Services			<u>2,789,983</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
U.S DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through the Ohio Department of Public Safety</i>			
<i>Emergency Management Agency</i>			
Emergency Management Performance Grants	EMW-2013-EP- 00060-S01	97.042	51,798
Homeland Security Grant Program:			
State Homeland Security Program	EMW-2011-SS-00070	97.067	1,521
State Homeland Security Program	EMW-2012-SS-00070	97.067	100,859
Citizen Corps Program	EMW-2011-SS-00070	97.067	1,970
Citizen Corps Program	EMW-2011-SS-00070	97.067	1,595
Total Homeland Security Grants			<u>105,945</u>
Total Department of Homeland Security			<u>157,743</u>
Total Federal Award Expenditures			<u><u>\$4,317,718</u></u>

(1 Pass through number not available or multiple.

See accompanying notes to the Schedule of Expenditures of Federal Awards.

LOGAN COUNTY, OHIO

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2014**

Note 1 – Significant Accounting Policies

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 set forth 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*.

Note 3 – Matching Requirements

Certain federal programs require the county contribute non-federal funds (matching funds) to support the federally funded programs. The County has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the Schedule of Expenditures of Federal Awards.

Note 4 – Transfers between Federal Programs

The U.S. Department of Health and Human Services permits the Ohio Department of Job and Family Services (ODJFS) to transfer funds from the Temporary Assistance for Needy Families (93.558) program to the Social Services Block Grant (93.667) program and the Child Care and Development (93.596) program. In fiscal year 2014, a portion of Logan County’s Social Services Block Grant program allocation from ODJFS represents allowable TANF transfer funds.

During fiscal year 2014, ODJFS transferred \$272,909 of the County’s Temporary Assistance for Needy Families (93.558) funds to the Social Services Block Grant program.

The Schedule of Expenditures of Federal Awards shows the County spent \$444,679 on the Temporary Assistance for Needy Families program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule of Expenditures of Federal Awards excludes the amount ODJFS transferred to the Social Services Block Grant program. The amount ODJFS transferred to the Social Services Block Grant program is included in the federal program expenditures for this program. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during the fiscal year 2014:

Total Temporary Assistance for Needy Families.....	\$ 717,588
Total reported as Social Services Block Grant	<u>(272,909)</u>
Total reported as Temporary Assistance for Needy Families.....	<u>\$ 444,679</u>

Note 5 – 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.

LOGAN COUNTY, OHIO

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2014**

Note 6 – Subrecipients

The County passes certain federal awards received from the Ohio Department of Job and Family Services to other governments or not-for-profit agencies (subrecipients). As Note 2, describes, the County reports expenditures of federal awards to subrecipients when paid in cash.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 16, 2015. We noted the County restated Governmental Activities Net Position for December 31, 2013 for an accounting change in sales tax receivable.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. 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 finding 2014-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

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

County's Response to Finding

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 16, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Logan County
Honorable County Board of Commissioners
Honorable County Auditor
Honorable County Treasurer
100 South Madriver Street
Bellefontaine, Ohio 43311

To the County Board of Commissioners, Auditor, and Treasurer:

Report on Compliance for Each Major Federal Program

We have audited Logan County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Logan County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

The County's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Temporary Assistance for Needy Families and Social Services Block Grant

As described in Findings 2014-002 and 2014-003 in the accompanying schedule of findings, the County did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2014-002	93.558	Temporary Assistance for Needy Families	Sub-Recipient Monitoring
2014-002	93.667	Social Services Block Grant	Sub-Recipient Monitoring
2014-003	93.667	Social Services Block Grant	Reporting

Compliance with these requirements is necessary, in our opinion, for the County to comply with the requirements applicable to these programs.

Qualified Opinion on Temporary Assistance for Needy Families and Social Services Block Grant

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Temporary Assistance for Needy Families and Social Services Block Grant* paragraph, the County complied, in all material respects, with the requirements referred to above that could directly and materially affect its Temporary Assistance for Needy Families and Social Services Block Grant for the year ended December 31, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Logan County complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended December 31, 2014.

Report on Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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 material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement 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 as items 2014-002 and 2014-003 to be material weaknesses.

The County's responses to our noncompliance findings are described in the accompanying schedule of findings and corrective action plan. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

October 16, 2015

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**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified for all major programs except for Temporary Assistance for Needy Families and Social Services Block Grant, which we qualified.
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	CFDA #93.558 - Temporary Assistance for Needy Families CFDA #93.563 - Child Support Enforcement CFDA #93.658 - Foster Care Title IV-E CFDA #93.667 - Social Services Block Grant CFDA #93.778 - Medical Assistance Program
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2014-001

Material Weakness

Financial Reporting

Sound financial reporting is the responsibility of the Auditor and the governing board and is essential to ensure the information provided to the readers of the financial statement is complete and accurate.

The following misstatements were adjusted on the December 31, 2014 financial statements:

- \$410,256 in the Auto & Gas Fund and Governmental Activities opinion units to remove amounts which should not be included in inventory;
- \$315,300 in the Water Pollution Control Fund and Business-Type Activities opinion units to properly reclassify charges for services and accounts receivable from special assessments and special assessment receivables.

The following errors were immaterial to the overall financial statements of the County and were not posted to the December 31, 2014 financial statements:

- \$78,238, \$88,570, and \$32,040 in the General, Developmental Disabilities, and Other Governmental Funds, respectively, to properly post taxes at gross rather than at net;
- \$60,876 in Other Governmental Funds to properly classify amounts as intergovernmental revenue rather than miscellaneous revenue;
- \$122,826 in the Water Pollution Control Fund and Business-Type Activities to properly reclassify special assessments receivable rather than accounts receivable;
- \$100,000 in Other Governmental Funds was not recorded as accounts payable; and,
- \$136,686 and \$135,865 in Governmental Activities and Logan Acres/Business-Type Activities, respectively, to properly record net investment in capital assets.

The lack of proper controls and/or procedures to assure that all transaction types are completely and accurately posted led to errors, as noted above, and could lead to irregularities in the presentation of financial statements and/or notes to the financial statements as presented at year end by the entity.

The misstatements identified above should be reviewed by the Auditor and the governing board to ensure that similar errors are not reported on the financial statements in subsequent years. In addition, the Auditor should adopt policies and procedures to identify and correct errors and omissions. The implementation and proper management of a new accounting software system, planned for later implementation, should help to alleviate future issues. Accurate financial reporting is essential to provide useful information to financial statement users as well as management.

Officials' Response:

We will continue to work on this issue.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Sub-Recipient Monitoring

Finding Number	2014-002
CFDA Title and Number	93.558 – Temporary Assistance for Needy Families (TANF) 93.667 – Social Services Block Grant (SSBG)
Federal Award Number / Year	G-1415-11-5383
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance and Material Weakness

45 CFR §92.37(b) requires that grantees, other than states, shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering sub-grants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

1. Ensure that every sub-grant includes a provision for compliance with this part;
2. Ensure that every sub-grant includes any clauses required by Federal statute and executive orders and their implementing regulations; and
3. Ensure that sub-grantees are aware of requirements imposed upon them by Federal statutes and regulations.

45 CFR §92.40(a) states grantees are responsible for managing the day-to-day operations of grant and sub-grant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

Ohio Admin. Code 5101:9-1-88(A)(1) states county family services agencies (CFSA) and workforce development agencies (WDA), as sub-recipients of the Ohio Department of Job and Family Services (ODJFS), are required to monitor their sub-recipients.

Ohio Admin. Code 5101:9-1-88(E) states on an annual basis, the CFSA (County Family Service Agency) or WDA (Workforce Development Agency) shall determine the appropriate degree and method for the monitoring of each sub-recipient by performing a risk assessment review. This risk assessment is performed to ensure adequate monitoring is performed and resources and personnel are used efficiently.

The County JFS Department maintained sub-recipient relationships during 2014; however the department did not have any controls in place nor did they conduct any monitoring of sub-recipients who received TANF or SSBG funds during 2014. Failure to have procedures in place to monitor sub-recipients may result in ineligible costs being charged to federal programs. The County JFS Department should implement procedures to monitor sub-recipients. In addition, the annual risk assessment review should be completed for each sub-recipient in order to determine the appropriate degree and method for monitoring each sub-recipient.

Officials' Response:

See Corrective Action Plan

Reporting

Finding Number	2014-003
CFDA Title and Number	93.667 – Social Services Block Grant (JFS) Social Services Block Grant (BODD)
Federal Award Number / Year	G-1415-11-5383
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services Ohio Department of Development Disabilities

Noncompliance and Material Weakness

45 CFR Part 75 §75.342(a), regarding monitoring by the non-Federal entity, provides that the non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also §75.352.

Ohio Department of Job and Family Services requires quarterly submission of the Social Services Block Grant Quarterly Summary of Direct Services Provided and Purchased Services Contracts and Agreements for counties. Additionally, the Ohio Department of Development Disabilities requires grantees to submit quarterly reports via the Department Title XX Web Application, totaling the number of units by services and persons in three different age categories.

The Department of Job and Family Services reported the number of individuals assessed per program type quarterly in accordance with the Social Services Block Grant; however, the totals reported did not agree to supporting documentation. In addition, the department did not have documentation supporting the total reported for Adult Protection Services assessment.

The Department should establish procedures for accurately reporting the number of individuals assessed as well as supporting documentation for performance reporting requirements of the Social Services Block Grant.

The Board of Developmental Disabilities completed its quarterly reports; however the number of transportation units for 3 out of 4 reports were over stated. Rather than reporting the number of transports in round trips, the Board reported each one way trip as a transportation unit. This resulted in the Board receiving excess funds in the amount of \$3,792.

The Department of Job and Family Services and the Board of Developmental Disabilities should implement procedures to properly report and maintain documentation required for quarterly reporting to the State for federal grants. Failure to properly report information could result in the loss of funding.

Officials' Response:

The LCBDD discovered and informed the Ohio Department of Developmental Disabilities (ODODD) of the overpayment in transportation units in July, 2015. Per the guidance of Tiffany Harlan at ODODD, a report was to be submitted detailing the overpaid transportation units to be deducted from a future claim. This report was submitted to ODODD in September, 2015 and the overpaid units will be deducted from the claim to be submitted in October, 2015. A corrective action plan was set in place to avoid future overpayments. See Corrective Action Plan.

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2013-001	Financial Reporting – Misstatements identified in financial statements	No	Repeated as Finding 2014-001
2013-002	Ohio Rev. Code Section 5705.41(D)(1) – Failure to properly encumber	Yes	

**FINANCIAL CONDITION
LOGAN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
DECEMBER 31, 2014**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2014-002	JFS shall develop a risk assessment tool to utilize in monitoring all sub recipient contracts when TANF and/or SFBG funds are used.	December 31, 2015 (began review/development prior to audit finding)	Kimberly Arbogast, Account clerk (over contracts)
2014-003	<p>County Board Of Developmental Disabilities - Each quarterly invoice will be generated and entered into the on-line ODODD application by the Fiscal Clerk and the Business Manager will review for accuracy, contract compliance and electronically approve the quarterly report before submission.</p> <p>County Jobs and Family Services - JFS shall assure documentation is attached to the completed 4282 to verify numbers reported are accurately reflected in the activities completed by the Agency.</p>	<p>Completed September 2015</p> <p>December 31, 2015</p>	<p>Lana Switzer, Board of DD Business Manager</p> <p>Kimberly Arbogast, Account Clerk and Therese Calland, Social Service Worker 2</p>



Dave Yost • Auditor of State

LOGAN COUNTY FINANCIAL CONDITION

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
NOVEMBER 24, 2015