



Mary Taylor, CPA  
Auditor of State



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benjamin Logan Local School District, Logan County (the District), as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

Ohio Administrative Code § 117-2-03 (B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. However, as discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than generally accepted accounting principles. The accompanying financial statements and notes omit assets, liabilities, fund equities, and disclosures that, while material, we cannot determine at this time.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benjamin Logan Local School District, Logan County, as of June 30, 2010, and the respective changes in cash financial position and the respective budgetary comparison for the General Fund and Emergency Levy Fund thereof for the fiscal year then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information 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 have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The Schedule of Federal Awards Receipts and Expenditures provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Federal Awards Receipts and Expenditures is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

November 22, 2010

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED**

The management's discussion and analysis of the Benjamin Logan Local School District's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2010, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- The total net cash assets of the District decreased \$303,692 or 4.27% from fiscal year 2009.
- General cash receipts accounted for \$15,918,567 or 73.92% of total governmental activities cash receipts. Program specific cash receipts accounted for \$4,149,877 or 20.68% of total governmental activities cash receipts.
- The District had \$20,372,136 in cash disbursements related to governmental activities; \$4,149,877 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$15,918,567 were not adequate to provide for these programs.
- The District's major funds are the General Fund, Emergency Levy Fund and the Bond Retirement Fund. The General Fund, the District's largest major fund, had cash receipts \$14,876,708 in 2009. The cash disbursements and other financing uses of the General Fund, totaled \$15,698,850 in 2010. The General Fund's cash balance decreased \$822,142 from 2009 to 2010.
- The Emergency Levy Fund, a District major fund, had cash receipts of \$1,618,151 in 2010. The Emergency Levy Fund had cash disbursements of \$1,279,681 in 2010. The Emergency Levy Fund's balance increased \$338,470 from 2009 to 2010.
- The Bond Retirement Fund, a District major fund, had cash receipts of \$603,021 in 2010. The bond retirement fund had cash disbursements of \$877,507 in 2010. The Bond Retirement Fund cash balance decreased \$274,486 from 2009 to 2010.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

The Statement of Net Assets – Cash Basis and Statement of Activities – Cash Basis provide information about the activities of the whole District, presenting an aggregate view of the District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, there are three major governmental funds. The General Fund is the largest major fund.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis answers the question, “How did we do financially during 2010?” These statements include *only net assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This basis of accounting takes into account only the current year’s receipts and disbursements if the cash is actually received or paid.

These two statements report the District’s net assets and changes in those assets on a cash basis. This change in net cash assets is important because it tells the reader that, for the District as a whole, the cash basis financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District’s property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, mandated federal and state programs and other factors.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis, the Governmental Activities include District’s programs and services including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The Statement of Net Assets – Cash Basis and the Statement of Activities – Cash Basis can be found on pages 13 and 14 of this report.

**Reporting the District’s Most Significant Funds**

***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 District, 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 District can be divided into two categories: governmental funds and fiduciary funds.

Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s most significant funds. The District’s major governmental funds are the General Fund, Emergency Levy Fund and Bond Retirement Fund. The analysis of the District’s major governmental funds begins on page 8.



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The governmental fund statements provide a detailed view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various District programs. Since the District is reporting on the cash basis of accounting, there are no differences in the net assets and fund cash balances or changes in net assets and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 15 and 16 of this report.

The District's budgetary process accounts for certain transactions on a cash basis. The budgetary statements for the General Fund and Emergency Levy Fund are presented to demonstrate the District's compliance with annually adopted budgets. The budgetary statements can be found on pages 17 and 18 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's only fiduciary funds are agency funds. Only the cash held at year end for these funds is reported on page 19.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-37 of this report.

**Government-Wide Financial Analysis**

Recall that the Statement of Net Assets – Cash Basis provides the perspective of the District as a whole.

The table below provides a summary of the District's net cash assets for 2010 and 2009.

	<b>Change in Net Cash Assets</b>	
	<b>Governmental Activities 2010</b>	<b>Governmental Activities 2009</b>
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$6,797,590	\$7,101,282
Cash in segregated accounts	3,000	3,000
<b>Total Assets</b>	<b>6,800,590</b>	<b>7,104,282</b>
<b>Net Assets</b>		
Restricted	1,726,770	1,546,790
Unrestricted	5,073,820	5,557,492
<b>Total Net Assets</b>	<b>\$6,800,590</b>	<b>\$7,104,282</b>

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The total net cash assets of the District decreased \$303,692, which represents a 4.27% decrease under fiscal year 2009.

The balance of government-wide unrestricted net cash assets of \$4,006,825 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash assets for fiscal year 2010 and 2009.

<b>Change in Net Cash Assets</b>		
	<b>Governmental Activities 2010</b>	<b>Governmental Activities 2009</b>
<b>Cash Receipts:</b>		
<b>Program Cash Receipts:</b>		
Charges for Services and Sales	\$ 2,220,021	\$ 2,231,724
Operating Grants and Contributions	1,929,856	1,291,929
Capital Grants and Contributions		20,645
<b>Total Program Cash Receipts</b>	<b>4,149,877</b>	<b>3,544,298</b>
<b>General Cash Receipts:</b>		
Property and Other Taxes	6,953,476	7,619,416
Unrestricted Grants	8,659,076	8,548,388
Investment Earnings	92,359	198,181
Other	213,656	192,865
<b>Total General Cash Receipts</b>	<b>15,918,567</b>	<b>16,558,850</b>
<b>Total Cash Receipts</b>	<b>20,068,444</b>	<b>20,103,148</b>
<b>Cash Disbursements:</b>		
<b>Instruction:</b>		
Regular	7,138,521	6,994,229
Special	2,146,860	1,724,186
Vocational	580,280	579,943
Other	1,316,692	1,079,970
<b>Support Services:</b>		
Pupil	752,072	747,555
Instructional Staff	845,242	795,580
Board of Education	73,202	57,418
Administration	1,547,510	1,705,822
Fiscal	459,185	442,111
Operations and Maintenance of Plant	1,502,365	1,595,463
Pupil Transportation	1,346,718	1,363,104
Central	329,848	280,470
Operation of Non-instructional Services	9,271	8,324
Food Service Operations	737,093	747,858
Extracurricular	541,343	534,339
Capital Outlay	178,821	150,125
<b>Debt Service:</b>		
Principal Retirement	840,000	1,240,000
Interest and Fiscal Charges	27,113	58,312
<b>Total Cash Disbursements</b>	<b>\$20,372,136</b>	<b>\$20,104,809</b>

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

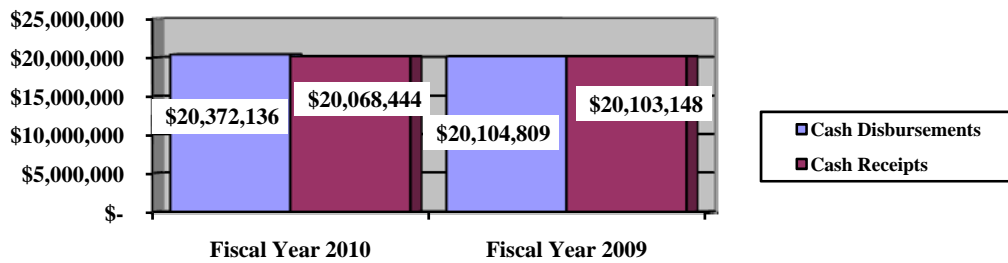
**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**Governmental Activities**

Governmental cash assets decreased by \$303,692 in 2010 from 2009. Total governmental expenses of \$20,372,136 were offset by program revenues of \$4,149,877 and general revenues of \$15,918,567. Program revenues supported 20.37% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted grants and entitlements. These revenue sources represent 77.80% of total governmental revenue. Real estate property is reappraised every six years.

**Governmental Activities - Total Cash Receipts vs. Total Cash Disbursements**



**Governmental Activities**

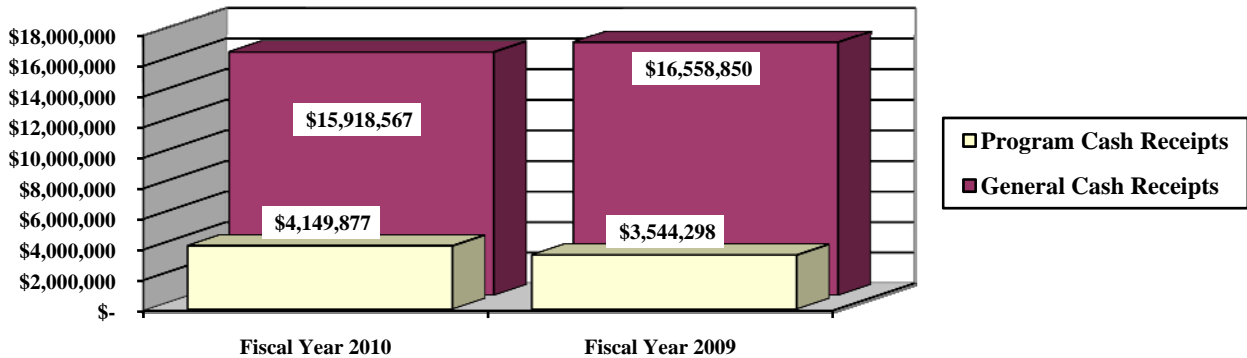
	<b>Total Cost of Services 2010</b>	<b>Net Cost of Services 2010</b>	<b>Total Cost of Services 2009</b>	<b>Net Cost of Services 2009</b>
<b>Cash Disbursements:</b>				
<b>Instruction:</b>				
Regular	\$ 7,138,521	\$ 5,325,541	\$ 6,994,229	\$ 5,597,986
Special	2,146,860	1,299,074	1,724,186	928,999
Vocational	580,280	502,227	579,943	501,618
Other	1,316,692	1,294,070	1,079,970	1,079,970
<b>Support Services:</b>				
Pupil	752,072	585,684	747,555	568,586
Instructional Staff	845,242	746,130	795,580	710,218
Board of Education	73,202	73,202	57,418	57,418
Administration	1,547,510	1,433,854	1,705,822	1,595,894
Fiscal	459,185	459,185	442,111	438,977
Operations and Maintenance of Plant	1,502,365	1,502,270	1,595,463	1,593,178
Pupil Transportation	1,346,718	1,338,327	1,363,104	1,329,749
Central	329,848	317,989	280,470	265,890
Operation of Non-instructional Services	9,271	(187,739)	8,324	559
Food Service Operations	737,093	60,675	747,858	33,885
Extracurricular	541,343	425,836	534,339	409,147
Facilities Acquisition and Construction	178,821	178,821	150,125	150,125
<b>Debt Service:</b>				
Principal Retirement	840,000	840,000	1,240,000	1,240,000
Interest and Fiscal Charges	27,113	27,113	58,312	58,312
<b>Total</b>	<b>\$20,372,136</b>	<b>\$16,222,259</b>	<b>\$20,104,809</b>	<b>\$16,560,511</b>

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

The dependence upon general cash receipts for governmental activities is apparent; with 79.63% of cash disbursements supported through taxes and other general cash receipts during 2010.

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The District's governmental funds are accounted for using the cash basis of accounting.

The District's governmental funds reported a combined fund cash balance of \$6,800,590, which is \$303,692 below last year's total of \$7,104,282. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2010 and June 30, 2009, for all major and non-major governmental funds.

	<u>Fund Cash Balance June 30, 2010</u>	<u>Fund Cash Balance June 30, 2009</u>	<u>Increase (Decrease)</u>
<b>Major Funds:</b>			
General	\$4,066,825	\$4,888,967	(\$822,142)
Emergency Levy	1,006,995	668,525	338,470
Bond Retirement	1,070,363	1,344,849	(274,486)
Other Non-major Governmental Funds	656,407	201,941	454,466
<b>Total</b>	<u>\$6,800,590</u>	<u>\$7,104,282</u>	<u>(\$303,692)</u>

**General Fund**

The General Fund, the District's largest major fund, had cash receipts of \$14,876,708 in 2010. The cash disbursements and other financing uses of the General Fund, totaled \$15,698,850 in 2010. The General Fund's cash balance decreased \$822,142 from 2009 to 2010.

The table that follows assists in illustrating the cash receipts of the General Fund.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

	<b>2010 Amount</b>	<b>2009 Amount</b>	<b>Percentage Change</b>
<b>Cash Receipts:</b>			
Taxes	\$ 5,180,957	\$ 5,427,766	(4.55) %
Tuition	1,349,083	1,266,000	6.56 %
Transportation Fees	28,129	48,630	(42.16) %
Earnings on Investments	92,359	198,181	(53.40) %
Other Local Revenues	255,234	239,752	6.46 %
Intergovernmental - State	7,970,946	8,029,939	(0.73) %
<b>Total</b>	<b><u>\$14,876,708</u></b>	<b><u>\$15,210,268</u></b>	<b><u>2.19 %</u></b>

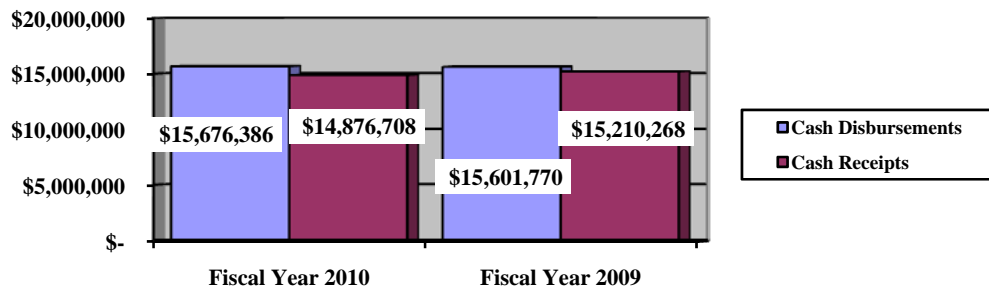
The District had more students from other school districts apply for open enrollment, which resulted in an increase in Tuition revenue. The District provides busing services to the Ohio Hi-Point Joint Vocational School. The 2007-2008 school year and the 2008-2009 school year payments related to the busing services were both posted in fiscal year 2009 in the Transportation Fee column. The interest rates have also fallen, which accounts for the decrease in the Earnings on Investments.

The table that follows assists in illustrating the expenditures, excluding other financing uses, of the General fund.

	<b>2010 Amount</b>	<b>2009 Amount</b>	<b>Percentage Change</b>
<b>Cash Disbursements:</b>			
Instruction	\$ 9,120,288	\$ 9,046,858	0.81 %
Support Services	6,139,759	6,037,237	1.70 %
Extracurricular	379,839	367,550	3.34 %
Capital Outlay	36,500	150,125	(75.69) %
<b>Total</b>	<b><u>\$15,676,386</u></b>	<b><u>\$15,601,770</u></b>	<b><u>0.48 %</u></b>

Facilities acquisition and construction expenditures decreased as a result of fewer capital projects during the year. The District passed a Permanent Improvement Levy in November of 2009 and the District is planning to use those tax dollars on future facilities acquisitions and construction. All other cash disbursements remained comparable to 2009. Overall, cash disbursements increased \$74,616 from 2009.

**General Fund - Total Cash Receipts vs. Total Cash Disbursements**



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

***Emergency Levy Fund***

The Emergency Levy Fund, a District major fund, had cash receipts of \$1,618,151 in 2010. The Emergency Levy Fund had cash disbursements of \$1,279,681 in 2010. The Emergency Levy Fund cash balance increased \$338,470 from 2009 to 2010.

***Bond Retirement Fund***

The Bond Retirement Fund, a District major fund, had cash receipts of \$603,021 in 2010. The Bond Retirement Fund had cash disbursements of \$877,507 in 2010. The Bond Retirement Fund cash balance decreased \$274,486 from 2009 to 2010.

***Budgeting Highlights - General Fund***

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

For the General Fund, final budget basis receipts and other financing sources did not change from the original budget estimates of \$15,000,750. Actual cash receipts of \$14,876,708 were less than final budget estimates by \$124,042. The final budgetary basis disbursements did not change from the original budget estimate of \$16,461,885. The actual budgetary basis disbursements and other financing uses of \$15,827,618 were \$634,267 less than the final budget estimates.

**Capital Assets and Debt Administration**

***Capital Assets***

The District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements. The District had facilities acquisition and construction disbursements of \$178,821 during fiscal year 2010.

***Debt Administration***

The District had the following long-term obligations outstanding at June 30, 2010 and 2009:

	<b>Governmental Activities 2010</b>	<b>Governmental Activities 2009</b>
2005 Refinancing Bond Issue	\$440,000	\$1,280,000
2005 Capital Appreciation Bonds	327,170	327,170
1997 Capital Appreciation Bonds	54,113	54,113
Total Long-Term Obligations	<u>\$821,283</u>	<u>\$1,661,283</u>

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
UNAUDITED  
(Continued)**

**Current Financial Related Activities**

The challenge for all school districts is to provide a quality education with limited revenue growth. This is even more challenging for a rural district such as Benjamin Logan Local Schools. With mainly one industry, whose Tangible Personal Property tax is being replaced with the HB 66 approved CAT tax that flows through the State, the District must rely on local taxes and state support even further for future revenue growth. The five-year forecast is predicting a deficit for fiscal year 2014.

The District has been an effective school district over the last four years, which is among the top 15% of schools statewide. This academic success has been achieved by staff and administration dedication to improvement, an increase in professional development, and community support.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Robert Kuehnle, Treasurer, Benjamin Logan Local School District, 4740 County Road 26, Bellefontaine, Ohio 43311-9532.

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**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF NET ASSETS - CASH BASIS  
JUNE 30, 2010**

	<u><b>Governmental Activities</b></u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$6,797,590
Cash in Segregated Accounts	3,000
Total Assets	<u>6,800,590</u>
 <b>Net Assets:</b>	
<b>Restricted for:</b>	
Capital Projects	160,882
Debt Service	1,070,363
Locally Funded Programs	12
State Funded Programs	21
Federally Funded Programs	136,251
School Support	52,392
District Managed Student Activities	7,246
Other Purposes	299,603
Unrestricted	5,073,820
Total Net Assets	<u><u>\$6,800,590</u></u>

*See accompanying notes to the basic financial statements.*

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Cash</u> <u>Disbursements</u>	<u>Program Cash Receipts</u>		<u>Net (Expense)</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants, Contributions,</u> <u>and Interest</u>	<u>Governmental</u> <u>Activities</u>
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$7,138,521	\$1,339,757	\$473,223	(\$5,325,541)
Special	2,146,860	117,051	730,735	(1,299,074)
Vocational	580,280		78,053	(502,227)
Other	1,316,692		22,622	(1,294,070)
<b>Support Services:</b>				
Pupils	752,072	145,055	21,333	(585,684)
Instructional Staff	845,242		99,112	(746,130)
Board of Education	73,202			(73,202)
Administration	1,547,510		113,656	(1,433,854)
Fiscal	459,185			(459,185)
Operation and Maintenance of Plant	1,502,365	95		(1,502,270)
Pupil Transportation	1,346,718		8,391	(1,338,327)
Central	329,848		11,859	(317,989)
Operation of Non-Instructional Services	9,271	5,926	191,084	187,739
Food Service Operations	737,093	498,693	177,725	(60,675)
Extracurricular Activities	541,343	113,444	2,063	(425,836)
Facilities Acquisition and Construction	178,821			(178,821)
<b>Debt Service:</b>				
Principal Retirement	840,000			(840,000)
Interest and Fiscal Charges	27,113			(27,113)
Totals	<u>\$20,372,136</u>	<u>\$2,220,021</u>	<u>\$1,929,856</u>	<u>(16,222,259)</u>
<b>General Revenues:</b>				
<b>Property and Other Taxes Levied for:</b>				
				5,180,957
General Purposes				329,676
Debt Service				289,105
Capital Outlay				1,153,738
Emergency Levy				8,659,076
Grants and Entitlements not Restricted to Specific Programs				92,359
Investment Earnings				213,656
Miscellaneous				<u>15,918,567</u>
Total General Revenues				
Change in Net Assets				(303,692)
Net Assets Beginning of Year				<u>7,104,282</u>
Net Assets End of Year				<u>\$6,800,590</u>

See accompanying notes to the basic financial statements.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	<u>General</u>	<u>Emergency Levy</u>	<u>Bond Retirement</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in Pooled Cash and Cash Equivalents	\$4,066,825	\$1,006,995	\$1,070,363	\$653,407	\$6,797,590
Cash in Segregated Accounts				3,000	3,000
Total Assets	<u>4,066,825</u>	<u>1,006,995</u>	<u>1,070,363</u>	<u>656,407</u>	<u>6,800,590</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	128,768			20,565	149,333
Reserved for Debt Service			1,070,363		1,070,363
<b>Unreserved, Undesignated, Reported in:</b>					
General Fund	3,938,057				3,938,057
Special Revenue Funds		1,006,995		483,514	1,490,509
Capital Projects Funds				152,328	152,328
Total Fund Balances	<u>\$4,066,825</u>	<u>\$1,006,995</u>	<u>\$1,070,363</u>	<u>\$656,407</u>	<u>\$6,800,590</u>

See accompanying notes to the basic financial statements.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES  
IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Emergency Levy</u>	<u>Bond Retirement</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<b>Cash Receipts:</b>					
Property and Other Local Taxes	\$5,180,957	\$1,153,738	\$329,676	\$289,105	\$6,953,476
Tuition	1,349,083				1,349,083
Transportation Fees	28,129				28,129
Earnings on Investments	92,359			1,885	94,244
Charges for Services				498,693	498,693
Extracurricular Activities				259,004	259,004
Classroom Materials and Fees	79,039			52	79,091
Rental Income	95				95
Contributions and Donations				276,828	276,828
Other Local Revenues	176,100			43,482	219,582
Intergovernmental - State	7,970,946	464,413	273,345	52,551	8,761,255
Intergovernmental - Federal				1,548,964	1,548,964
<b>Total Cash Receipts</b>	<u>14,876,708</u>	<u>1,618,151</u>	<u>603,021</u>	<u>2,970,564</u>	<u>20,068,444</u>
<b>Cash Disbursements:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	6,071,662	746,159		320,700	7,138,521
Special	1,178,464	257,172		711,224	2,146,860
Vocational	573,080			7,200	580,280
Other	1,297,082			19,610	1,316,692
<b>Support Services:</b>					
Pupils	577,422			174,650	752,072
Instructional Staff	747,862			97,380	845,242
Board of Education	73,202				73,202
Administration	1,329,285	106,686		111,539	1,547,510
Fiscal	404,954	35,064	10,394	8,773	459,185
Operation and Maintenance of Plant	1,499,323			3,042	1,502,365
Pupil Transportation	1,212,118	134,600			1,346,718
Central	295,593			34,255	329,848
Operation of Non-Instructional Services				9,271	9,271
Food Service Operations				737,093	737,093
Extracurricular Activities	379,839			161,504	541,343
Facilities Acquisition and Construction	36,500			142,321	178,821
<b>Debt Service:</b>					
Principal Retirement			840,000		840,000
Interest and Fiscal Charges			27,113		27,113
<b>Total Cash Disbursements</b>	<u>15,676,386</u>	<u>1,279,681</u>	<u>877,507</u>	<u>2,538,562</u>	<u>20,372,136</u>
Revenues Over (Under) Expenditures	<u>(799,678)</u>	<u>338,470</u>	<u>(274,486)</u>	<u>432,002</u>	<u>(303,692)</u>
<b>Other Financing Sources/(Uses):</b>					
Transfers In				22,464	22,464
Transfers Out	(22,464)				(22,464)
<b>Total Other Financing Sources and Uses</b>	<u>(22,464)</u>			<u>22,464</u>	
Net Change in Fund Balances	(822,142)	338,470	(274,486)	454,466	(303,692)
Fund Balances at Beginning of Year	<u>4,888,967</u>	<u>668,525</u>	<u>1,344,849</u>	<u>201,941</u>	<u>7,104,282</u>
Fund Balances at End of Year	<u>\$4,066,825</u>	<u>\$1,006,995</u>	<u>\$1,070,363</u>	<u>\$656,407</u>	<u>\$6,800,590</u>

See accompanying notes to the basic financial statements.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Over (Under)</u>
<b>Receipts:</b>				
Property and Other Local Taxes	\$5,100,000	\$5,100,000	\$5,180,957	\$80,957
Tuition	1,110,000	1,110,000	1,349,083	239,083
Transportation Fees	25,000	25,000	28,129	3,129
Earnings on Investments	80,000	80,000	92,359	12,359
Classroom Materials and Fees	75,000	75,000	79,039	4,039
Rental Income	2,000	2,000	95	(1,905)
Contributions and Donations	100	100		(100)
Other Local Revenues	150,650	150,650	176,100	25,450
Intergovernmental - State	8,458,000	8,458,000	7,970,946	(487,054)
Total Cash Receipts	<u>15,000,750</u>	<u>15,000,750</u>	<u>14,876,708</u>	<u>(124,042)</u>
<b>Disbursements:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	6,123,850	6,123,850	6,098,055	25,795
Special	1,448,722	1,448,722	1,183,909	264,813
Vocational	591,624	591,624	573,926	17,698
Other	1,175,650	1,175,650	1,297,082	(121,432)
<b>Support Services:</b>				
Pupils	608,204	608,204	577,422	30,782
Instructional Staff	738,820	738,820	748,767	(9,947)
Board of Education	86,900	86,900	81,903	4,997
Administration	1,415,132	1,415,132	1,334,321	80,811
Fiscal	437,666	437,666	417,918	19,748
Operation and Maintenance of Plant	1,661,939	1,661,939	1,540,706	121,233
Pupil Transportation	1,341,185	1,341,185	1,238,928	102,257
Central	342,268	342,268	295,778	46,490
Extracurricular Activities	399,910	399,910	379,939	19,971
Facilities Acquisition and Construction	90,015	90,015	36,500	53,515
Total Cash Disbursements	<u>16,461,885</u>	<u>16,461,885</u>	<u>15,805,154</u>	<u>656,731</u>
Receipts Over (Under) Disbursements	<u>(1,461,135)</u>	<u>(1,461,135)</u>	<u>(928,446)</u>	<u>532,689</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers Out			(22,464)	(22,464)
Total Other Financing Sources and Uses			<u>(22,464)</u>	<u>(22,464)</u>
Change in Fund Balances	(1,461,135)	(1,461,135)	(950,910)	510,225
Fund Balance at Beginning of Year	4,838,790	4,838,790	4,838,790	
Prior Year Encumbrances Appropriated	<u>50,177</u>	<u>50,177</u>	<u>50,177</u>	
Fund Balance at End of Year	<u>\$3,427,832</u>	<u>\$3,427,832</u>	<u>\$3,938,057</u>	<u>\$510,225</u>

See accompanying notes to the basic financial statements.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS - EMERGENCY LEVY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>Receipts:</b>				
Property and Other Local Taxes	\$1,137,000	\$1,137,000	\$1,153,738	\$16,738
Intergovernmental - State	462,348	462,348	464,413	2,065
<b>Total Cash Receipts</b>	<u>1,599,348</u>	<u>1,599,348</u>	<u>1,618,151</u>	<u>18,803</u>
<b>Disbursements:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	935,000	935,000	746,159	188,841
Special	250,000	250,000	257,172	(7,172)
<b>Support Services:</b>				
Administration	111,722	111,722	106,686	5,036
Fiscal	40,000	40,000	35,064	4,936
Pupil Transportation	145,000	145,000	134,600	10,400
<b>Total Cash Disbursements</b>	<u>1,481,722</u>	<u>1,481,722</u>	<u>1,279,681</u>	<u>202,041</u>
Receipts Over (Under) Disbursements	<u>117,626</u>	<u>117,626</u>	<u>338,470</u>	<u>220,844</u>
Fund Balance at Beginning of Year	666,803	666,803	666,803	
Prior Year Encumbrances Appropriated	<u>1,722</u>	<u>1,722</u>	<u>1,722</u>	
<b>Fund Balance at End of Year</b>	<u><u>\$786,151</u></u>	<u><u>\$786,151</u></u>	<u><u>\$1,006,995</u></u>	<u><u>\$220,844</u></u>

*See accompanying notes to the basic financial statements.*

BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY

STATEMENT OF FIDUCIARY NET ASSETS - CASH BASIS  
FIDUCIARY FUNDS  
JUNE 30, 2010

	<u>Agency Fund</u>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	<u>\$93,617</u>
<b>Liabilities:</b>	
Net Assets Held for Student Activities	<u><u>\$93,617</u></u>

*See accompanying notes to the basic financial statements.*

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**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**1. DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

Benjamin Logan Local School District (the District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District was established in 1969 through the consolidation of existing land areas and school districts. The District serves an area of approximately 225 square miles, 201 square miles in Logan County, 18 square miles in Hardin County, and six square miles in Union County. It is located in Logan County, and includes the Villages of Belle Center, Rushsylvania, Valley Hi, Middleburg, West Mansfield, Zanesfield, and East Liberty. The District is staffed by 91 non-certificated employees, 133 certificated full-time teaching personnel who provide services to 1,853 students and other community members. The District currently operates three instructional buildings and a garage building.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As discussed in Note 2.B, these financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In cases where these cash basis statements contain items that are the same as, or similar to, those items in financial statements prepared in conformity with GAAP, similar informative disclosures are provided.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food services, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' government board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. Jointly Governed Organizations**

**Western Ohio Computer Organization (WOCO)**

The District is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of various public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, Shelby, and Miami Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions of member school districts. Each of the governments of these districts supports WOCO based upon a per pupil charge dependent on the software package utilized. In accordance with GASB Statement No. 14, the District does not have an equity interest in WOCO, as the residual interest in net resources of the joint venture upon dissolution is not equivalent to an equity interest. WOCO is governed by a board of directors consisting of the superintendents of the member school districts and the degree of control is limited to the representation on the board. Financial information can be obtained from Donn Walls, who serves as Director, at 129 East Court Street, Sidney, Ohio 45365.

**Ohio Hi-Point Joint Vocational School**

The Ohio Hi-Point Joint Vocational School District is a political subdivision of the State of Ohio, which possesses its own budgeting and taxing authority. The Vocational School is governed by a board of education that consists of a representative from each participating school district and its degree of control is limited to its representation on the board. To obtain financial information write to the Ohio Hi-Point Vocational School, Eric Adelsberger, who serves as Treasurer, at 2280 State Route 540, Bellefontaine, Ohio 43311.

**Logan County Education Foundation**

The Logan County Education Foundation was established to secure and distribute contributions from individuals, corporations, and foundations for the benefit of students within the county. The Foundation promotes, sponsors, and encourages the pursuit of excellence in education for students. The Foundation is managed by a Board of Trustees composed of six trustees from each school district. These trustees are nominated by their local school boards including Bellefontaine City School District, Benjamin Logan Local School District, Indian Lake Local School District, and Riverside Local School District. The Executive Board is comprised of the Logan County Educational Service Center Superintendent representing the three local school districts and the Bellefontaine City School District Superintendent representing the city school district. Financial information can be obtained by contacting the Eric Adelsberger, who serves as Financial Advisor, 2626 County Road 18, Bellefontaine, Ohio 43311.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Insurance Purchasing Pools**

**Ohio School Boards Association Workers' Compensation Group Rating Program**

The District participates in a group-rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Program (the Program) was established through the Ohio School Boards Association (OSBA) as an insurance purchasing pool. The Program's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designees, serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the program.

**Logan County School Benefit Plan Association**

The District participates in the Logan County Schools Benefit Plan Association (the Plan); a public entity shared risk pool consisting of one educational service center, one joint vocational school district, and three local school districts. The District pays monthly premiums to the Plan for employee life insurance, and dental and medical benefits. The Plan is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**3. Related Organization**

**Belle Center Free Public Library**

The Belle Center Free Public Library (the Library) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees (Board) appointed by the District's Board of Education. The Board possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board. Financial information can be obtained from the Belle Center Free Public Library, Anita Krummrey, Clerk/Treasurer, 103 South Elizabeth Street, PO Box 336, Belle Center, Ohio 44310.

**B. Basis of Accounting**

Although required by Ohio Administrative Code § 117-2-03(B) to prepare its annual financial report in accordance with generally accepted accounting principles (GAAP), the District chooses to prepare its financial statements and notes on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than GAAP. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Budgetary presentations report budgetary cash disbursements when a commitment is made (i.e. when an encumbrance is approved). The difference between disbursements reported in the fund and entity wide statements and disbursements reported in the budgetary statements are due to current year encumbrances being added to disbursements reported on the budgetary statements. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds.

**1. Governmental Funds**

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the District'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.

**Emergency Levy Fund** - The Emergency Levy Fund is used to account for expenditures of the District's Emergency Operating Levy.

**Bond Retirement Fund** - The Bond Retirement Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) for grants and other resources whose use is restricted to a particular purpose; and (c) food service operations.

**2. Fiduciary Funds**

Fiduciary fund reporting focuses on net cash assets and changes in net cash assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for cash assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust or private purpose trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**D. Basis of Presentation**

**1. Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts 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. Receipts which are not classified as program receipts are presented as general receipts of the District.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the District.

**2. Fund Financial Statements**

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

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

The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control selected by the Board is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations below the legal level within all funds are made by the District Treasurer.

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements. A portion of Cash and cash equivalents held within the athletic department of the District is recorded as "Cash and Cash Equivalents in Segregated Accounts".

During fiscal year 2010, investments were limited to certificates of deposit, federal agency securities and investments in the State Treasurer Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund. Interest revenue credited to the General Fund during fiscal year 2010 amounted to \$92,359, which includes \$32,383 assigned from other funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**G. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District did not have any net assets restricted by enabling legislation at year-end.

**H. Capital Assets**

Acquisition of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements under the cash basis of accounting. Depreciation has not been reported for any capital assets.

**I. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Districts recognizes disbursements for employer contributions to cost-sharing plans when they are paid. As described in Notes 8 and 9, employer contributions include portions for pension benefits and postretirement health care benefits.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments.

**L. Interfund Activity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund loans are reported as advances-in and advances-out. Advances are not reflected as assets and liabilities in the accompanying financial statements. Inter-fund transfers and advances are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the basic financial statements. Inter-fund activity between governmental funds are eliminated on the Statement of Assets – Cash Basis and the Statement of Activities – Cash Basis.

**M. 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 Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

**N. Equity Classifications**

**1. Government-wide Statements**

Equity is classified as net assets, and displayed in separate components:

- a. Restricted net assets** – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation adopted by the school district. Net assets restricted for other purposes include resources restricted for food service operations, school supplies, and for student scholarships. As of June 30, 2010, the District had no net assets restricted by enabling legislation.
- b. Unrestricted net assets** – All other net assets that do not meet the definition of “restricted.” For the District this consists of the balance in the General Fund (\$4,066,825) and the Emergency Levy Fund (\$1,006,995).

**2. Fund Financial Statements**

Governmental fund equity is classified as fund balance.

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Designated fund balances are reported for money segregated by the District. Unreserved and undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances and debt service.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Receipts and Disbursements**

**Program Receipts**

In the Statement of Activities, receipts that are derived directly from each activity or from parties outside the District's taxpayers are reported as program receipts. The District has the following program receipts: charges for services, operating grants and contributions. All other governmental revenues are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

**3. DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District 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 Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

1. United States Treasury Notes, Bills, Bonds, 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 obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

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 institution
6. The State Treasurer's investment pool the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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 District, 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 delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash in Segregated Accounts**

As of fiscal year end, \$3,000 was maintained in a checking account that the District established for funds related to athletics. This depository account is included in the total amount of "Deposits with Financial Institutions".

**B. Deposits with Financial Institutions**

At June 30, 2010 the carrying amount of all District deposits was \$5,778,446. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$109,328 of the District's bank balance of \$5,104,263 was exposed to custodial risk as discussed below, while \$4,994,935 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% 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 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 District. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments.

**C. Investments**

As of June 30, 2010, the District had the following investments and maturities:

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**3. DEPOSITS AND INVESTMENTS (Continued)**

<u>Investment Type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities</u>			
		<u>6 Months or Less</u>	<u>7 to 12 Months</u>	<u>13 to 18 Months</u>	<u>19 to 24 Months</u>
STAR Ohio	\$ 115,745	\$115,745			
FFCB	1,000,016				\$1,000,016
Total	<u>\$1,115,761</u>	<u>\$115,745</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,000,016</u>

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

**Credit Risk:** The District's investments, except for STAR Ohio, were rated AAA and Aaa by Standard and Poor's and Moody's Investor Services, respectively. Standard and Poor's has assigned STAR Ohio an AAAM money market rating. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk:** The District 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 District at June 30, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 115,745	10.37
FFCB	1,000,016	89.63
Total	<u>\$1,115,761</u>	<u>100.00</u>

**D. Reconciliation of Cash to the Statement of Net Assets**

The following is a reconciliation of cash as reported in the footnote above to cash as reported on the statement of net assets as of June 30, 2010:

<b>Cash per footnote:</b>		<b>Cash per Statement of Net Assets:</b>	
Carrying amount of deposits	\$5,778,446	Governmental activities	\$6,800,590
Investments	<u>1,115,761</u>	Agency funds	<u>93,617</u>
Total	<u>\$6,894,207</u>	Total	<u>\$6,894,207</u>

**4. INTERFUND TRANSACTIONS**

**A.** Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund financial statements:

<u>Transfers from General Fund to:</u>	<u>Amount</u>
Non-major governmental funds	<u>\$22,464</u>

Transfers are used to move cash receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them and to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**5. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, state statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2009, were levied after April 1, 2009 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar 2010 (other than public utility property) represent the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Logan, Hardin, and Union Counties. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date tax bills are sent.

The assessed values upon which the fiscal year 2010 taxes were collected are:

	<b>2009 Second Half Collections</b>		<b>2010 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Agricultural/Residential and Other Real Estate	\$263,570,660	90.51	\$268,403,750	96.56
Public Utility Personal	9,041,340	3.10	8,878,340	3.20
Tangible Personal Property	18,613,460	6.39	676,530	0.24
<b>Total</b>	<b>\$291,225,460</b>	<b>100.00</b>	<b>\$277,958,620</b>	<b>100.00</b>
 Tax Rate Per \$1,000 of Assessed Valuation	 \$27.60		 \$36.85	

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**6. LONG-TERM OBLIGATIONS**

A. During the fiscal year 2010, the following changes occurred in the District's long-term obligations:

	<b>Balance Outstanding June 30, 2009</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance Outstanding June 30, 2010</b>	<b>Amounts Due in One Year</b>
<b>Governmental Activities:</b>					
<b>2005 Refinancing Bond Issue:</b>					
Current Interest Bonds	\$1,280,000		(\$840,000)	\$440,000	\$196,545
Capital Appreciation Bonds	327,170			327,170	
<b>1997 Elementary and Middle School:</b>					
Capital Appreciation Bonds	54,113			54,113	27,042
Total governmental activities	<u>\$1,661,283</u>	<u>\$0</u>	<u>(\$840,000)</u>	<u>\$821,283</u>	<u>\$223,587</u>

**B. 2005 Refinancing Bond Issue**

On February 22, 2005, the District issued \$6,027,170 in general obligation bonds to refinance prior bond issues. The bonds were issued for a ten year period with a final maturity of December 1, 2014. The bonds will be retired from the Bond Retirement Debt Service Fund. The bond issue consists of \$5,700,000 Current Interest Serial Bonds at an interest rate of 3.0% to 3.375%, and \$327,170 Capital Appreciation Bonds with interest rates at approximately 8.90% (or the rate, that, when applied to the original principal amount, compounded semiannually results in maturity amount) for an approximate yield to maturity of 3.31% to 3.87%. The proceeds from the refunding bond issue were used to retire \$3,950,000 of the 1994 bond issue, \$1,110,000 of the 1993 bond issue, and \$975,000 of the 1997 bond issue. The capital appreciation bond will mature in fiscal years 2011 and 2015. The maturity amount of the capital appreciation bonds is \$515,000.

**C. 1997 Elementary and Middle School Improvement General Obligation Bonds**

On December 1, 1997, the District issued \$1,499,113 in voted general obligation bonds for new elementary and middle schools. The bonds were issued for an eighteen-year period with final maturity at December 1, 2015. The bonds will be retired from the Bond Retirement Debt Service Fund.

The bond issue consists of \$745,000 Current Interest Serial Bonds at interest rates ranging from 4.10% to 4.75%, \$54,113 Capital Appreciation Bonds with interest rates at approximately 14.50% (or the rate, that, when applied to the original principal amount, compounded semiannually results in maturity amount) for an approximate yield to maturity of 5.00% to 5.10%, and \$700,000 Current Interest Term Bonds with an interest rate of 5.00% and yield rate of 5.10%. The Capital Appreciation Bonds will mature in fiscal years 2010 and 2011. The maturity amount of the Capital Appreciation Bonds is \$355,000.

The proceeds from the 2005 Refinancing Bond Issue were used to pay off \$275,000 in Serial Bonds and the entire \$700,000 Current Interest Term Bonds.

Principal and interest requirements to retire general obligation debt at June 30, 2010, are as follows:

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**6. LONG-TERM OBLIGATIONS (Continued)**

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$223,587	\$ 280,924	\$504,511
2012	47,071	177,441	224,412
2013	210,000	10,500	220,500
2014	210,000	3,544	213,544
2015	130,625	59,375	190,000
Total	<u>\$821,283</u>	<u>\$531,784</u>	<u>\$1,353,067</u>

The District's total voted legal debt margin was \$23,608,285 with an unvoted debt margin of \$259,547 at June 30, 2010.

**7. RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully insured. Settled claims resulting from these risks have not exceeded the commercial coverage in any of the past three years.

The District's comprehensive commercial insurance coverage for real property and building contents has a liability limit of \$51,654,900, and a 100 percent coinsurance.

The District's fleet insurance has a liability limit of \$1,000,000, and \$5,000 for medical payments. The policy includes a \$500 deductible for comprehensive and collision coverage.

The District also has a \$5,000,000 Excess Liability policy (Umbrella) over all the underlying liability for a total limit of \$6,000,000.

The District's health, dental, and life insurance is provided through Anthem Blue Cross Blue Shield, the insurance provider for the Logan County Schools Benefit Plan Association. The District's vision plan is provided through Vision Service Plan (VSP).

**B. Workers' Compensation**

For fiscal year 2010, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2A). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund."

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

**Plan Description** - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$319,205, \$218,945, and \$234,135 respectively; 50.41 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**B. State Teachers Retirement System**

**Plan Description** - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**8. DEFINED BENEFIT PENSION PLANS (Continued)**

A DB 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. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**Funding Policy** - For the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$1,089,053, \$1,058,789, and \$1,024,297 respectively; 83.31 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

**9. POST-EMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

**Plan Description** – The School District participates in two cost-sharing multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute.

The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**9. POST-EMPLOYMENT BENEFITS (Continued)**

**Funding Policy** – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2010, 0.46 percent of an additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pre-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; no may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$47,354, \$135,188, and \$99,662 respectively; 50.41 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$18,892, \$18,065, and \$15,736 respectively; 50.41 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**B. State Teachers Retirement System**

**Plan Description** – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$83,773, \$81,445, and \$78,792 respectively; 83.31 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(Continued)**

**10. CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is involved in no material litigation as either plaintiff or defendant.

**11. STATUTORY RESERVES**

The District is required by state law to set-aside certain general fund cash receipt amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

	<b>Textbooks</b>	<b>Capital Acquisition</b>
Set-aside cash balance as of June 30, 2009	(\$908,700)	
Current year set-aside requirement	314,439	\$314,439
Qualifying disbursements	(282,100)	(371,501)
Total	( 876,361)	(57,062)
Cash balance carried forward to FY 2010	(\$876,361)	\$ -

The District had qualifying disbursements during the year that reduced the textbooks and capital acquisition set-aside amounts to below zero. The District may, and has chosen to carry forward the excess amount for the textbooks set-aside to offset set-aside requirements of future years.

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**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<b>FEDERAL GRANTOR Pass Through Grantor Program Title</b>	<b>Grant Year</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
National School Lunch Program	2010	10.555	\$171,964	\$31,217	\$171,964	\$31,217
Total United States Department of Agriculture			<u>171,964</u>	<u>31,217</u>	<u>171,964</u>	<u>31,217</u>
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Academic Exchange Programs - Teachers	2010	19.408	2,030		2,030	
Special Education Cluster						
Special Education Grants to States	2009	84.027	40,223		46,943	
	2010		<u>298,537</u>		<u>292,879</u>	
Total Special Education Grants to States			<u>338,760</u>		<u>339,822</u>	
ARRA - Special Education Grants to States - Recovery Act	2010	84.391	297,909		284,988	
Total Special Education Cluster			<u>636,669</u>		<u>624,810</u>	
Title 1 Cluster						
Title 1 Grants to Local Educational Agencies	2009	84.010	32,595		37,318	
	2010		<u>218,636</u>		<u>211,373</u>	
Total Title 1 Grants to Local Educational Agencies			<u>251,231</u>		<u>248,691</u>	
ARRA - Title 1 Grants to Local Educational Agencies - Recovery Act	2010	84.389	52,881		43,590	
Total Title 1 Cluster			<u>304,112</u>		<u>292,281</u>	
Education Technology State Grants	2010	84.318	231		100	
English Language Acquisition Grants	2009	84.365	70		207	
Improving Teacher Quality State Grants	2009	84.367	8,605		10,353	
	2010		<u>75,096</u>		<u>72,307</u>	
Total Improving Teacher Quality State Grants			<u>83,701</u>		<u>82,660</u>	
ARRA - State Fiscal Stabilization Fund (SFSF)	2010	84.394	350,187		252,127	
Total U. S. Department of Education			<u>1,377,000</u>		<u>1,254,215</u>	
Total Federal Financial Assistance			<u>\$1,548,964</u>	<u>\$31,217</u>	<u>\$1,426,179</u>	<u>\$31,217</u>

*The accompanying notes to this schedule are an integral part of this schedule.*

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – NUTRITION CLUSTER**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**NOTE C - FOOD DONATION**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance is reported in the Schedule at the entitlement value of the commodities received and consumed. The entitlement value reported in the Schedule is determined using the Commodity Allocation Tracking System (CATS).

At June 30, 2010, the District had no significant food commodities in inventory.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The expenditure of non-Federal matching funds is not included on the Schedule.



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benjamin Logan Local School District, Logan County (the District), as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2010, wherein, we noted the District uses a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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 combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2010-001 and 2010-002.

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

We intend this report solely for the information and use of the management, the Board of Education and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

November 22, 2010



# Mary Taylor, CPA

## Auditor of State

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

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

#### Compliance

We have audited the compliance of the Benjamin Logan Local School District, Logan County, (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that directly and materially affect each of the District's major federal programs for the fiscal year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Benjamin Logan Local School District, Logan County, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2010.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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**Internal Control Over Compliance  
(Continued)**

*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 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 compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the management, Board of Education, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

November 22, 2010



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2010**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #84.027: Special Education Grants to States, and CFDA #84.391: Special Education Grants to States – Recovery Act
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2010-001**

**NONCOMPLIANCE CITATION**

**Ohio Rev. Code Section 117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code Section 117-2-03 further clarifies the requirements of Ohio Rev. Code Section 117.38.

**Ohio Adm. Code Section 117-2-03(B)** requires the District to file annual financial reports which are prepared using generally accepted accounting principles (GAAP). For fiscal year 2010, the District prepared financial statements that, although formatted similar to financial statements prescribed by Governmental Accounting Standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code Section 117.38, the District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

To help provide the users with more meaningful financial statements, the District should prepare its financial statements according to generally accepted accounting principles.

**OFFICIALS' RESPONSE:**

The Board of Education has elected not to prepare its annual financial reports in accordance with the generally accepted accounting principles (GAAP) due to the projected cost saving of \$10,000, in accordance with past practices.

**FINDING NUMBER 2010-002**

**FINDING FOR RECOVERY / REPAID UNDER AUDIT**

**Ohio Rev. Code Section 117.28** authorizes the Auditor of State to report a *finding for recovery* in audit reports when legal action may be appropriate to recover public money or property. **Ohio Rev. Code Section 117.01 (C)** defines *public money* as "any money received, collected by, or due a public official under color of office, as well as any money collected by any individual on behalf of a public office or as a purported representative or agent of a public office." Under **Ohio Rev. Code Sections 9.24(H)(3) and 117.28**, a finding for recovery may exist for public money collected but unaccounted for.

The District's September 30, 2009 Food Service Deposit Reconciliation report indicated total receipts for the day were \$1,361 and the actual deposit total was \$1,081; the actual deposit made was \$280 under total receipts. A District employee signed the Deposit Reconciliation report on September 30, 2009 indicating cash collected for the day had been counted and was in agreement with the report.

In accordance with the foregoing facts, and pursuant to **Ohio Rev. Code Section 117.28**, a Finding for Recovery for public money collected but unaccounted for, is hereby rendered, jointly and severally, against the Food Service Supervisor, Cashiers and the Technology Coordinator in the amount of Two Hundred Eighty Dollars (\$280.00), and in favor of the Benjamin Logan Local School District's Food Service Fund.

**FINDING NUMBER 2010-002**  
**(Continued)**

The Food Service Supervisor and Food Service employees should review the Daily Deposit reconciliation reports to help assure that cash collected and deposited are in agreement. Discrepancies between the actual cash collected and the amount deposited should be investigated and resolved prior to the employees signing the Daily Deposit reconciliation reports. This finding for recovery was repaid by the Food Service Supervisor, Cashiers and Technology Coordinator on October 25, 2010 with Receipt numbers 911952 and 911946.

**OFFICIALS' RESPONSE:**

On November 3, 2009, all of Benjamin Logan's food service records were lost when the computer server failed. The Board of Education conducted a thorough investigation. The outcome of that investigation concluded that no theft occurred, although it could not be proven because of the lack of records. The Board of Education has changed procedures to ensure that this issue does not occur again. These changes not only apply to the data back-up system, but also to the course of action the cafeteria staff shall follow should errors be detected.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2009-001	Ohio Rev. Code Section 117.38 & Ohio Admin. Code Section 117-2-03(B) – Failed to prepare financial statements in accordance with GAAP	No	Repeated as Finding Number 2010-001



**Mary Taylor, CPA**  
Auditor of State

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT**

**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  
DECEMBER 23, 2010**