



Dave Yost • Auditor of State

**FINANCIAL CONDITION
LOGAN COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We did not audit the financial statements of RTC Industries, Inc., which is presented as the County's component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for RTC Industries, Inc., is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. The other auditors audited the financial statements of RTC Industries, Inc. in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio, as of December 31, 2012, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Auto and Gas, and Developmental Disabilities Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2012, the County adopted the provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The Schedule of Federal Awards Expenditures (the Schedule) presents additional analysis as required by the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2013, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State

Columbus, Ohio

October 1, 2013

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**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED**

As management of Logan County (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2012.

Financial Highlights

- The assets of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$103.1 million (net position). Of this amount, approximately \$12.2 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's Governmental Activities net position increased by \$1.2 million and the County's Business-Type Activities net position decreased by \$42,030.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$17.6 million, a \$3.3 million increase in comparison with the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED
(Continued)**

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 15-21 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

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

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

**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED
(Continued)**

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

Government-Wide Financial Analysis

The table below provides a comparative summary of the County's net position at December 31, 2012 and December 31, 2011:

Net Position				
	2012	2012	2011	Restated
	Governmental	Business-Type	Governmental	Business-Type
	Activities	Activities	Activities	Activities
Assets:				
Current and other assets	\$30,642,653	\$ 8,871,501	\$29,649,544	\$ 8,689,377
Capital assets, net	70,866,823	40,938,548	69,575,409	42,142,018
Total assets	<u>101,509,476</u>	<u>49,810,049</u>	<u>99,224,953</u>	<u>50,831,395</u>
Liabilities:				
Current and other liabilities	2,054,434	935,236	4,776,735	2,438,625
Long-term liabilities	9,950,209	28,623,516	6,239,170	28,099,443
Total liabilities	<u>12,004,643</u>	<u>29,558,752</u>	<u>11,015,905</u>	<u>30,538,068</u>
Deferred Inflows of Resources:				
Unavailable Revenue	6,644,659		6,522,163	
Net position:				
Net Investment in Capital Assets	62,639,683	12,713,200	61,431,534	13,265,838
Restricted	15,516,633		16,559,902	
Unrestricted	4,703,858	7,538,097	3,695,449	7,027,489
Total net position	<u>\$82,860,174</u>	<u>\$20,251,297</u>	<u>\$81,686,885</u>	<u>\$20,293,327</u>

As noted earlier, net position may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by approximately \$103.1 million at the close of the most recent fiscal year. Of this amount, approximately \$12.2 million (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED
(Continued)**

The table below provides a comparative analysis of changes in net position for 2012 and 2011:

Change in Net Position

	Governmental Activities 2012	Business-Type Activities 2012	Governmental Activities 2011	Restated Business-Type Activities 2011
Revenues:				
Program revenues:				
Charges for Services	\$ 6,619,714	\$ 8,684,537	\$ 6,861,574	\$ 8,381,753
Operating Grants and Contributions	13,368,306	2,518,792	12,989,079	2,571,173
Capital Grants and Contributions	74,867		647,841	
Total program revenues	<u>20,062,887</u>	<u>11,203,329</u>	<u>20,498,494</u>	<u>10,952,926</u>
General revenues:				
Property and Sales Taxes	15,038,442		13,654,747	
Unrestricted Grants and Entitlements	1,328,671		1,407,012	
Unrestricted Investment Earnings	220,809	535	218,767	
Insurance Proceeds	1,432,210			
Other	264,676		185,555	498
Total general revenues	<u>18,284,808</u>	<u>535</u>	<u>15,466,081</u>	<u>498</u>
Total revenues	<u>38,347,695</u>	<u>11,203,864</u>	<u>35,964,575</u>	<u>10,953,424</u>
Expenses:				
General Government- Legislative and Executive	5,315,564		4,996,349	
General Government- Judicial	2,737,852		2,775,220	
Public Safety	5,235,280		5,523,433	
Public Works	7,242,613		6,424,508	
Health	1,296,103		1,178,610	
Human Services	14,233,526		15,162,066	
Conservation and Recreation	4,680		20,166	
Economic Development and Assistance	294,229		875,339	
Urban Redevelopment an Housing	218,326		52,830	
Interest and Fiscal Charges	439,134		286,276	
Wastewater Pollution Control Fund		3,519,523		3,412,868
Logan Acres County Home Fund		7,883,470		6,406,428
Total expenses	<u>37,017,307</u>	<u>11,402,993</u>	<u>37,294,797</u>	<u>9,819,296</u>
Change in Net Position Before Transfers	1,330,388	(199,129)	(1,330,222)	1,134,128
Net Transfers	(157,099)	157,099	(53,158)	53,158
Change in Net Position	1,173,289	(42,030)	(1,383,380)	1,187,286
Net position, Beginning of year, Restated	81,686,885	20,293,327	83,070,265	19,106,041
Net Position, End of Year	<u>\$82,860,174</u>	<u>\$20,251,297</u>	<u>\$81,686,885</u>	<u>\$20,293,327</u>

For governmental activities, total revenues increased by approximately \$2.4 million in 2012. This increase was primarily the result insurance proceeds from the 2012 wind storm, totaling \$1.4 million, and a \$1.1 million increase in sales taxes, the product of improved economic conditions.

All other revenues and expenses remained consistent with amounts reported in the previous year.

**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED
(Continued)**

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2012 and 2011. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Program expenses:				
General Government- Legislative and Executive	\$ 5,315,564	\$ 3,258,603	\$ 4,996,349	\$ 2,771,893
General Government- Judicial	2,737,852	1,302,107	2,775,220	1,610,576
Public Safety	5,235,280	4,027,165	5,523,433	4,311,035
Public Works	7,242,613	2,369,678	6,424,508	1,444,054
Health	1,296,103	220,296	1,178,610	(7,054)
Human Services	14,233,526	5,242,802	15,162,066	5,640,970
Conservation and Recreation	4,680	4,680	20,166	20,166
Economic Development and Assistance	294,229	219,500	875,339	685,389
Urban Redevelopment and Housing	218,326	(123,355)	52,830	32,998
Interest and Fiscal Charges	439,134	432,944	286,276	286,276
Total program expenses	<u>\$37,017,307</u>	<u>\$16,954,420</u>	<u>\$37,294,797</u>	<u>\$16,796,303</u>

As can be seen in the chart above, the County is highly dependent upon property and sales taxes to support its governmental activities. For all governmental activities, taxes and other general revenues support 46 percent of expenses.

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$17.6 million, an increase of \$3.3 million in comparison with the prior year.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was approximately \$2.0 million, while total fund balance reached approximately \$3.5 million. As a measure of general fund liquidity, it may be useful to compare both unassigned and total fund balance to total general fund expenditures. Unassigned fund balance represents 17.7 percent of total general fund expenditures, while total fund balance represents 31.1 percent of that same amount.

The fund balance of the County's general fund increased by \$889,258 during the current fiscal year. This increase is primarily the result of insurance proceeds of approximately \$1.4 million, offset by a \$634,374, or 5.9%, increase in expenditures.

The fund balance of the County's auto and gas fund increased by \$186,666 during the current fiscal year. This increase represents the amount in which program revenues exceeded program expenditures and debt service transfers.

The fund balance of the County's developmental disabilities fund increased by \$404,354 during the current fiscal year. This increase represents the amount in which property taxes and program revenues exceeded program expenditures.

**FINANCIAL CONDITION
LOGAN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2012
UNAUDITED
(Continued)**

General Fund Budgeting Highlights

During the year, actual revenues exceeded the final budget by \$172,631 and actual budgetary expenditures were less than the final budget by \$318,799.

The variances between the County's original and final revenue and expenditure budgets were \$2.1 million and \$1.8 million, respectively. These variances were primarily the result of a wind storm in June of 2012, which consisted of required significant repairs to County assets and related insurance proceeds.

Capital Assets

The County's investment in capital assets for governmental activities as of December 31, 2012, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure, totaled \$70.9 million (net of accumulated depreciation), an increase of \$1.3 million in comparison with the prior year. This increase consists of current year acquisitions of approximately \$5.2 million, offset by current year depreciation of approximately \$3.9 million and net current year disposals of \$15,234.

The City's investment in capital assets for business-type activities as of December 31, 2012, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure totaled \$40.9 million (net of accumulated depreciation), a decrease of approximately \$1.2 million in comparison with the prior year. This decrease consists of current year depreciation of approximately \$1.2 million.

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

Debt Administration

The County's governmental activities debt as of December 31, 2012 totaled approximately \$8.7 million, an increase of \$589,726 in comparison with the prior year. This increase represents the amount in which new issues of approximately \$8.7 million exceeded refunded amounts and principal payments made during the year totaling approximately \$8.4 million.

The County's business-type activities debt as of December 31, 2012 totaled \$28.4 million, a decrease of \$896,251 in comparison with the prior year. This decrease represents the amount in which refunded amounts and principal payments made during the year, totaling approximately \$3.0 million, exceeded new refunding bonds totaling approximately \$2.0 million.

Detailed information regarding debt activity is included in the Notes 11 and 12 to the basic financial statements.

Contacting the County's Component Unit

Financial information for the RTC Industries, Inc, can be obtained from separately issued financial statements. Complete financial statements may be obtained from the administrative offices at 36 County Road 32, Bellefontaine, Ohio 43311.

Contacting the County's Financial Management

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Assets:				
Equity in Pooled Cash and Investments	\$16,178,095	\$6,116,942	\$22,295,037	
Cash and Cash Equivalents with Fiscal Agents		33,395	33,395	\$269,657
Receivables:				
Taxes	8,732,657		8,732,657	
Accounts	554,864	833,778	1,388,642	267,928
Special Assessments	57,331	1,600,319	1,657,650	
Accrued Interest	51,423		51,423	
Intergovernmental	3,905,130	227,492	4,132,622	
Prepaid Items	288,038	47,833	335,871	5,098
Materials and Supplies Inventory	661,365	11,742	673,107	
Loans Receivable	213,750		213,750	
Non-depreciable Capital Assets	4,946,150	209,800	5,155,950	150,000
Depreciable Capital assets, Net	65,920,673	40,728,748	106,649,421	982,299
Total Assets	<u>101,509,476</u>	<u>49,810,049</u>	<u>151,319,525</u>	<u>1,674,982</u>
Liabilities:				
Accounts Payable	1,183,897	261,692	1,445,589	90,786
Accrued Wages	432,495	198,648	631,143	14,944
Due to Other Governments	420,617	116,292	536,909	34,390
Due to Others		14,149	14,149	
Accrued Interest Payable	17,425	344,455	361,880	719
Long-Term Liabilities:				
Due Within One Year	1,233,862	897,267	2,131,129	45,486
Due in More Than One Year	8,716,347	27,726,249	36,442,596	264,324
Total Liabilities	<u>12,004,643</u>	<u>29,558,752</u>	<u>41,563,395</u>	<u>450,649</u>
Deferred Inflows of Resources:				
Unavailable Revenue	6,644,659		6,644,659	2,004
Total Deferred Inflows of Resources	<u>6,644,659</u>		<u>6,644,659</u>	<u>2,004</u>
Net Position:				
Net Investment in Capital Assets	62,639,683	12,713,200	75,352,883	838,178
Restricted for:				
Legislative and Executive	1,230,354		1,230,354	
Public Safety	424,477		424,477	
Human Services	7,181,679		7,181,679	
Public Works	5,825,140		5,825,140	
Urban Redevelopment and Housing	52,255		52,255	
Judicial	545,965		545,965	
Economic Development and Assistance	256,763		256,763	
Unrestricted	4,703,858	7,538,097	12,241,955	384,151
Total Net Position	<u>\$82,860,174</u>	<u>\$20,251,297</u>	<u>\$103,111,471</u>	<u>\$1,222,329</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
<u>Primary Government:</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General Government:				
Legislative and Executive	\$5,315,564	\$2,056,961		
Judicial	2,737,852	826,111	\$609,634	
Public Safety	5,235,280	833,247	374,868	
Public Works	7,242,613	568,148	4,229,920	\$74,867
Health	1,296,103	938,430	137,377	
Human Service	14,233,526	1,396,817	7,593,907	
Conservation and Recreation	4,680			
Economic Development and Assistance	294,229		74,729	
Urban Redevelopment and Housing	218,326		341,681	
Interest and Fiscal Charges	439,134		6,190	
Total Governmental Activities	<u>37,017,307</u>	<u>6,619,714</u>	<u>13,368,306</u>	<u>74,867</u>
Business-Type Activities:				
Water Pollution Control Fund	3,519,523	3,114,070		
Logan Acres County Home Fund	7,883,470	5,570,467	2,518,792	
Total Business-type Activities	<u>11,402,993</u>	<u>8,684,537</u>	<u>2,518,792</u>	
Total Primary Government	<u>48,420,300</u>	<u>15,304,251</u>	<u>15,887,098</u>	<u>74,867</u>
Component Unit:				
RTC Industries, Inc.	2,321,703	1,775,345	661,525	
Total Component Unit	<u>\$2,321,703</u>	<u>\$1,775,345</u>	<u>\$661,525</u>	<u>\$0</u>

General Revenues:

Property Taxes Levied for:

 General Purposes
 Developmental Disabilities
 Children Services

Sales Taxes Levied for:

 General Purposes
 Permanent Improvements
 Unrestricted Grants and Contributions
 Unrestricted Investment Earnings
 Insurance Proceeds
 Miscellaneous
 Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year, Restated

Net Position at End of Year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(\$3,258,603)		(\$3,258,603)	
(1,302,107)		(1,302,107)	
(4,027,165)		(4,027,165)	
(2,369,678)		(2,369,678)	
(220,296)		(220,296)	
(5,242,802)		(5,242,802)	
(4,680)		(4,680)	
(219,500)		(219,500)	
123,355		123,355	
(432,944)		(432,944)	
<u>(16,954,420)</u>		<u>(16,954,420)</u>	
	(\$405,453)	(405,453)	
	205,789	205,789	
	<u>(199,664)</u>	<u>(199,664)</u>	
(16,954,420)	(199,664)	(17,154,084)	
			\$115,167
			<u>115,167</u>
2,478,608		2,478,608	
3,362,716		3,362,716	
933,956		933,956	
5,508,813		5,508,813	
2,754,349		2,754,349	
1,328,671		1,328,671	
220,809	535	221,344	
1,432,210		1,432,210	
264,676		264,676	
(157,099)	157,099		
<u>18,127,709</u>	<u>157,634</u>	<u>18,285,343</u>	
1,173,289	(42,030)	1,131,259	115,167
<u>81,686,885</u>	<u>20,293,327</u>	<u>101,980,212</u>	<u>1,107,162</u>
<u>\$82,860,174</u>	<u>\$20,251,297</u>	<u>\$103,111,471</u>	<u>\$1,222,329</u>

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**FINANCIAL CONDITION
LOGAN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2012**

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$2,950,709	\$1,384,553	\$3,716,815	\$8,126,018	\$16,178,095
Receivables:					
Taxes	3,506,996		3,744,371	1,481,290	8,732,657
Accounts	140,029	80,234	252,836	81,765	554,864
Special Assessments				57,331	57,331
Accrued Interest	51,423				51,423
Intergovernmental	390,825	1,975,999	342,465	1,195,841	3,905,130
Interfund				191,425	191,425
Prepaid Items	204,395	24,579		59,064	288,038
Materials and Supplies Inventory	43,727	606,187	11,451		661,365
Advances to Other Funds	31,475			15,844	47,319
Loans Receivable	213,750				213,750
Total Assets	<u>7,533,329</u>	<u>4,071,552</u>	<u>8,067,938</u>	<u>11,208,578</u>	<u>30,881,397</u>
Liabilities:					
Accounts Payable	359,381	45,663	46,127	732,726	1,183,897
Accrued Wages	126,348	89,509	63,388	153,250	432,495
Due to Other Governments	159,173	50,858	76,339	134,247	420,617
Interfund Payable				191,425	191,425
Advances from Other Funds				47,319	47,319
Total Liabilities	<u>644,902</u>	<u>186,030</u>	<u>185,854</u>	<u>1,258,967</u>	<u>2,275,753</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>3,346,521</u>	<u>1,663,418</u>	<u>3,994,440</u>	<u>1,990,824</u>	<u>10,995,203</u>
Total Deferred Inflows of Resources	<u>3,346,521</u>	<u>1,663,418</u>	<u>3,994,440</u>	<u>1,990,824</u>	<u>10,995,203</u>
Fund Balances:					
Non-spendable:					
Inventory	43,727	606,187	11,451		661,365
Advances	31,475				31,475
Prepays	204,395	24,579		59,064	288,038
Unclaimed Monies	111,084				111,084
Loans	213,750				213,750
Restricted:					
Legislative and Executive				1,228,942	1,228,942
Public Safety				400,927	400,927
Human Services			3,876,193	2,053,919	5,930,112
Public Works		1,591,338		1,774,343	3,365,681
Urban Redevelopment and Housing				33,861	33,861
Judicial				496,234	496,234
Economic Development and Assistance				228,175	228,175
Other Purposes				338,763	338,763
Committed:					
Health	41,803			741,725	783,528
Public Safety				108,686	108,686
Public Works				197	197
Assigned:					
Encumbrances	164,740				164,740
Judicial	639,462			6,733	646,195
Legislative and Executive	73,950				73,950
Capital Projects				305,142	305,142
Public Works				205,322	205,322
Unassigned	2,017,520			(23,246)	1,994,274
Total Fund Balances	<u>3,541,906</u>	<u>2,222,104</u>	<u>3,887,644</u>	<u>7,958,787</u>	<u>17,610,441</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$7,533,329</u>	<u>\$4,071,552</u>	<u>\$8,067,938</u>	<u>\$11,208,578</u>	<u>\$30,881,397</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2012**

Total Governmental Fund Balances	\$17,610,441
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	70,866,823
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Sales Taxes	633,903
Property Taxes	567,105
Special Assessments	5,313
Intergovernmental	2,992,033
Accounts Receivable	120,722
Accrued Interest on Investments	31,468

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

Accrued Interest Payable	(17,425)
Various Purpose Bonds	(8,565,000)
Unamortized Premium	(168,601)
Compensated Absences Payable	<u>(1,216,608)</u>

Net Position of Governmental Activities	<u><u>\$82,860,174</u></u>
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See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>General Fund</u>	<u>Auto and Gas Fund</u>	<u>Developmental Disabilities Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Sales Taxes	\$5,482,792			\$2,741,339	\$8,224,131
Property Taxes	2,356,590		\$3,362,153	933,949	6,652,692
Intergovernmental	1,194,146	\$4,136,834	2,837,721	6,270,232	14,438,933
Investment Income	238,750			58	238,808
Licenses and Permits	111,725			79,608	191,333
Fines and Forfeitures	176,780	40,110		70,352	287,242
Special Assessments				5,327	5,327
Charges for Services	2,051,453	178,026	470,735	2,500,250	5,200,464
Miscellaneous	229,343	198,601	254,799	628,806	1,311,549
Total Revenues	<u>11,841,579</u>	<u>4,553,571</u>	<u>6,925,408</u>	<u>13,229,921</u>	<u>36,550,479</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	4,524,453			751,584	5,276,037
Judicial	1,977,750			753,380	2,731,130
Public Safety	4,260,807			794,221	5,055,028
Public Works	113,425	4,332,001		4,463,778	8,909,204
Health	106,806			1,300,901	1,407,707
Human Service	424,823		6,521,054	7,184,285	14,130,162
Economic Development and Assistance				294,229	294,229
Urban Redevelopment and Housing				218,326	218,326
Debt service:					
Principal Retirement				426,250	426,250
Interest and Fiscal Charges				277,970	277,970
Bond Issuance Costs				157,752	157,752
Total Expenditures	<u>11,408,064</u>	<u>4,332,001</u>	<u>6,521,054</u>	<u>16,622,676</u>	<u>38,883,795</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	433,515	221,570	404,354	(3,392,755)	(2,333,316)
Other Financing Sources (Uses):					
Insurance Proceeds	1,420,294	11,916			1,432,210
Proceeds from Sale of Capital Assets		54,430			54,430
Bond Proceeds				8,565,000	8,565,000
Premium on Bonds				185,523	185,523
Payment to Refunded Bonds Escrow				(4,545,062)	(4,545,062)
Transfers In				1,011,077	1,011,077
Transfers Out	(964,551)	(101,250)			(1,065,801)
Total Other Financing Sources (Uses)	<u>455,743</u>	<u>(34,904)</u>		<u>5,216,538</u>	<u>5,637,377</u>
Net Change in Fund Balances	889,258	186,666	404,354	1,823,783	3,304,061
Fund Balance, Beginning of Year	2,642,758	1,999,481	3,471,839	6,135,004	14,249,082
Increase (Decrease) in Inventory	9,890	35,957	11,451		57,298
Fund Balance, End of Year	<u>\$3,541,906</u>	<u>\$2,222,104</u>	<u>\$3,887,644</u>	<u>\$7,958,787</u>	<u>\$17,610,441</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Net Change in Fund Balances - Total Governmental Funds	\$3,304,061
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures.	
However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays was over (under) depreciation in the current period.	
	Capital Outlays 5,244,229
	Depreciation (3,937,581)
Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activities	(15,234)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
	Sales Taxes 39,031
	Property Taxes 122,588
	Charges for Services (163,261)
	Intergovernmental Grants 332,911
	Special Assessments (5,266)
	Interest Income (17,999)
	Miscellaneous (14,350)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources	
to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
	Refunding Bonds Issued (8,565,000)
	Refunding Bonds Premium (168,601)
	Refunded Bonds 4,540,000
	Bond and Note Principal Repayments 426,250
	Debt Transfer (102,375)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	1,650
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
	Change in Inventory 57,298
	Compensated Absences 94,938
Change in Net Position of Governmental Activities	\$1,173,289

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Revenues:				
Sales Taxes	\$8,100,000	\$8,100,000	\$8,167,818	\$67,818
Property Taxes	2,515,000	2,515,000	2,351,233	(163,767)
Intergovernmental	1,189,977	1,465,960	1,698,179	232,219
Investment Income	170,465	210,000	215,380	5,380
Licenses and Permits	108,465	133,620	111,725	(21,895)
Fines and Forfeitures	113,643	140,000	162,713	22,713
Charges for Services	1,354,792	1,669,000	1,730,731	61,731
Miscellaneous	296,488	365,250	333,682	(31,568)
Total Revenues	<u>13,848,830</u>	<u>14,598,830</u>	<u>14,771,461</u>	<u>172,631</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,772,850	5,364,478	5,135,907	228,571
Judicial	1,664,917	1,973,457	1,945,180	28,277
Public Safety	4,254,588	4,342,671	4,332,323	10,348
Public Works	18,720	103,677	100,628	3,049
Health	16,647	114,898	113,814	1,084
Human Service	533,038	534,161	486,691	47,470
Total Expenditures	<u>11,260,760</u>	<u>12,433,342</u>	<u>12,114,543</u>	<u>318,799</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,588,070	2,165,488	2,656,918	491,430
Other Financing Sources (Uses):				
Insurance Proceeds		1,400,388	1,420,294	19,906
Transfers Out	<u>(3,113,914)</u>	<u>(3,752,578)</u>	<u>(3,687,119)</u>	<u>65,459</u>
Total Other Financing Sources (Uses)	<u>(3,113,914)</u>	<u>(2,352,190)</u>	<u>(2,266,825)</u>	<u>85,365</u>
Net Change in Fund Balances	(525,844)	(186,702)	390,093	576,795
Fund Balance, Beginning of Year	701,816	701,816	701,816	
Prior Year Encumbrances Appropriated	479,882	479,882	479,882	
Fund Balance, End of Year	<u>\$655,854</u>	<u>\$994,996</u>	<u>\$1,571,791</u>	<u>\$576,795</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
AUTO AND GAS FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Revenues:				
Intergovernmental	\$3,966,000	\$4,230,000	\$3,855,738	(\$374,262)
Fines and Forfeitures	25,000	25,000	36,536	11,536
Charges for Services	325,000	325,000	176,233	(148,767)
Miscellaneous	134,000	134,000	198,601	64,601
Total Revenues	<u>4,450,000</u>	<u>4,714,000</u>	<u>4,267,108</u>	<u>(446,892)</u>
Expenditures:				
Current:				
Public Works	5,601,371	5,884,489	4,319,096	1,565,393
Total Expenditures	<u>5,601,371</u>	<u>5,884,489</u>	<u>4,319,096</u>	<u>1,565,393</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,151,371)	(1,170,489)	(51,988)	1,118,501
Other Financing Sources (Uses):				
Insurance Proceeds			11,916	11,916
Proceeds from Sale of Capital Assets			54,430	54,430
Transfers Out	(101,250)	(101,250)	(101,250)	
Total Other Financing Sources (Uses)	<u>(101,250)</u>	<u>(101,250)</u>	<u>(34,904)</u>	<u>66,346</u>
Net Change in Fund Balances	(1,252,621)	(1,271,739)	(86,892)	1,184,847
Fund Balance, Beginning of Year	1,090,304	1,090,304	1,090,304	
Prior Year Encumbrances Appropriated	184,076	184,076	184,076	
Fund Balance, End of Year	<u>\$21,759</u>	<u>\$2,641</u>	<u>\$1,187,488</u>	<u>\$1,184,847</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance (Over)/Under</u>
Revenues:				
Property Taxes	\$4,300,000	\$4,300,000	\$3,353,897	(\$946,103)
Intergovernmental	1,320,146	1,320,146	2,808,323	1,488,177
Charges for Services	388,000	388,000	411,579	23,579
Miscellaneous	316,000	316,000	408,446	92,446
Total Revenues	<u>6,324,146</u>	<u>6,324,146</u>	<u>6,982,245</u>	<u>658,099</u>
Expenditures:				
Current:				
General Government:				
Human Service	9,440,017	9,440,017	6,715,627	2,724,390
Total Expenditures	<u>9,440,017</u>	<u>9,440,017</u>	<u>6,715,627</u>	<u>2,724,390</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,115,871)	(3,115,871)	266,618	3,382,489
Net Change in Fund Balances	(3,115,871)	(3,115,871)	266,618	3,382,489
Fund Balance, Beginning of Year	3,330,832	3,330,832	3,330,832	
Prior Year Encumbrances Appropriated	45,724	45,724	45,724	
Fund Balance, End of Year	<u>\$260,685</u>	<u>\$260,685</u>	<u>\$3,643,174</u>	<u>\$3,382,489</u>

See accompanying notes to basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2012**

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Investments	\$2,986,836	\$3,130,106	\$6,116,942
Cash and Cash Equivalents With Fiscal Agents	19,246	14,149	33,395
Receivables:			
Accounts	278,650	555,128	833,778
Special Assessments	1,600,319		1,600,319
Intergovernmental		227,492	227,492
Prepaid Items	8,122	39,711	47,833
Materials and Supplies Inventory		11,742	11,742
Total Current Assets	<u>4,893,173</u>	<u>3,978,328</u>	<u>8,871,501</u>
Non-current Assets:			
Non-depreciable Capital Assets	209,800		209,800
Depreciable Capital assets, Net	26,262,702	14,466,046	40,728,748
Total Non-current Assets	<u>26,472,502</u>	<u>14,466,046</u>	<u>40,938,548</u>
Total Assets	<u>31,365,675</u>	<u>18,444,374</u>	<u>49,810,049</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	92,841	168,851	261,692
Accrued Wages	13,935	184,713	198,648
Due to Other Governments	15,433	100,859	116,292
Deposits Held and Due to Others		14,149	14,149
Accrued Interest Payable	161,901	182,554	344,455
Compensated Absences Payable	19,379	71,740	91,119
Revenue Bonds Payable	505,500	218,000	723,500
OWDA Loan Payable	82,648		82,648
Total Current Liabilities	<u>891,637</u>	<u>940,866</u>	<u>1,832,503</u>
Long-Term Liabilities:			
Compensated Absences Payable	52,752	68,064	120,816
Revenue Bonds Payable	14,809,200	12,760,000	27,569,200
Unamortized Premium	36,233		36,233
Total Long-Term Liabilities	<u>14,898,185</u>	<u>12,828,064</u>	<u>27,726,249</u>
Total Liabilities	<u>15,789,822</u>	<u>13,768,930</u>	<u>29,558,752</u>
Net Position:			
Net Investment in Capital Assets	11,075,154	1,638,046	12,713,200
Unrestricted	4,500,699	3,037,398	7,538,097
Total Net Position	<u>\$15,575,853</u>	<u>\$4,675,444</u>	<u>\$20,251,297</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Pollution Control</u>	<u>Logan Acres Home</u>	<u>Totals</u>
Operating Revenues:			
Charges for Services	\$2,020,925	\$5,567,732	\$8,432,492
Special Assessments	988,344		144,509
Intergovernmental		2,404,147	2,404,147
Miscellaneous	104,801	2,735	107,536
Total Operating Revenues	<u>3,114,070</u>	<u>7,974,614</u>	<u>11,088,684</u>
Operating Expenses:			
Personal Services	745,552	4,012,273	4,757,825
Contractual Services	965,927	2,153,126	3,119,053
Materials and Supplies	238,658	521,012	759,670
Miscellaneous	15,296	117,542	132,838
Depreciation	796,876	406,594	1,203,470
Total Operating Expenses	<u>2,762,309</u>	<u>7,210,547</u>	<u>9,972,856</u>
Operating Income (Loss)	<u>351,761</u>	<u>764,067</u>	<u>1,115,828</u>
Non-operating Revenues (Expenses):			
Interest Income	369	166	535
Intergovernmental		114,645	114,645
Interest and Fiscal Charges	(757,214)	(672,923)	(1,430,137)
Total Non-Operating Revenues (Expenses)	<u>(756,845)</u>	<u>(558,112)</u>	<u>(1,314,957)</u>
Income (Loss) Before Transfers and Capital Contributions	(405,084)	205,955	(199,129)
Transfers In	54,724		54,724
Capital Contributions	102,375		102,375
Change in Net Position	(247,985)	205,955	(42,030)
Net Position, Beginning of Year, Restated	15,823,838	4,469,489	20,293,327
Net Position, End of Year	<u>\$15,575,853</u>	<u>\$4,675,444</u>	<u>\$20,251,297</u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Pollution Control</u>	<u>Logan Acres Home</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash received from Services	\$3,472,642	\$5,312,203	\$8,784,845
Cash Received from Other Governments		2,433,942	2,433,942
Cash Received from Other Operating Sources	95,113	2,735	97,848
Cash Payments to Employees for Services	(727,846)	(3,981,493)	(4,709,339)
Cash Payments to Suppliers for Goods and Services	(1,255,846)	(2,616,564)	(3,872,410)
Cash Payments for Other Services	(16,874)	(120,428)	(137,302)
Net Cash Flows from Operating Activities	<u>1,567,189</u>	<u>1,030,395</u>	<u>2,597,584</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Bonds	2,020,000		2,020,000
Premium from Sale of Bonds	38,917		38,917
Principal Payments	(2,652,752)	(198,000)	(2,953,127)
Interest Paid	(723,232)	(676,994)	(1,400,226)
Intergovernmental		114,645	114,645
Transfers In	54,724		157,099
Net Cash Flows from Capital and Related Financing Activities	<u>(1,262,343)</u>	<u>(760,349)</u>	<u>(2,022,692)</u>
Cash Flows from Investing Activities:			
Interest Income	369	166	535
Net Cash Flows from Investing Activities	<u>369</u>	<u>166</u>	<u>535</u>
Net Increase (Decrease) in Cash and Cash Equivalents	305,215	270,212	575,427
Cash and Cash Equivalents at Beginning of Year	<u>2,700,867</u>	<u>2,874,043</u>	<u>5,574,910</u>
Cash and Cash Equivalents at End of Year	<u><u>3,006,082</u></u>	<u><u>3,144,255</u></u>	<u><u>6,150,337</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	351,761	764,067	1,115,828
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	796,876	406,594	1,203,470
(Increase)/Decrease in Assets:			
Accounts Receivable	320,168	(163,754)	156,414
Special Assessments Receivable	149,709		149,709
Due from Other Governments		29,795	29,795
Materials and Supplies Inventory		19,723	19,723
Prepaid Items	9,758	27,904	37,662
Increase/(Decrease) in Liabilities:			
Accounts Payable	(52,839)	41,520	(11,319)
Accrued Wages	3,013	18,589	21,602
Compensated Absences Payable	4,374	(29,050)	(24,676)
Due to Other Governments	561	6,782	7,343
Deposits Held for Others	(16,192)	(91,775)	(107,967)
Total Adjustments	<u>1,215,428</u>	<u>266,328</u>	<u>1,481,756</u>
Net Cash Flows from Operating Activities	<u><u>\$1,567,189</u></u>	<u><u>\$1,030,395</u></u>	<u><u>\$2,597,584</u></u>

Schedule of Noncash Capital and Related Financing Activities:

During calendar year 2012, debt principal totaling \$102,375 was transferred between the Water Pollution Control and the General Fund within Governmental Activities.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	Private Purpose Trust Fund	Agency Funds
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$103,192	\$4,721,086
Cash and Cash Equivalents with Fiscal Agents		754,526
Receivables:		
Taxes		40,334,022
Special Assessments		959,093
Intergovernmental		2,432,248
Prepaid items		61,017
Total Assets	103,192	49,261,992
Liabilities:		
Accounts Payable		201,858
Due To Other Governments		6,984,400
Undistributed Monies		42,042,058
Accrued Wages		33,676
Total Liabilities		49,261,992
Net Position:		
Held in Trust for Veterans:		
Non-Expendable	70,787	
Expendable	32,405	
Total Net Position	\$103,192	\$0

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Private Purpose Trust Fund
Additions:	
Investment Income	\$1,490
Total Additions	<u>1,490</u>
Deductions:	
Other Operating Expense	3,582
Total Deductions	<u>3,582</u>
Change in Net Position	(2,092)
Net Position at Beginning of Year	105,284
Net Position at End of Year	<u><u>\$103,192</u></u>

See accompanying notes to the basic financial statements.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012**

1. REPORTING ENTITY

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

A. Reporting Entity

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

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

Based on the foregoing criteria, the financial activities of RTC Industries, Inc. have been presented in the accompanying basic financial statements as follows:

1. Discretely Presented Component Unit

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

1. REPORTING ENTITY (Continued)

2. Jointly Governed Organizations

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by sixty-two counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

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

3. Related Organizations

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

4. Excluded Potential Component Units

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

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

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

A. Basis of Presentation

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

1. Government-wide Financial Statements

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

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

2. Fund Financial Statements

During the year, the County segregates transactions related to certain County programs or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detail level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

B. Fund Accounting

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. Governmental Funds

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

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

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

Developmental Disabilities Fund - The Developmental Disabilities Fund is used to account for a County-wide property tax levy and state and federal grants and reimbursements used for care and services for the mentally handicapped and retarded.

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

2. Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County's two major enterprise funds are:

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

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

3. Fiduciary Funds

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County's only trust fund (Chase Stuart Fund) is a private trust fund recorded as part of the fiduciary funds activities because the fund does not support any of the County's programs.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds account for assets held in an exclusively custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues and fines and forfeitures collected on behalf of and distributed to other local governments. Agency fund transactions typically involve only the receipt, temporary investment and distribution of these fiduciary resources.

C. Measurement Focus

1. Government Wide Financial Statements

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

2. Fund Financial Statements

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

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

D. Basis of Accounting

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Revenues - Exchange and Non-exchange Transactions

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

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

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

2. Unavailable Revenue

On the governmental funds balance sheet, unavailable revenue represent receivables that do not meet the County's availability criteria for recognition in the current period, such as sales taxes, special assessments, gasoline taxes, motor vehicle license fees, homestead and rollback funding, permissive license taxes, local government funds, state and federal grants, and delinquent property taxes, whose availability is indeterminate, as well property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of satisfying all eligibility requirements. In subsequent periods, when revenue recognition criteria are met, the unavailable revenue deferral is removed from the balance sheet and revenue is recognized.

On the government-wide statement of net position, unavailable revenue represents property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2012, but which were levied to finance year 2013 operations, and other revenues received in advance of satisfying all eligibility requirements.

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Expenditures/Expenses

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

E. Budget

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

1. Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2012.

2. Appropriations:

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non- GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, General Fund encumbrances outstanding at year-end are reported as Assigned for Encumbrances. Contrary to ORC 5705.41D, the County did not properly encumber all commitments.

4. Lapsing of Appropriations:

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

F. Cash and Investments

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalents with Fiscal Agents" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income was credited to the General, Ludlow Center Regional Planning, Program Income, Water Pollution Control, Logan Acres Bond Service, Escrow General Tax, and the Chase Stewart Expendable Trust Funds. Interest income earned by these funds in 2012 totaled \$221,951 on a cash-basis. Investments are reported at fair value (See Note 5). All coupon-bearing instruments include the cost of accrued interest paid until such time as the first coupon comes due. Premiums paid for coupon bearing investments are amortized using the straightline method; discounts are not amortized.

G. Inventories

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

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

H. Prepaid Items

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of \$5,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized in accordance with requirements of the Governmental Accounting Standards Board. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land Improvements	15-20 years	15-20 years
Buildings and Improvements	30-100 years	30-100 years
Furniture and Equipment	10-20 years	10-20 years
Vehicles	5-10 years	5-10 years
Water Pollution Control Infrastructure	N/A	70 years
Roads	15 years	N/A
Bridges	75 years	N/A

J. Interfund Balances

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "Advances To/From Other Funds" and outstanding repayments from funds responsible for particular expenditures to the funds that initially paid for them are classified as "Interfund Receivable/Payable". Both of these amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

K. Compensated Absences

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

I. Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund statements only to the extent they are due and payable at year-end. Bonds, capital leases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

M. Fund Balance

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net position reported as restricted represent state and federal grants and entitlements. The County did not have any restrictions through enabling legislation at year-end.

O. Operating Revenues and Expenses

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Capital Contributions

Capital Contributions in proprietary fund financial statements arise from outside contributions of capital assets, from grant or outside contributions of resources restricted to capital acquisition and construction, or from capital related transactions with governmental funds. During the current fiscal year, Water Pollution Control Fund debt totaling \$102,375 was absorbed by the County's General Fund.

Q. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expense in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented of the financial statements.

R. Extraordinary and Special Items

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

S. Estimates

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

3. CHANGE IN ACCOUNTING PRINCIPLES/ACCOUNTABILITY

For fiscal year 2012, the County has implemented the following:

GASB Statement No. 57 "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans" addresses the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this statement did not have a significant effect on the financial statements of the County.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" incorporates certain accounting and financial reporting guidance issued on or before November 30, 1989, into the GASB's authoritative literature that do not conflict with or contradict GASB pronouncements. The implementation of this statement did not have a significant effect on the financial statements of the County.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

3. CHANGE IN ACCOUNTING PRINCIPLES/ACCOUNTABILITY (Continued)

GASB Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position” standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. The implementation of this statement resulted in the reclassification of Net Assets to Net Position.

GASB Statement No. 64 “Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53” clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not have a significant effect on the financial statements of the County.

GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities” clarifies the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources. The implementation of this statement resulted in the presentation of Deferred Inflows of Resources as well as required the County to expense all debt issuance costs, rather than defer and amortize them over the life of the applicable debt issue. The implementation of this statement required a prior period adjustment to remove all unamortized bond issuance costs (see Note 19).

4. BUDGET BASIS OF ACCOUNTING

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than Assigned or Restricted fund balance (GAAP).
- (d) Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

4. BUDGET BASIS OF ACCOUNTING (Continued)

	Net Change in Fund Balances		
	General Fund	Auto and Gas Fund	Developmental Disabilities Fund
Budget Basis	\$390,093	(\$ 86,892)	\$266,618
Revenue Accruals	(595,305)	286,463	223,455
Expenditure Accruals	595,615	(209,970)	(159,360)
Encumbrances	523,222	197,065	73,641
Unclaimed Funds Activities	(828)		
Recorder Equipment	(18,605)		
Certificate of Title	7,805		
Long Term Environment	(12,739)		
GAAP Basis	\$889,258	\$186,666	\$404,354

5. DEPOSITS AND INVESTMENTS

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

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

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

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

1. United State Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time for a period not to exceed one hundred eighty days,
8. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts; and
9. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in divisions in divisions (1) or (2) of this section or cash or both securities and cash, equal value for equal value.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon the delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Cash on Hand

At year-end, the County Treasurer had \$8,000 in undeposited drawer and petty cash funds that is included in the financial statements as "Equity in Pooled Cash and Investments.

B. Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits, including cash with fiscal agents, was \$24,875,685 and the bank balance was \$25,913,042. Of the County's bank balance, \$4,465,423 was covered by the Federal Deposit Insurance Corporation, while the remaining \$21,447,619 was exposed to custodial risk, as discussed below.

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

Component Unit Cash and Cash Equivalents

The County's only discrete component unit considers all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents. All moneys are deposited into banks designated by RTC's governing board.

At year-end, the carrying amount of RTC's deposits and cash on hand was \$269,657 and the unadjusted bank balance was \$302,623. At December 31, 2012, FDIC insured \$250,000 of the bank balance.

C. Investments

1. Interest Rate Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less than one year</u>	<u>1 to 2 years</u>	<u>Greater than 2 years</u>
Federal Farm Credit Bank	\$1,000,000			\$1,000,000
Government National Mortgage Association Corporate Note	13,150			13,150
Commercial Paper	1,013,510	\$ 505,534	\$507,976	
	996,891	996,891		
Total	\$3,023,551	\$1,502,425	\$507,976	\$1,013,150

The weighted average maturity of the County's investment portfolio is 2.07 years.

2. Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard and Poor's Ratings</u>		
		<u>AAA</u>	<u>AA+</u>	<u>A1</u>
Federal Farm Credit Bank	\$1,000,000		\$1,000,000	
Government National Mortgage Association Corporate Note	13,150	\$13,150		
Commercial Paper	1,013,510		1,013,510	
	996,891			\$996,891
Total	\$3,023,551	\$13,150	\$2,013,510	\$996,891

The County's investment policy does not restrict individual investments except for those mentioned in the Ohio Rev. Code Section 135.35.

3. Concentration of Credit Risk

Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2012:

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

RTC had no investments as of December 31, 2012.

D. Reconciliation of Cash on Hand, Deposits and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net position as of December 31, 2012:

Cash and Investments Per Note:	
Carrying Amount of Deposits	\$24,875,685
Investments	3,023,551
Cash on Hand	8,000
Total	\$27,907,236

Cash and Investments Per Statement of Net Position:

Governmental and Business-Type Activities	\$22,328,432
Private-Purpose Trust Funds	103,192
Agency Funds	5,475,612
Total	\$27,907,236

E. Deficit Fund Balances

The following governmental funds had deficit fund balances at December 31, 2012 as a result of accruals recorded in accordance with accounting principles generally accepted in the United States of America. The General Fund transfers funds when deficit cash balances exist, not when accruals occur.

Fund	Deficit
Bond Retirement- McClure 77 Ditch	(\$5,340)
Bond Retirement- South Fork Ditch	(11,038)
Bond Retirement- Laughlin Ditch	(6,027)
Office of Juvenile Justice and Delinquency Prevention	(841)

6. INTERFUND TRANSACTIONS

The following is a summarized breakdown of the County's operating transfers for 2012.

Fund	Transfers In	Transfers Out
Governmental Funds:		
General Fund		\$ 964,551
Auto and Gas Fund		101,250
Other Governmental Funds	\$1,011,077	
Total Governmental Funds	1,011,077	1,065,801
Proprietary Funds:		
Indian Lake Water Pollution Control	54,724	
Total Proprietary Funds	54,724	
Totals	\$1,065,801	\$1,065,801

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

6. INTERFUND TRANSACTIONS (Continued)

The transfers from the General Fund and Auto and Gas Fund to Other Governmental Funds and from the General Fund to the Indian Lake Water Pollution Control Fund represent normal recurring subsidies for debt service expenditures.

7. ADVANCES

There were no changes in outstanding advances during 2012. The outstanding amounts were as follows:

<u>Fund</u>	<u>Beginning Balance</u>	<u>New Advances</u>	<u>Advance Repayments</u>	<u>Ending Balance</u>
General	\$31,475			\$31,475
Permanent Improvement Fund	15,844			15,844
Leach Ditch #780	(15,844)			(15,844)
McClure 77 Ditch	(13,604)			(13,604)
South Fork Ditch	(11,196)			(11,196)
Laughlin Ditch	(6,675)			(6,675)
	<u>\$ 0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>

These outstanding advances related to special assessment projects. As the County collects the special assessment payments, the advances will be repaid. The County expects the advance balances to be outstanding greater than one year.

In addition, interfund receivables/payables at year end totaled \$191,425. This represents the outstanding balance of operating costs incurred by the Public Assistance Fund on behalf of the Workforce Development (\$132,057) and Child Support (\$59,368) funds, but not yet reimbursed by those funds. The Public Assistance Fund is expected to be reimbursed in calendar year 2013.

8. RECEIVABLES

Receivables at December 31, 2012, consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real and public utility property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25% of true value. The total assessed value of real and public utility property for tax year 2011, which was used to collect property taxes in calendar year 2012, was \$1,075,828,660. The full tax rate for all County operations applied to real property for the year ended December 31, 2012, was \$2.50 per \$1,000 of assessed valuation.

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

8. RECEIVABLES (Continued)

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

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

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

Property taxes receivable represents delinquent real and public utility taxes outstanding as of the last settlement and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2012 operations, the receivable is offset by a credit to "Unavailable Revenue". The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2013 are shown as 2012 revenue; the remainder is shown as "Unavailable Revenue".

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

A detailed breakdown of intergovernmental receivables is as follows:

	Amounts
Governmental Activities:	
Local Government and Revenue Assistance	\$ 196,202
Excess IRP Compensation	59,510
Gasoline and Excise Tax	1,114,177
Auto Registration Fees	789,710
Homestead and Rollback	410,633
Casino Revenue Tax	232,227
Jail Grant	20,886
Indigent Counsel Fees	18,377
Sheriff Subsidy	3,954
FEMA Grant	12,602
VOCA Grant	15,653
Medicaid Administrative Claiming Funds	58,669
	(Continued)

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

8. RECEIVABLES (Continued)

ODE Early Childhood Grant	25,167
ODE Unit Funding	26,138
Help Me Grow Grant	10,725
Bridges Grant	20,176
Childrens Services Grant	449,512
Traffic Grant	9,528
Workforce Development Grant	137,780
JAIBG Grant	3,164
Family Drug Court Grant	28,385
Homeland Security Grant	15,797
Juvenile Court Grant	47,253
Transportation Grant	49,031
CDBG Grant	140,155
Byrne Memorial Grant	8,531
IV-E Administrative Grant	1,188
Total Governmental Activities	\$3,905,130
Business-Type Activities:	
Logan Acres-State Aid	\$ 227,492

9. INSURANCE

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

10. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 3,951,674			\$ 3,951,674
Construction in Progress		\$ 994,476		994,476
Total Non-depreciable Assets	<u>3,951,674</u>	<u>994,476</u>		<u>4,946,150</u>
Depreciable Capital Assets:				
Land Improvements	576,459			576,459
Building and Improvements	19,490,059			19,490,059
Machinery and Equipment	13,723,148	616,357		14,339,505
Vehicles	3,725,045	58,374	(\$138,990)	3,644,429
Infrastructure- Roads and Bridges	68,219,262	3,575,022		71,794,284
Total Depreciable Assets	<u>105,733,973</u>	<u>4,249,753</u>	<u>(138,990)</u>	<u>109,844,736</u>
Less accumulated depreciation:				
Land Improvements	(390,403)	(22,661)		(413,064)
Building and Improvements	(6,525,726)	(381,660)		(6,907,386)
Machinery and Equipment	(7,959,813)	(909,660)		(8,869,473)
Vehicles	(2,958,116)	(146,731)	123,756	(2,981,091)
Infrastructure- Roads and Bridges	(22,276,180)	(2,476,869)		(24,753,049)
Total accumulated depreciation	<u>(40,110,238)</u>	<u>(3,937,581)</u>	<u>123,756</u>	<u>(43,924,063)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>65,623,735</u>	<u>312,172</u>	<u>(15,234)</u>	<u>65,920,673</u>
Total Capital Assets, Net	<u>\$69,575,409</u>	<u>\$1,306,648</u>	<u>(\$ 15,234)</u>	<u>\$70,866,823</u>

Depreciation expense was charged to the governmental functions as follows:

General Government:	
Legislative	\$ 655,818
Judicial	13,903
Conservation and Recreation	4,680
Public Works	2,826,825
Public Safety	249,830
Human Services	116,586
Health	69,939
Total depreciation expense	<u>\$3,937,581</u>

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

10. CAPITAL ASSETS (Continued)

Water Pollution Control Capital Assets:	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 209,800			\$ 209,800
Total Non-depreciable Assets	<u>209,800</u>			<u>209,800</u>
Depreciable Capital Assets:				
Land Improvements	336,647			336,647
Building and Improvements	15,043,089			15,043,089
Machinery and Equipment	3,772,961			3,772,961
Vehicles	353,225			353,225
Infrastructure	21,300,550			21,300,550
Total Depreciable Assets	<u>40,806,472</u>			<u>40,806,472</u>
Less accumulated depreciation:				
Land Improvements	(195,933)	(\$ 3,748)		(199,681)
Building and Improvements	(3,459,960)	(207,573)		(3,667,533)
Machinery and Equipment	(3,230,994)	(40,139)		(3,271,133)
Vehicles	(303,157)	(17,484)		(320,641)
Infrastructure	(6,556,850)	(527,932)		(7,084,782)
Total accumulated depreciation	<u>(13,746,894)</u>	<u>(796,876)</u>		<u>(14,543,770)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>27,059,578</u>	<u>(796,876)</u>		<u>26,262,702</u>
Total Capital Assets, Net	<u>\$27,269,378</u>	<u>(\$796,876)</u>		<u>\$26,472,502</u>
Logan Acres County Home:	Beginning Balance	Additions	Transfers	Ending Balance
Depreciable Capital Assets:				
Land Improvements	\$ 1,453			\$ 1,453
Building and Improvements	16,880,526			16,880,526
Machinery and Equipment	688,081			688,081
Vehicles	71,923			71,923
Infrastructure	9,052			9,052
Total Depreciable Assets	<u>17,651,035</u>			<u>17,651,035</u>
Less accumulated depreciation:				
Land Improvements	(690)	(\$ 138)		(828)
Building and Improvements	(2,150,709)	(384,840)		(2,535,549)
Machinery and Equipment	(556,953)	(21,186)		(578,139)
Vehicles	(68,323)			(68,323)
Infrastructure	(1,720)	(430)		(2,150)
Total accumulated depreciation	<u>(2,778,395)</u>	<u>(406,594)</u>		<u>(3,184,989)</u>
Total Capital Assets, Net	<u>\$14,872,640</u>	<u>(\$406,594)</u>	<u>\$0</u>	<u>\$14,466,046</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

10. CAPITAL ASSETS (Continued)

Component Unit Capital Assets:

A summary of changes in capital assets by class during the year ended December 31, 2012 is a follows:

RTC Industries, Inc. Capital Assets:	Beginning Balance	Additions	Deductions	Ending Balance
Non-depreciable Capital Assets:				
Land	\$ 150,000			\$ 150,000
Building	945,743			945,743
Machinery and Equipment	212,946	\$39,299		252,245
Furniture and Fixtures	28,603			28,603
Vehicles		77,410		77,410
Total Capital Assets, cost	<u>1,337,292</u>	<u>116,709</u>		<u>1,454,001</u>
Less accumulated depreciation	<u>(271,450)</u>	<u>(50,252)</u>		<u>(321,702)</u>
Total Capital Assets, Net	<u>\$1,065,842</u>	<u>\$66,457</u>	<u>\$0</u>	<u>\$1,132,299</u>

11. NOTES PAYABLE

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

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance
Capital Facilities Note:				
Matures 11/9/12, 1.50%	\$1,400,000		(\$1,400,000)	
Capital Facilities Note:				
Matures 11/9/12, 1.50%	1,880,000		(1,880,000)	
Total	<u>3,280,000</u>		<u>(3,280,000)</u>	
Business-Type Activities:				
Sewer Improvement Note:				
Matures 11/8/12 1.50%	1,445,000		(1,445,000)	
Total	<u>\$1,445,000</u>	<u>\$0</u>	<u>(\$1,445,000)</u>	<u>\$0</u>

During the current fiscal year, the County retired its notes payable by issuance of general obligation bonds.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

12. LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Various Purpose Bonds, Series 2 Issued 11/1/02. 1.7% to 4.75%	\$ 4,863,875	\$ 102,375	(\$4,966,250)		
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%		8,565,000		\$ 8,565,000	\$ 730,000
Series 2012 A/B - Premium Compensated Absences	1,375,295	185,523	(16,922)	168,601	
	1,375,295	1,139,290	(1,297,977)	1,216,608	503,862
Total Governmental Activities	<u>6,239,170</u>	<u>9,992,188</u>	<u>(6,281,149)</u>	<u>9,950,209</u>	<u>1,233,862</u>
Business-Type Activities:					
Sewer System Refunding Bonds Issued 11/13/2002, 1.7% to 3%	615,000		(615,000)		
Sewer System Improvement Bonds, Series 2007, Issued 03/30/2007, 4.00%	2,115,000		(95,000)	2,020,000	100,000
O.W.D.A. Loan 07/23/1992, 5.2%	241,707		(159,059)	82,648	82,648
Sewer System Improvement Revenue Bonds, Series 2007A/B Issued 03/30/07, 4.125%	2,329,000		(29,300)	2,299,700	30,500
Sewer System Improvement Bonds Series 2008, Issued 12/17/08 3% to 5%	9,235,000		(260,000)	8,975,000	270,000
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36	5,919,000		(132,000)	5,787,000	139,000
County Sewer Capital Facility Bonds Issued 11/01/02, 1.7% to 4.75%	151,125		(151,125)		
County Home Revenue Bonds Issued 08/11/06, 4.5%	2,732,000		(61,000)	2,671,000	64,000
County Home Improvement Bonds, Series A Issued 07/21/10, 2.0% to 3.0%	155,000		(5,000)	150,000	15,000
County Home Improvement Bonds, Series B Issued 07/21/10, 4.51% to 6.67%	2,130,000			2,130,000	
County Home Improvement Bonds, Series C Issued 07/21/10, 6.82%	2,240,000			2,240,000	
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%		2,020,000		2,020,000	105,000
Series 2012 A/B - Premium Compensated Absences Payable	236,611	38,917	(2,684)	36,233	
	236,611	248,241	(272,917)	211,935	91,119
Total Business-Type Activities	<u>\$28,099,443</u>	<u>\$2,307,158</u>	<u>(\$1,783,085)</u>	<u>\$28,623,516</u>	<u>\$897,267</u>

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

12. LONG TERM LIABILITIES (Continued)

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

In August, 2006, the County issued \$3,000,000 of County Home Revenue Bonds and \$6,500,000 of County Home Construction Bonds, Series 2006, to finance the construction of a new county home.

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

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

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

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

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

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

12. LONG TERM LIABILITIES (Continued)

	Sewer System Improvement Bonds, Series 2007			OWDA Loan		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 100,000	\$ 80,800	\$ 180,800	\$82,648	\$2,146	\$84,794
2014	105,000	76,800	181,800			
2015	110,000	72,600	182,600			
2016	115,000	68,200	183,200			
2017	120,000	63,600	183,600			
2018-2022	660,000	243,800	903,800			
2023-2027	810,000	99,800	909,800			
Total	\$2,020,000	\$705,600	\$2,725,600	\$82,648	\$2,146	\$84,794

	Sewer System Improvement Bonds, Series 2007			Sewer System Improvement Bonds, Series 2008		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 30,500	\$ 94,863	\$ 125,363	\$ 270,000	\$ 429,374	\$ 699,374
2014	31,700	93,605	125,305	275,000	419,924	694,924
2015	33,000	92,297	125,297	285,000	410,299	695,299
2016	34,400	90,935	125,335	300,000	399,611	699,611
2017	35,800	89,517	125,317	310,000	387,611	697,611
2018-2022	202,300	424,028	626,328	1,775,000	1,706,415	3,481,415
2023-2027	247,600	378,873	626,473	2,240,000	1,260,207	3,500,207
2028-2032	303,100	323,418	626,518	515,000	814,565	1,329,565
2033-2037	371,200	255,517	626,717	3,005,000	157,763	3,162,763
2038-2042	454,200	172,368	626,568			
2043-2047	555,900	70,644	626,544			
Total	\$2,299,700	\$2,086,065	\$4,385,765	\$8,975,000	\$5,985,769	\$14,960,769

	County Home Construction Bonds, 2006			County Home Revenue Bonds, Series 2006		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 139,000	\$ 260,415	\$ 399,415	\$ 64,000	\$ 120,195	\$ 184,195
2014	145,000	254,160	399,160	67,000	117,315	184,315
2015	152,000	247,635	399,635	70,000	114,300	184,300
2016	158,000	241,455	399,455	73,000	111,455	184,455
2017	166,000	233,685	399,685	76,000	107,865	183,865
2018-2022	946,000	1,050,246	1,996,246	436,000	484,961	920,961
2023-2027	1,179,000	817,227	1,996,227	545,000	377,545	922,545
2028-2032	1,469,000	527,164	1,996,164	679,000	243,355	922,355
2033-2037	1,433,000	164,792	1,597,792	661,000	75,982	736,982
Total	\$5,787,000	\$3,796,779	\$9,583,779	\$2,671,000	\$1,752,973	\$4,423,973

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

12. LONG TERM LIABILITIES (Continued)

	County Home Improvement Bonds, Series 2010A			County Home Improvements Bonds, Series 2010B		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 15,000	\$ 3,900	\$ 18,900		\$ 130,931	\$ 130,931
2014	30,000	3,600	33,600		130,931	130,931
2015	45,000	2,925	47,925		130,931	130,931
2016	60,000	1,800	61,800		130,931	130,931
2017				\$ 120,000	130,931	250,931
2018-2022				655,000	559,242	1,214,242
2023-2022				795,000	344,980	1,139,980
2028-2032				560,000	75,704	635,704
2033-2037						
2038-2042						
Total	\$150,000	\$12,225	\$162,225	\$2,130,000	\$1,634,581	\$3,764,581

	County Home Improvements Bonds, Series 2010C			Various Purpose Refunding Bonds, Series 2012 A/B		
	Principal	Interest	Totals	Principal	Interest	Totals
2013		\$ 152,768	\$ 152,768	\$ 835,000	\$ 247,623	\$ 1,082,623
2014		152,768	152,768	850,000	227,325	1,077,325
2015		152,768	152,768	715,000	210,325	925,325
2016		152,768	152,768	715,000	196,025	911,025
2017		763,840	763,840	735,000	181,725	916,725
2018-2022		763,840	763,840	3,915,000	673,725	4,588,725
2023-2022		763,840	763,840	1,590,000	314,512	1,904,512
2028-2032	\$ 440,000	748,836	1,188,836	1,230,000	113,100	1,343,100
2033-2037	1,240,000	450,462	1,690,462			
2038-2042	560,000	57,630	617,630			
Total	\$2,240,000	\$4,159,520	\$6,399,520	\$10,585,000	\$2,164,360	\$12,749,360

Pledged Revenues on Debt Issuances – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay \$3.0 million in county home revenue bonds issued in August 2006. Proceeds from the bonds provided financing for the construction of the Logan Acres facility. The bonds are payable solely from the home customers net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 20 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,423,973. Principal and interest paid for the current year and total customer net revenues in 2012 were \$184,277 and \$764,067, respectively.

The County also has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2.41 million in sewer system improvement revenue bonds issued in March 2007. Proceeds from the bonds provided financing for the construction of sanitary sewers and installing individual grinder pumping stations. The bonds are payable solely from sewer customer net revenues and are payable through 2047. Annual principal and interest payments on the bonds are expected to require less than 13 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,385,765. Principal and interest paid for the current year and total customer net revenues in 2012 were \$125,371 and \$351,761, respectively.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

12. LONG TERM LIABILITIES (Continued)

Component Unit Long Term Debt

A summary of changes in long term debt during the year ended December 31, 2012 is as follows:

Citizen Federal Savings and Loan Matures 2022, 6.00%	\$270,803		(\$20,393)	\$250,410	\$20,995
Citizen Federal Savings and Loan Matures 2017, 5.00%		\$47,100	(3,489)	43,611	8,702
Accrued Vacation	14,689	15,789	(14,689)	15,789	
Total Component Unit Long Term Liabilities	\$285,492	\$62,889	(\$38,571)	\$309,810	\$29,697

The Following is a summary of the RTC's future annual debt payment requirements for long-term debt:

	Mortgage Payable		
	Principal	Interest	Totals
2013	\$ 29,697	\$17,074	\$ 46,771
2014	31,403	15,370	46,773
2015	33,206	13,566	46,772
2016	35,116	11,659	46,775
2017	32,541	9,680	42,221
2018-2022	132,058	21,435	153,493
2023		1,138	1,138
Total	\$294,021	\$89,922	\$383,943

In 2007, the proceeds of the mortgage were used to purchase a new building with extensive renovations for the job employment services division of RTC. The mortgage is backed by the real estate and property located on 338 East Columbus Avenue.

In July 2012, a new delivery truck was purchased for \$67,100. A \$15,000 down payment was made from the capital purchases fund and a trade-in was made for \$5,000. The outstanding balance of \$47,100 was covered by a 5-year auto loan through Citizens Banking Company.

13. COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government-wide Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2012 vested vacation, compensatory, and sick leave benefits for governmental activity and business-type activity employees totaled \$1,216,608 and \$211,935, respectively.

14. DEFINED BENEFIT PENSION PLANS

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

14. DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System (OPERS)

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

1. The Traditional Pension Plan (TP) a cost-sharing, multiple-employer defined benefit pension plan.
2. The Member-Directed Plan (MD) - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings.
3. The Combined Plan (CO) - a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits.

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2012, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Tradition Pension Plan.

The 2012 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 11.5% and 12.1% respectively. Effective January 1, 2013, the member contribution rates for public safety and law enforcement members increased to 12.0% and 12.6%, respectively.

The 2012 employer contribution rate for local government employer units was 14.00% of covered payroll. The law enforcement and public safety division employer contribution rate was 18.10% of covered payroll. The County's contributions to OPERS for all employees for the years ended December 31, 2012, 2011, and 2010, were \$2,621,429, \$2,719,386, and \$2,770,120, respectively, equal to the required contributions in each year.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

14. DEFINED BENEFIT PENSION PLANS (Continued)

B. State Teachers Retirement Systems

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

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

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

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

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

14. DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

A Defined Benefit or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC, or Combined Plans. Various other benefits are available to members' beneficiaries.

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

For the year ended December 31, 2012, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent. The County's required contribution for pension obligations for the years ended December 31, 2012, 2011 and 2010 were \$93,225, \$124,075, and \$131,237, respectively, equal to the required contributions for each year.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2012 Comprehensive Annual Financial Report will be available after December 17, 2012. Additional information or copies of STRS Ohio's 2010 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

14. DEFINED BENEFIT PENSION PLANS (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2012, none have elected Social Security.

15 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2012, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employer units contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

15 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to the health care for members in the Traditional Plan was 4.0% during calendar year 2012. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05% during calendar year 2012. Effective January 1, 2013, the portion of employer contributions allocated to health care was lowered to 1% for both plans, as recommended by the OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payments amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution to OPERS for the years ending December 31, 2012, 2011, and 2010 were \$2,621,429, \$2,719,386, and \$2,770,120, respectively, of which \$748,942, \$776,929, and \$1,003,224, respectively, was allocated to the healthcare plan. The County's contributions were equal to the required contribution in each year.

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

B. State Teachers Retirement System

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

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

Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post employment health care for the years ended June 30, 2012, 2011, and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law.

The County's contribution to STRS for the years ending December 31, 2012, 2011, and 2010 were \$93,225, \$124,075, and \$131,237, respectively, of which \$6,659, \$8,862, and \$9,405, respectively, was allocated to the STRS post employment healthcare plan. The County's contributions were equal to the required contributions in each year.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012
(Continued)**

16. DEFERRED COMPENSATION PLAN

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

17. RELATED PARTY TRANSACTIONS

RTC Industries, Inc. – RTC Industries Inc., a discretely presented component unit of the County, received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as operating revenues and expenses at cost or fair market value as applicable, in the financial statements of the corporation. In 2012, the value of these contributions totaled \$633,910.

18. CONTINGENT LIABILITIES

A. Federal and State Grants

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

B. Pending Litigation

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

19. NET POSITION ADJUSTMENTS

Due to the implementation of GASB 65, the Unamortized Bond Issuance Costs should be recognized as an expense in the period incurred. Because such amounts are the product of adjustments from a prior period, they are not properly included as part of the results of operations of the current period, rather are reported as a direct adjustment to beginning fund balance/net position to restate those amounts to what they would have been.

The effects of the GASB 65 adjustments are as follows:

	Water Pollution Control	Logan Acres Home	Business-Type Activities
Net Position, December 31, 2011	\$16,110,714	\$ 4,613,858	\$20,724,572
GASB 65 Adjustments:			
Unamortized Bond Issuance Costs	(286,876)	(144,369)	(431,245)
Net Position, January 1, 2012	<u>\$15,823,838</u>	<u>\$4,469,489</u>	<u>\$20,293,327</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through the Ohio Department of Job & Family Services</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1213-11-5068	10.561	\$251,151
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	05-PU-09	10.553	5,731
National School Lunch Program - Non Cash Commodities	N/A	10.555	860
National School Lunch Program	LLP4-09	10.555	10,214
Total National School Lunch Program			<u>11,074</u>
Total Child Nutrition Cluster			<u>16,805</u>
Total U.S. Department of Agriculture			<u>267,956</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass through the Ohio Department of Development</i>			
Community Development Block Grant/Entitlement Grants	NSP-08-14-3	14.218	450
Community Development Block Grant/States Program and Non-Entitlement Grants in Hawaii:			
Community Housing Improvement Program	B-C-09-1BP-1	14.228	26,765
Formula Grant	B-F-09-1BP-1	14.228	74,912
Formula Grant	B-F-10-1BP-1	14.228	128,832
Formula Grant	B-F-11-1BP-1	14.228	11,333
Community Housing Improvement Program	B-C-11-1BP-1	14.228	18,746
Total Community Development Block Grant/States Program and Non-Entitlement Grants in Hawaii:			<u>260,588</u>
Home Investment Partnerships Program			
Home Investment Partnerships Program	B-C-09-1BP-2	14.239	43,958
Home Investment Partnerships Program	B-C-11-1BP-2	14.239	37,588
Total Home Investment Partnerships Program			<u>81,546</u>
Total U.S. Department of Housing and Urban Development			<u>342,584</u>
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through the Ohio Department of Youth Services</i>			
Juvenile Accountability Block Grants	2010-JB-015-B009	16.523	2,872
Drug Court Discretionary Grant Program	2011-DC-BX-0003	16.585	60,677
<i>Passed through the Ohio Attorney General's Office</i>			
Crime Victim Assistance	2012VAGENE007	16.575	39,496
Crime Victim Assistance	2013VAGENE007	16.575	12,538
Total Crime Victim Assistance			<u>52,034</u>
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
JAG Program Cluster:			
Prevention	2011-JG-C01-6619	16.738	32,374
Edward Byrne Memorial Justice Assistance Grant Program - Jail Programs	2011-JG-C01-6858	16.738	14,451
Edward Byrne Memorial Justice Assistance Grant Program - Overtime	2011-JG-LLE-5281	16.738	10,000
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>56,825</u>
Program/Grants to States and Territories - Overtime	2009-RA-A02-2371	16.803	53,462
Total JAG Program Cluster			<u>110,287</u>
Total U.S. Department of Justice			<u>225,870</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
U.S. DEPARTMENT OF LABOR			
<i>Passed through the Ohio Department of Job & Family Services and Area 7 Workforce Investment Board</i>			
WIA Cluster:			
WIA Adult Program	2010-7346	17.258	47,655
WIA Youth Activities	2010-7346	17.259	47,799
WIA Dislocated Worker Formula Grants	2010-7346	17.278	110,617
Total WIA Cluster			<u>206,071</u>
Workforce Investment Act (WIA) National Emergency Grant	2010-7346	17.277	166,511
Total U.S. Department of Labor			<u>372,582</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	PID #87893	20.205	8,500
Highway Planning and Construction	PID #88870	20.205	10,967
Highway Planning and Construction	PID #89126	20.205	150,000
Highway Planning and Construction	PID #90189	20.205	8,857
Highway Planning and Construction	PID #91537	20.205	1,800
Highway Planning and Construction	PID #91595	20.205	182,462
Highway Planning and Construction	PID #92293	20.205	50,000
Highway Planning and Construction	PID #92742	20.205	39,780
Total Highway Planning and Construction			<u>452,366</u>
<i>Passed through the Ohio Department of Public Safety</i>			
State and Community Highway Safety			
Traffic Grant	HVEO-2012-46-00-00-00-313-00	20.600	25,055
Traffic Grant	HVEO-2013-46-00-00-00-360-00	20.600	4,304
Total State and Community Highway Safety			<u>29,359</u>
Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	20.703	5,200
Total U.S. Department of Transportation			<u>486,925</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Education</i>			
Special Education Preschool Grants	PGS1-2010	84.173	38,296
Total U.S. Department of Education			<u>38,296</u>
U.S. ELECTION ASSISTANCE COMMISSION			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act - Requirements Payments	06-SOS-HHHS-46	90.401	1,133
Total U.S. Election Assistance Commission			<u>1,133</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Promoting Safe and Stable Families	G-1213-11-5068	93.556	68,318
Temporary Assistance for Needy Families	G-1213-11-5068	93.558	735,533
Child Support Enforcement	G-1213-11-5068	93.563	814,237
Child Care and Development Block Grant	G-1213-11-5068	93.575	36,213
<i>Passed through the Ohio Secretary of State</i>			
Voting Access for Individuals with Disabilities - Grants to States	06-SOS-HHHS-46	93.617	995
Voting Access for Individuals with Disabilities - Grants to States	06-SOS-HHHS-46	93.617	760
Total Voting Access for Individual with Disabilities - Grants to States			<u>1,755</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Disbursements
<i>Passed through the Ohio Department of Job & Family Services</i>			
Stephanie Tubbs Jones Child Welfare Services Program	G-1213-11-5068	93.645	51,055
Foster Care - Title IV-E	G-1213-11-5068	93.658	252,199
Foster Care - Title IV-E	G-1213-06-0171	93.658	193,354
Total Foster Care - Title IV-E			<u>445,553</u>
Adoption Assistance	G-1213-11-5068	93.659	387,600
Non-Recurring Adoption	G-1213-11-5068	93.659	1,113
Total Adoption Assistance			<u>388,713</u>
<i>Social Services Block Grant</i>			
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant		93.667	44,728
<i>Passed through the Ohio Department of Job & Family Services</i>			
Social Services Block Grant	G-1213-11-5068	93.667	424,388
Total Social Services Block Grant			<u>469,116</u>
Chafee Foster Care Independence Program	G-1213-11-5068	93.674	6,100
<i>Medical Assistance Program</i>			
<i>Passed through the Ohio Department of Job & Family Services</i>			
Medical Assistance Program	G-1213-11-5068	93.778	257,135
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Medical Assistance Program		93.778	58,955
Total Medical Assistance Program			<u>316,090</u>
Total U.S. Department of Health and Human Services			<u>3,332,683</u>
U.S DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through the Ohio Department of Public Safety</i>			
<i>Emergency Management Agency</i>			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	DR-4077	97.036	12,602
Emergency Management Performance Grants	EMW-2011-EP- 00003-S01	97.042	30,614
Emergency Management Performance Grants	EMW-2012-EP- 00004-S01	97.042	29,701
Total Emergency Management Performance Grants			<u>60,315</u>
State Homeland Security Program	2009-SS-T9-0089	97.067	14,310
Citizen Corps Program	2009-SS-T9-0089	97.067	5,159
Citizen Corps Program	2009-SS-T9-0089	97.067	6,270
State Homeland Security Program	2010-SS-T0-0012	97.067	39,238
Citizen Corps Program	2010-SS-T0-0012	97.067	1,515
Citizen Corps Program	2010-SS-T0-0012	97.067	2,847
Total Homeland Security Grant Program			<u>69,339</u>
Total Department of Homeland Security			<u>142,256</u>
Total Federal Awards Expenditures			<u>\$5,210,285</u>

See accompanying notes to the Schedule.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FORE THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 – BASIS OF ACCOUNTING

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

NOTE 3 – MATCHING REQUIREMENTS

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

NOTE 4 – TRANSFERS BETWEEN FEDERAL PROGRAMS

The U.S. Department of Health and Human Services permits the Ohio Department of Job and Family Services (ODJFS) to transfer funds from the Temporary Assistance for Needy Families (93.558) program to the Social Services Block Grant (93.667) program and the Child Care and Development (93.596) program. In fiscal year 2012, a portion of Logan County's Social Services Block Grant program allocation from ODJFS represents allowable TANF transfer funds.

During fiscal year 2012, ODJFS transferred \$258,449 of the County's Temporary Assistance for Needy Families (93.558) funds to the Social Services Block Grant program.

The Schedule shows the County spent \$735,533 on the Temporary Assistance for Needy Families program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule excludes the amount ODJFS transferred to the Social Services Block Grant program. The amount ODJFS transferred to the Social Services Block Grant program is included in the federal program expenditures for this program. The following table shows the gross amount drawn for the Temporary Assistance for Needy Families program during the fiscal year 2012:

Total Temporary Assistance for Needy Families	\$993,982
Total reported as Social Services Block Grant	<u>(258,449)</u>
Total report as Temporary Assistance for Needy Families	<u>\$735,533</u>

NOTE 5 – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

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

NOTE 6 – COST REPORT SETTLEMENT

During the calendar year, the County Board of Developmental Disabilities received a settlement for the 2007 Cost Report from the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of \$7,500.81. The Cost Report settlement was for settlement of the difference between the statewide payment rate and the rate calculated based upon actual expenditures for Medicaid services. This revenue is not listed on the County's Schedule since the underlying disbursements occurred in prior reporting periods.



Dave Yost • Auditor of State

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, (the County) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 1, 2013, wherein we noted the County adopted provisions of Governmental Accounting Standard No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. Our report refers to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits from the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of RTC Industries, Inc. as described in our report on the County's financial statements. The financial statements of RTC Industries, Inc., the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2012-001.

Entity's Response to Findings

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

Purpose of this Report

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



Dave Yost
Auditor of State

Columbus, Ohio

October 1, 2013



Dave Yost • Auditor of State

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

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

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

Report on Compliance for Each Major Federal Program

We have audited Logan County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the County's major federal programs for the year ended December 31, 2012. The *Summary of Audit Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Child Support Enforcement and Medical Assistance Program

As described in finding 2012-002 in the accompanying schedule of findings, the County did not comply with requirements regarding cash management applicable to its Child Support Enforcement and Medical Assistance Program major federal programs. Compliance with this requirement is necessary, in our opinion, for the County to comply with requirements applicable to these programs.

Qualified Opinion on Child Support Enforcement and Medical Assistance Program

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Support Enforcement and Medical Assistance Program* paragraph, Logan County complied, in all material respects, with the requirements referred to above that could directly and materially affect its Child Support Enforcement and Medical Assistance Program for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Logan County complied in all material respects with the requirements referred to above that could directly and materially affect each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings for the year ended December 31, 2012.

Report on Internal Control over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2012-002 to be a material weakness.

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

Financial Condition
Logan County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required By OMB Circular A-133
Page 3

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

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

Dave Yost
Auditor of State

Columbus, Ohio

October 1, 2013

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**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2012**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified for all major programs except for Child Support Enforcement Grant Program and Medical Assistance Program which we qualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Programs (list):	<p>Workforce Investment Act Cluster:</p> <ul style="list-style-type: none"> • CFDA #17.258 – WIA Adult Program • CFDA #17.259 – WIA Youth Activities • CFDA #17.278 – WIA Dislocated Workers Formula Grants <p>CFDA #20.205 – Highway Planning and Construction CFDA #93.558 – Temporary Assistance for Needy Families CFDA #93.563 – Child Support Enforcement CFDA #93.659 – Adoption Assistance CFDA #93.778 – Medical Assistance Program</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2012-001

Noncompliance

Ohio Rev. Code Section 5705.41(D)(1) states that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision. The fiscal officer must certify that the amount required to meet such a commitment has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Further, contracts and orders for expenditures lacking prior certification shall be null and void.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

A. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Commissioners (the Board) can authorize the drawing of a warrant for the payment of the amount due. The Board has thirty days from the receipt of the "then and now" certificate to approve payment by resolution.

- Amounts of less than \$100 may be paid by the fiscal officer without a resolution upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Board.

B. Blanket Certificate – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

C. Super Blanket Certificate – The County may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Logan County did not properly certify the availability of funds prior to purchase commitment for three out of eight expenditures (37.5%) tested in amount of \$2,782,871. There was no evidence that the County followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and lead to negative cash fund balances.

In addition, the County utilized blanket certificates; however no supporting documentation showed an authorized amount established by the County Commissioners as required above.

**FINDING NUMBER 2012-001
 (Continued)**

Unless the exceptions noted above are used, prior certification is not only required by statute, but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the County should certify that the funds are or will be available prior to the obligation. When prior certification is not possible, "then and now" certification should be used.

The County Commissioners should also approve a maximum amount for blanket certificates in order to help prevent unauthorized expenditures.

Officials' Response:

We do our best to make certain a purchase order is created prior to expenditure of funds; however, we have many departments and many people involved and it does not always happen.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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Job and Family Services Cash Management

Finding Number	2012-002
CFDA Title and Number	93.563 – Child Support Enforcement 93.778 – Medical Assistance Program
Federal Award Number / Year	G-1213-11-5068
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of Job and Family Services

Noncompliance and Material Weakness

45 CFR 92.20(a)(1) states a State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. In addition, fiscal control and accounting procedures of the State, as well as its sub-grantees and cost-type contractors, must be sufficient to permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

45 CFR 92.20(b)(7) states the financial management systems of other grantees and sub-grantees must meet the following standards:

Cash Management: Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and sub-grantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on sub-grantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their sub-grantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

FINDING NUMBER 2012-002
(Continued)

Ohio Admin. Code 5101:9-7-02(B)(1) states requests for cash draws may be submitted weekly and are normally processed by ODJFS in six business days. In accordance with the 31 C.F.R. part 205 and 45 C.F.R. parts 74 and 92, cash drawn in advance must be limited to the minimum amount needed for actual, immediate requirements. The CSEA shall have cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten-day average for all federal funding.

Ohio Admin. Code 5101:9-7-03(B)(1) states requests for cash draws may be submitted weekly and processed by the Ohio Department of Job and Family Services (ODJFS) in six working days. In accordance with the cash management improvement act and 45 C.F.R. parts 74 and 92 and transmittal number TANF-ACF-PI-01-02 issued by the United States Department of Health and Human Services (DHHS), cash drawn in advance must be limited to the minimum amount needed for actual, immediate requirements. The County DJFS shall have cash management procedures in place to ensure the time elapsing between the receipt of funds and the disbursement of funds does not exceed a ten day average for all federal and state operating allocations.

During 2012, the following occurred where the ten day average was exceeded between the receipt and disbursement of federal funds:

1. Child Support Enforcement - four instances between 14 and 85 days with excess cash ranging from \$42,824 to \$136,004
2. Public Assistance - five instances between 11 and 21 days with excess cash ranging from \$10,697 to \$36,611

Failure to expend receipts on a timely basis could result in the accumulation of interest on Federal funds, which must be paid back to the awarding agency.

We recommend the County JFS implement cash management procedures to reduce the time elapsing from receipt of funds and expense of funds.

Officials' Response:

See Corrective Action Plan – page 75

**FINANCIAL CONDITION
LOGAN COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
December 31, 2012**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2012-002	<p>The Logan County DJFS has been very aware for some time of fiscal issues as relates to Cash on Hand. Under new management since March 2012, this has been addressed in ongoing conversations with ODJFS Fiscal Staff to make internal staffing and process changes in order to impact and make a change.</p> <p>As a corrective action plan to deal with cash on hand issues, the agency was placed on restricted draws by BCFTA. In recent weeks/months, we have been able to get our cash on hand within the required 10 days in both public assistance and child support areas. The agency is quickly moving toward meeting compliance in and being released from the restricted draw corrective action plan.</p> <p>The LCDJFS has made tremendous improvements over past several quarters regarding cash on hand. We will continue to move forward in positive manner to remain compliant with this requirement.</p>	October 2013	<p>Susan Bailey-Evans, MSW</p> <p>Logan County JFS Director</p>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-1	Significant Deficiency – Financial Reports: Financial statement errors and implementation of GASB 54 errors	No	Repeated in Management Letter
2011-2	Significant Deficiency – Cash Management - HOME Investment Partnership Program: Untimely expensing of grant drawdowns	Yes	
2011-3	Significant Deficiency – Reporting Requirements – HOME Investment Partnership Program: Untimely filing of Final Performance Report	Finding No Longer Valid	No Final Performance Reports due during fiscal year 2012
2011-4	Significant Deficiency – Reporting Requirements – Workforce Investment Act Cluster: 1512 ARRA data reporting	Finding No Longer Valid	No ARRA funding in 2012 for WIA



Dave Yost • Auditor of State

LOGAN COUNTY FINANCIAL CONDITION

LOGAN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 7, 2013