



Dave Yost • Auditor of State

**FINANCIAL CONDITION
LOGAN COUNTY**

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LOGAN COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the discretely presented component unit and remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2013, 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 amount 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.

Opinion

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, each major fund, and the discretely presented component unit and the aggregate remaining fund information of Logan County, Ohio, as of December 31, 2013, 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2014, 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

September 12, 2014

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LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(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, 2013.

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 \$110.4 million (net position). Of this amount, approximately \$17.3 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 \$6.2 million and the County's Business-Type Activities net position increased by \$1.1 million.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$22.4 million, a \$4.8 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.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

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

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

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

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

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

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

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

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

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

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

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

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

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Government-Wide Financial Analysis

The table below provides a comparative summary of the County's net position at December 31, 2013 and December 31, 2012:

	Net Position			
	2013	2013	2012	2012
	<u>Governmental</u>	<u>Business-Type</u>	<u>Governmental</u>	<u>Business-Type</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>
Assets				
Current and other assets	\$ 34,992,054	\$ 10,705,118	\$ 30,642,653	\$ 8,871,501
Capital assets, net	<u>71,707,662</u>	<u>39,859,286</u>	<u>70,866,823</u>	<u>40,938,548</u>
Total assets	<u><u>\$ 106,699,716</u></u>	<u><u>\$ 50,564,404</u></u>	<u><u>\$ 101,509,476</u></u>	<u><u>\$ 49,810,049</u></u>
Liabilities				
Current and other liabilities	\$ 1,728,366	\$ 1,067,355	\$ 2,054,434	\$ 935,236
Long-term liabilities	<u>9,179,892</u>	<u>28,143,430</u>	<u>9,950,209</u>	<u>28,623,516</u>
Total liabilities	<u>10,908,258</u>	<u>29,210,785</u>	<u>12,004,643</u>	<u>29,558,752</u>
Deferred Inflows of Resources				
Property and Other Local Taxes	<u>6,734,994</u>	<u>-</u>	<u>6,644,659</u>	<u>-</u>
Net position				
Net Investment in Capital Assets	63,942,642	12,425,086	62,639,683	12,713,200
Restricted	16,691,623	-	15,516,633	-
Unrestricted	<u>8,422,199</u>	<u>8,928,533</u>	<u>4,703,858</u>	<u>7,538,097</u>
Total net position	<u><u>\$ 89,056,464</u></u>	<u><u>\$ 21,353,619</u></u>	<u><u>\$ 82,860,174</u></u>	<u><u>\$ 20,251,297</u></u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by approximately \$110.4 million at the close of the most recent fiscal year. Of this amount, approximately \$17.3 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.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The table below provides a comparative analysis of changes in net position for 2013 and 2012:

	Change in Net Position			
	Governmental Activities 2013	Business-Type Activities 2013	Governmental Activities 2012	Business-Type Activities 2012
Revenues				
Program revenues:				
Charges for Services	\$ 7,012,080	\$ 10,045,214	\$ 6,619,714	\$ 8,684,537
Operating Grants and Contributions	15,523,602	2,543,472	13,368,306	2,518,792
Capital Grants and Contributions	993,940	-	74,867	-
Total program revenues	<u>23,529,622</u>	<u>12,588,686</u>	<u>20,062,887</u>	<u>11,203,329</u>
General revenues:				
Property and Sales Taxes	15,733,280	-	15,038,442	-
Unrestricted Grants and Entitlements	920,640	-	1,328,671	-
Unrestricted Investment Earnings	204,219	168	220,809	535
Insurance Proceeds	3,075,406	-	1,432,210	-
Other	484,446	-	264,676	-
Total general revenues	<u>20,417,991</u>	<u>168</u>	<u>18,284,808</u>	<u>535</u>
Total revenues	<u>43,947,613</u>	<u>12,588,854</u>	<u>38,347,695</u>	<u>11,203,864</u>
Expenses				
General Government- Legislative and Executive	4,536,862	-	5,315,564	-
General Government- Judicial	2,734,629	-	2,737,852	-
Public Safety	5,436,575	-	5,235,280	-
Public Works	7,452,783	-	7,242,613	-
Health	2,322,187	-	1,296,103	-
Human Services	13,960,143	-	14,233,526	-
Conservation and Recreation	4,680	-	4,680	-
Economic Development and Assistance	860,864	-	294,229	-
Urban Redevelopment an Housing	154,555	-	218,326	-
Interest and Fiscal Charges	194,890	-	439,134	-
Wastewater Pollution Control Fund	-	3,507,583	-	3,519,523
Logan Acres County Home Fund	-	8,072,104	-	7,883,470
Total expenses	<u>37,658,168</u>	<u>11,579,687</u>	<u>37,017,307</u>	<u>11,402,993</u>
Change in Net Position Before Transfers	6,289,445	1,009,167	1,330,388	(199,129)
Net Transfers	(93,155)	93,155	(157,099)	157,099
Change in Net Position	6,196,290	1,102,322	1,173,289	(42,030)
Net position, Beginning of year	82,860,174	20,251,297	81,686,885	20,293,327
Net Position, End of Year	<u>\$ 89,056,464</u>	<u>\$ 21,353,619</u>	<u>\$ 82,860,174</u>	<u>\$ 20,251,297</u>

For governmental activities, total revenues increased by approximately \$5.6 million in 2013. This increase was primarily the result of a \$1.6 million increase in insurance proceeds received and a \$2.2 million increase in operating grants and contributions, which resulted from National Emergency Grants.

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

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2013 and 2012. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012
Program expenses				
General Government- Legislative and Executive	\$ 4,536,862	\$ 1,973,837	\$ 5,315,564	\$ 3,258,603
General Government- Judicial	2,734,629	1,514,748	2,737,852	1,302,107
Public Safety	5,436,575	4,525,671	5,235,280	4,027,165
Public Works	7,452,783	2,135,109	7,242,613	2,369,678
Health	2,322,187	67,149	1,296,103	220,296
Human Services	13,960,143	3,967,624	14,233,526	5,242,802
Conservation and Recreation	4,680	4,680	4,680	4,680
Economic Development and Assistance	860,864	(388,217)	294,229	219,500
Urban Redevelopment an Housing	154,555	133,055	218,326	(123,355)
Interest and Fiscal Charges	194,890	194,890	439,134	432,944
Total program expenses	<u>\$ 37,658,168</u>	<u>\$ 14,128,546</u>	<u>\$ 37,017,307</u>	<u>\$ 16,954,420</u>

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

Financial Analysis of the Governmental Funds

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of approximately \$22.4 million, an increase of \$4.8 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 \$2.6 million, while total fund balance reached approximately \$6.0 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 23.5 percent of total general fund expenditures, while total fund balance represents 54.1 percent of that same amount.

The fund balance of the County's general fund increased by \$2.5 million during the current fiscal year. This increase is primarily the result of insurance proceeds of approximately \$3.1 million.

The fund balance of the County's auto and gas fund decreased by \$517,358 during the current fiscal year. This decrease represents the amount in which program expenditures exceeded program revenues.

The fund balance of the County's developmental disabilities fund increased by \$814,080 during the current fiscal year. This increase represents the amount in which property taxes and program revenues exceeded program expenditures.

LOGAN COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

General Fund Budgeting Highlights

The variances between the County's original and final revenue and expenditure budgets were \$3.9 million and \$2.2 million, respectively. These variances were primarily the result of insurance proceeds and related expenditures that were budgeted as received/expended.

The variances between the County final revenue and expenditure budgets and actual budgetary revenues and expenditures were insignificant.

Capital Assets

The County's investment in capital assets for governmental activities as of December 31, 2013, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure, totaled \$71.7 million (net of accumulated depreciation), an increase of \$840,839 in comparison with the prior year. This increase consists of current year acquisitions of approximately \$5.0 million, offset by current year depreciation of approximately \$4.1 million and net current year disposals of \$64,243.

The City's investment in capital assets for business-type activities as of December 31, 2013, including land, land improvements, buildings, equipment and machinery, vehicles, and infrastructure totaled \$39.9 million (net of accumulated depreciation), a decrease of approximately \$1.1 million in comparison with the prior year. This decrease represents the amount in which current year depreciation of approximately \$1.2 million exceeded current year acquisitions of \$111,511.

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

Debt Administration

The County's governmental activities debt as of December 31, 2013 totaled approximately \$8.0 million, a decrease of \$746,921 in comparison with the prior year. This decrease represents the amount of amortization and principal payments made during the year.

The County's business-type activities debt as of December 31, 2013 totaled \$27.9 million, a decrease of \$499,021 in comparison with the prior year. This decrease represents the amount in which amortization and principal payments made during the year exceeded the new loan issue.

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

Contacting the County's 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.

LOGAN COUNTY

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2013

	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Equity in Pooled Cash and Investments	\$ 20,603,578	\$ 7,974,642	\$ 28,578,220	\$ -
Cash and Cash Equivalents with Fiscal Agents	-	117,383	117,383	434,380
Receivables:				
Taxes	8,921,012	-	8,921,012	-
Accounts	674,900	803,694	1,478,594	268,706
Special Assessments	38,184	1,523,273	1,561,457	-
Accrued Interest	39,685	-	39,685	-
Intergovernmental	3,585,522	226,477	3,811,999	-
Prepaid Items	240,595	48,149	288,744	9,483
Materials and Supplies Inventory	698,578	11,500	710,078	-
Loans Receivable	190,000	-	190,000	-
Nondepreciable Capital Assets	3,951,674	209,800	4,161,474	150,000
Depreciable Capital assets, Net	67,755,988	39,649,486	107,405,474	947,457
Total Assets	<u>106,699,716</u>	<u>50,564,404</u>	<u>157,264,120</u>	<u>1,810,026</u>
Liabilities				
Accounts Payable	864,614	330,902	1,195,516	87,939
Accrued Wages	392,661	133,611	526,272	69,449
Due to Other Governments	456,035	249,429	705,464	-
Due to Others	-	16,065	16,065	-
Accrued Interest Payable	15,056	337,348	352,404	-
Long-Term Liabilities:				
Due Within One Year	1,237,652	873,375	2,111,027	33,703
Due in More Than One Year	7,942,240	27,270,055	35,212,295	234,667
Total Liabilities	<u>10,908,258</u>	<u>29,210,785</u>	<u>40,119,043</u>	<u>425,758</u>
Deferred Inflows of Resources:				
Property and Other Local Taxes	6,734,994	-	6,734,994	-
Total Deferred Inflows of Resources	<u>6,734,994</u>	<u>-</u>	<u>6,734,994</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	63,942,642	12,425,086	76,367,728	829,087
Restricted for:				
Legislative and Executive	1,456,255	-	1,456,255	-
Public Safety	353,117	-	353,117	-
Human Services	8,024,863	-	8,024,863	-
Public Works	5,935,683	-	5,935,683	-
Urban Redevelopment and Housing	23,462	-	23,462	-
Judicial	600,788	-	600,788	-
Economic Development and Assistance	297,455	-	297,455	-
Unrestricted	8,422,199	8,928,533	17,350,732	555,181
Total Net Position	<u>\$ 89,056,464</u>	<u>\$ 21,353,619</u>	<u>\$ 110,410,083</u>	<u>\$ 1,384,268</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government:				
Legislative and Executive	\$ 4,536,862	\$ 2,563,025	\$ -	\$ -
Judicial	2,734,629	685,056	534,825	-
Public Safety	5,436,575	514,225	396,679	-
Public Works	7,452,783	496,742	3,826,992	993,940
Health	2,322,187	1,203,071	1,051,967	-
Human Service	13,960,143	1,533,579	8,458,940	-
Conservation and Recreation	4,680	-	-	-
Economic Development and Assistance	860,864	16,382	1,232,699	-
Urban Redevelopment and Housing	154,555	-	21,500	-
Interest and Fiscal Charges	194,890	-	-	-
Total Governmental Activities	<u>37,658,168</u>	<u>7,012,080</u>	<u>15,523,602</u>	<u>993,940</u>
Business-Type Activities:				
Water Pollution Control Fund	3,507,583	3,622,947	-	-
Logan Acres County Home Fund	8,072,104	6,422,267	2,543,472	-
Total Business-type Activities	<u>11,579,687</u>	<u>10,045,214</u>	<u>2,543,472</u>	<u>-</u>
Total Primary Government	<u>\$ 49,237,855</u>	<u>\$ 17,057,294</u>	<u>\$ 18,067,074</u>	<u>\$ 993,940</u>
Component Unit:				
RTC Industries, Inc.	\$ 2,483,687	\$ 2,085,492	\$ 560,134	\$ -
Total Component Unit	<u>\$ 2,483,687</u>	<u>\$ 2,085,492</u>	<u>\$ 560,134</u>	<u>\$ -</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
Net Position at End of Year

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
(1,973,837)		(1,973,837)	
(1,514,748)		(1,514,748)	
(4,525,671)		(4,525,671)	
(2,135,109)		(2,135,109)	
(67,149)		(67,149)	
(3,967,624)		(3,967,624)	
(4,680)		(4,680)	
388,217		388,217	
(133,055)		(133,055)	
(194,890)		(194,890)	
<u>(14,128,546)</u>		<u>(14,128,546)</u>	
	115,364	115,364	
	893,635	893,635	
	<u>1,008,999</u>	<u>1,008,999</u>	
\$ (14,128,546)	\$ 1,008,999	\$ (13,119,547)	
			\$ 161,939
			<u>161,939</u>
2,360,990	-	2,360,990	-
3,364,095	-	3,364,095	-
933,836	-	933,836	-
6,054,377	-	6,054,377	-
3,019,982	-	3,019,982	-
920,640	-	920,640	-
204,219	168	204,387	-
3,075,406	-	3,075,406	-
484,446	-	484,446	-
(93,155)	93,155	-	-
<u>20,324,836</u>	<u>93,323</u>	<u>20,418,159</u>	<u>-</u>
6,196,290	1,102,322	7,298,612	161,939
82,860,174	20,251,297	103,111,471	1,222,329
<u>\$ 89,056,464</u>	<u>\$ 21,353,619</u>	<u>\$ 110,410,083</u>	<u>\$ 1,384,268</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2013

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$ 5,077,663	\$ 904,197	\$ 4,608,335	\$ 10,013,383	\$ 20,603,578
Receivables:					
Taxes	3,672,561	-	3,743,484	1,504,967	8,921,012
Accounts	395,058	3,846	150,256	125,740	674,900
Special Assessments	-	-	-	38,184	38,184
Accrued Interest	39,685	-	-	-	39,685
Intergovernmental	391,794	1,974,668	293,344	925,716	3,585,522
Interfund	-	-	-	66,334	66,334
Prepaid Items	166,711	22,125	150	51,609	240,595
Materials and Supplies Inventory	25,538	673,040	-	-	698,578
Due From Other Funds	200,000	-	-	-	200,000
Advances to Other Funds	22,405	-	-	-	22,405
Loans Receivable	190,000	-	-	-	190,000
Total Assets	\$ 10,181,415	\$ 3,577,876	\$ 8,795,569	\$ 12,725,933	\$ 35,280,793
Liabilities:					
Accounts Payable	\$ 277,375	\$ 114,159	\$ 69,291	\$ 403,789	\$ 864,614
Accrued Wages	139,033	51,606	72,880	129,142	392,661
Due to Other Governments	189,864	46,333	71,934	147,904	456,035
Interfund Payable	-	-	-	66,334	66,334
Matured Compensated Absences	-	-	-	4,664	4,664
Due To Other Funds	-	-	-	200,000	200,000
Advances from Other Funds	-	-	-	22,405	22,405
Total Liabilities	606,272	212,098	214,105	974,238	2,006,713
Deferred Inflows of Resources:					
Property and Other Local Taxes	2,436,195	-	3,337,848	960,951	6,734,994
Unavailable Revenue	1,106,190	1,661,032	541,892	826,419	4,135,533
Total Deferred Inflows of Resources	3,542,385	1,661,032	3,879,740	1,787,370	10,870,527
Fund Balances:					
Nonspendable:					
Inventory	25,538	673,040	-	-	698,578
Advances	22,405	-	-	-	22,405
Prepays	166,711	22,125	150	51,609	240,595
Unclaimed Monies	112,462	-	-	-	112,462
Loans	190,000	-	-	-	190,000
Restricted:					
Legislative and Executive	-	-	-	1,455,211	1,455,211
Public Safety	-	-	-	342,093	342,093
Human Services	-	-	4,701,574	2,386,430	7,088,004
Public Works	-	1,009,581	-	2,444,247	3,453,828
Urban Redevelopment and Housing	-	-	-	23,462	23,462
Judicial	-	-	-	570,167	570,167
Economic Development and Assistance	-	-	-	248,041	248,041
Committed:					
Health	35,790	-	-	629,838	665,628
Public Safety	-	-	-	143,428	143,428
Assigned:					
Encumbrances	103,528	-	-	-	103,528
Future Appropriations	1,978,028	-	-	-	1,978,028
Judicial	693,143	-	-	175	693,318
Legislative and Executive	88,110	-	-	-	88,110
Capital Projects	-	-	-	1,529,008	1,529,008
Public Works	-	-	-	210,787	210,787
Unassigned	2,617,043	-	-	(70,171)	2,546,872
Total Fund Balances	6,032,758	1,704,746	4,701,724	9,964,325	22,403,553
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,181,415	\$ 3,577,876	\$ 8,795,569	\$ 12,725,933	\$ 35,280,793

See accompanying notes to the basic financial statements

LOGAN COUNTY

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2013

Total Governmental Fund Balances	\$ 22,403,553
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,707,662
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the funds.	
Sales Taxes	728,857
Property Taxes	543,891
Special Assessments	2,307
Intergovernmental	2,761,643
Accounts Receivable	74,534
Accrued Interest on Investments	24,301
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	(15,056)
Various Purpose Bonds	(8,003,601)
Unamortized Premium	16,921
Compensated Absences Payable	<u>(1,188,548)</u>
Net Position of Governmental Activities	<u><u>\$ 89,056,464</u></u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Auto and Gas Fund	Developmental Disabilities Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Sales Taxes	\$ 5,991,074	\$ -	\$ -	\$ 2,988,331	\$ 8,979,405
Property Taxes	2,361,412	-	3,382,247	938,476	6,682,135
Intergovernmental	921,678	4,104,332	2,931,461	9,711,101	17,668,572
Investment Income	210,683	588	-	115	211,386
Licenses and Permits	114,382	-	-	84,927	199,309
Fines and Forfeitures	169,383	50,880	-	49,393	269,656
Special Assessments	-	-	-	55,767	55,767
Charges for Services	2,093,008	232,344	267,193	2,772,989	5,365,534
Miscellaneous	430,894	101,643	250,637	855,359	1,638,533
Total Revenues	<u>12,292,514</u>	<u>4,489,787</u>	<u>6,831,538</u>	<u>17,456,458</u>	<u>41,070,297</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	4,172,149	-	-	600,446	4,772,595
Judicial	2,008,388	-	-	724,328	2,732,716
Public Safety	4,310,894	-	-	949,309	5,260,203
Public Works	108,833	5,073,998	-	3,138,871	8,321,702
Health	101,176	-	-	2,247,153	2,348,329
Human Service	450,589	-	6,006,007	7,461,830	13,918,426
Economic Development and Assistance	-	-	-	860,864	860,864
Urban Redevelopment and Housing	-	-	-	154,555	154,555
Debt service:					
Principal Retirement	-	-	-	730,000	730,000
Interest and Fiscal Charges	-	-	-	197,259	197,259
Total Expenditures	<u>11,152,029</u>	<u>5,073,998</u>	<u>6,006,007</u>	<u>17,064,615</u>	<u>39,296,649</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,140,485	(584,211)	825,531	391,843	1,773,648
Other Financing Sources (Uses):					
Insurance Proceeds	3,075,406	-	-	-	3,075,406
Transfers In	-	-	-	1,613,695	1,613,695
Transfers Out	(1,706,850)	-	-	-	(1,706,850)
Total Other Financing Sources (Uses)	<u>1,368,556</u>	<u>-</u>	<u>-</u>	<u>1,613,695</u>	<u>2,982,251</u>
Net Change in Fund Balances	2,509,041	(584,211)	825,531	2,005,538	4,755,899
Fund Balance, Beginning of Year	3,541,906	2,222,104	3,887,644	7,958,787	17,610,441
Increase (Decrease) in Inventory	(18,189)	66,853	(11,451)	-	37,213
Fund Balance, End of Year	<u>\$ 6,032,758</u>	<u>\$ 1,704,746</u>	<u>\$ 4,701,724</u>	<u>\$ 9,964,325</u>	<u>\$ 22,403,553</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balances - Total Governmental Funds **\$ 4,755,899**

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

Governmental funds report capital outlays as expenditures.

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

Capital Outlays	5,019,951
Depreciation	(4,114,869)

Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activities	(64,243)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Sales Taxes	94,954
Property Taxes	(23,214)
Charges for Services	(70,512)
Intergovernmental Grants	(230,390)
Special Assessments	(3,006)
Interest Income	(7,167)
Miscellaneous	24,324

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 Premium	16,921
Bond and Note Principal Repayments	730,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	2,369
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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	37,213
Compensated Absences	28,060

Change in Net Position of Governmental Activities	\$ 6,196,290
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LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues:				
Sales Taxes	\$ 8,939,000	\$ 8,939,000	\$ 9,003,117	\$ 64,117
Property Taxes	2,346,000	2,346,000	2,346,658	658
Intergovernmental	55,355	1,338,000	1,326,322	(11,678)
Investment Income	9,060	219,000	216,248	(2,752)
Licenses and Permits	4,682	113,170	114,382	1,212
Fines and Forfeitures	6,040	146,000	178,844	32,844
Charges for Services	70,300	1,699,250	1,761,368	62,118
Miscellaneous	21,083	509,600	516,463	6,863
Total Revenues	11,451,520	15,310,020	15,463,402	153,382
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,545,048	4,875,141	4,675,275	199,866
Judicial	1,652,268	1,980,518	1,964,449	16,069
Public Safety	4,284,837	4,411,760	4,396,518	15,242
Public Works	113,035	108,524	106,380	2,144
Health	72,921	108,179	105,192	2,987
Human Service	576,883	576,883	476,279	100,604
Total Expenditures	11,244,992	12,061,005	11,724,093	336,912
Excess (Deficiency) of Revenues Over (Under) Expenditures	206,528	3,249,015	3,739,309	490,294
Other Financing Sources (Uses):				
Insurance Proceeds	2,850,000	2,850,000	2,840,787	(9,213)
Advances In	-	-	9,070	9,070
Advances Out	-	(200,000)	(200,000)	-
Transfers Out	(3,498,890)	(4,714,088)	(4,703,085)	11,003
Total Other Financing Sources (Uses)	(648,890)	(2,064,088)	(2,053,228)	10,860
Net Change in Fund Balances	(442,362)	1,184,927	1,686,081	501,154
Fund Balance, Beginning of Year	1,571,791	1,571,791	1,571,791	-
Prior Year Encumbrances Appropriated	523,222	523,222	523,222	-
Fund Balance, End of Year	\$ 1,652,651	\$ 3,279,940	\$ 3,781,094	\$ 501,154

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
AUTO AND GAS FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Intergovernmental	\$ 3,855,000	\$ 3,855,000	\$ 3,868,493	\$ 13,493
Investment Income	1,000	1,000	588	(412)
Fines and Forfeitures	40,000	40,000	50,608	10,608
Charges for Services	175,000	175,000	234,137	59,137
Miscellaneous	102,000	102,000	101,643	(357)
Total Revenues	<u>4,173,000</u>	<u>4,173,000</u>	<u>4,255,469</u>	<u>82,469</u>
Expenditures:				
Current:				
General Government:				
Public Works	5,420,065	5,420,065	4,914,203	505,862
Total Expenditures	<u>5,420,065</u>	<u>5,420,065</u>	<u>4,914,203</u>	<u>505,862</u>
Net Change in Fund Balances	(1,247,065)	(1,247,065)	(658,734)	588,331
Fund Balance, Beginning of Year	1,187,488	1,187,488	1,187,488	-
Prior Year Encumbrances Appropriated	197,065	197,065	197,065	-
Fund Balance, End of Year	<u>\$ 137,488</u>	<u>\$ 137,488</u>	<u>\$ 725,819</u>	<u>\$ 588,331</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
DEVELOPMENTAL DISABILITIES FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original Budget	Final Budget	Actual	Variance (Over)/Under
Revenues				
Property Taxes	\$ 3,989,812	\$ 3,989,812	\$ 3,367,269	\$ (622,543)
Intergovernmental	1,778,381	1,778,381	2,832,261	1,053,880
Charges for Services	396,800	396,800	419,259	22,459
Miscellaneous	345,200	345,200	344,027	(1,173)
Total Revenues	<u>6,510,193</u>	<u>6,510,193</u>	<u>6,962,816</u>	<u>452,623</u>
Expenditures:				
Current:				
General Government:				
Human Service	6,556,567	6,856,567	5,962,817	893,750
Total Expenditures	<u>6,556,567</u>	<u>6,856,567</u>	<u>5,962,817</u>	<u>893,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,374)	(346,374)	999,999	1,346,373
Other Financing Sources (Uses):				
Transfers Out	(250,000)	(300,205)	(300,205)	-
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(300,205)</u>	<u>(300,205)</u>	<u>-</u>
Net Change in Fund Balances	(296,374)	(646,579)	699,794	1,346,373
Fund Balance, Beginning of Year	3,643,174	3,643,174	3,643,174	-
Prior Year Encumbrances Appropriated	73,641	73,641	73,641	-
Fund Balance, End of Year	<u>\$ 3,420,441</u>	<u>\$ 3,070,236</u>	<u>\$ 4,416,609</u>	<u>\$ 1,346,373</u>

LOGAN COUNTY

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 AS OF DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Assets			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 3,721,535	\$ 4,253,107	\$ 7,974,642
Cash and Cash Equivalents With Fiscal Agents	101,318	16,065	117,383
Receivables:			
Accounts	208,884	594,810	803,694
Special Assessments	1,523,273	-	1,523,273
Intergovernmental	-	226,477	226,477
Prepaid Items	6,763	41,386	48,149
Materials and Supplies Inventory	-	11,500	11,500
Total Current Assets	5,561,773	5,143,345	10,705,118
Noncurrent Assets:			
Nondepreciable Capital Assets	209,800	-	209,800
Depreciable Capital assets, Net	25,565,084	14,084,402	39,649,486
Total Noncurrent Assets	25,774,884	14,084,402	39,859,286
Total Assets	31,336,657	19,227,747	50,564,404
Liabilities			
Current Liabilities			
Accounts Payable	135,709	195,193	330,902
Accrued Wages	15,996	117,615	133,611
Due to Other Governments	16,606	232,823	249,429
Deposits Held and Due to Others	-	16,065	16,065
Accrued Interest Payable	158,625	178,723	337,348
Compensated Absences Payable	20,252	84,423	104,675
Revenue Bonds Payable	526,700	242,000	768,700
Total Current Liabilities	873,888	1,066,842	1,940,730
Long-Term Liabilities:			
Compensated Absences Payable	52,436	73,759	126,195
Revenue Bonds Payable	14,282,500	12,518,000	26,800,500
OWDA Loan Payable	309,811	-	309,811
Unamortized Premium	33,549	-	33,549
Total Long-Term Liabilities	14,678,296	12,591,759	27,270,055
Total Liabilities	15,552,184	13,658,601	29,210,785
Net Position			
Net Investment in Capital Assets	10,965,684	1,459,402	12,425,086
Unrestricted	4,818,789	4,109,744	8,928,533
Total Net Position	\$ 15,784,473	\$ 5,569,146	\$ 21,353,619

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Totals
Operating Revenues			
Charges for Services	\$ 2,305,772	\$ 6,410,424	\$ 8,716,196
Special Assessments	1,241,096	-	1,241,096
Intergovernmental	-	2,438,009	2,438,009
Miscellaneous	76,079	11,843	87,922
Total Operating Revenues	<u>3,622,947</u>	<u>8,860,276</u>	<u>12,483,223</u>
Operating Expenses			
Personal Services	788,914	4,122,315	4,911,229
Contractual Services	1,034,605	2,228,152	3,262,757
Materials and Supplies	230,749	513,503	744,252
Miscellaneous	12,491	140,770	153,261
Depreciation	787,787	402,986	1,190,773
Total Operating Expenses	<u>2,854,546</u>	<u>7,407,726</u>	<u>10,262,272</u>
Operating Income (Loss)	<u>768,401</u>	<u>1,452,550</u>	<u>2,220,951</u>
Nonoperating Revenues (Expenses)			
Interest Income	101	67	168
Intergovernmental	-	105,463	105,463
Interest and Fiscal Charges	(653,037)	(664,378)	(1,317,415)
Total Non-Operating Revenues (Expenses)	<u>(652,936)</u>	<u>(558,848)</u>	<u>(1,211,784)</u>
Income (Loss) Before Transfers	115,465	893,702	1,009,167
Transfers In	93,155	-	93,155
Change in Net Position	208,620	893,702	1,102,322
Net Position, Beginning of Year	15,575,853	4,675,444	20,251,297
Net Position, End of Year	<u>\$ 15,784,473</u>	<u>\$ 5,569,146</u>	<u>\$ 21,353,619</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from Services	\$ 3,720,094	\$ 6,372,658	\$ 10,092,752
Cash Received from Other Governments	-	2,439,024	2,439,024
Cash Received from Other Operating Sources	74,575	11,843	86,418
Cash Payments to Employees for Services	(783,764)	(4,042,991)	(4,826,755)
Cash Payments to Suppliers for Goods and Services	(1,218,080)	(2,712,591)	(3,930,671)
Cash Payments for Other Services	(16,897)	(141,005)	(157,902)
Net Cash Flows from Operating Activities	<u>1,775,928</u>	<u>1,926,938</u>	<u>3,702,866</u>
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(90,169)	(21,342)	(111,511)
Principal Payments	(588,148)	(218,000)	(806,148)
Interest Paid	(657,545)	(668,209)	(1,325,754)
Intergovernmental	-	105,463	105,463
Transfers In	93,155	-	93,155
Loan Proceeds	283,449	-	283,449
Net Cash Flows from Capital and Related Financing Activities	<u>(959,258)</u>	<u>(802,088)</u>	<u>(1,761,346)</u>
Cash Flows from Investing Activities			
Interest Income	101	67	168
Net Cash Flows from Investing Activities	<u>101</u>	<u>67</u>	<u>168</u>
Net Increase (Decrease) in Cash and Cash Equivalents	816,771	1,124,917	1,941,688
Cash and Cash Equivalents at Beginning of Year	<u>3,006,082</u>	<u>3,144,255</u>	<u>6,150,337</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,822,853</u>	<u>\$ 4,269,172</u>	<u>\$ 8,092,025</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ 768,401	\$ 1,452,550	\$ 2,220,951
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	787,787	402,986	1,190,773
(Increase)/Decrease in Assets:			
Accounts Receivable	94,676	(39,682)	54,994
Special Assessments Receivable	77,046	-	77,046
Due from Other Governments	-	1,015	1,015
Materials and Supplies Inventory	-	242	242
Prepaid Items	1,359	(1,675)	(316)
Increase/(Decrease) in Liabilities:			
Accounts Payable	42,868	26,342	69,210
Accrued Wages	2,061	(67,098)	(65,037)
Compensated Absences Payable	557	18,378	18,935
Due to Other Governments	1,173	131,964	133,137
Deposits Held for Others	-	1,916	1,916
Total Adjustments	1,007,527	474,388	1,481,915
Net Cash Flows from Operating Activities	\$ 1,775,928	\$ 1,926,938	\$ 3,702,866

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31, 2013

	Private Purpose Trust Fund	Agency Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 93,750	\$ 4,617,527
Cash and Cash Equivalents with Fiscal Agents	-	512,814
Receivables:		
Taxes	-	42,112,914
Special Assessments	-	920,123
Intergovernmental	-	2,372,371
Prepaid items	-	62,354
Total Assets	<u>93,750</u>	<u>50,598,103</u>
Liabilities		
Accounts Payable	-	65,520
Due To Other Governments	-	45,956,597
Undistributed Monies	-	4,536,441
Accrued Wages	-	39,545
Total Liabilities	<u>-</u>	<u>50,598,103</u>
Net Position		
Held in Trust for Veterans:		
Non-Expendable	70,787	-
Expendable	22,963	-
Total Net Position	<u>\$ 93,750</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

LOGAN COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Private Purpose Trust Fund</u>
Additions	
Investment Income	\$ 1,486
Total Additions	<u>1,486</u>
Deductions	
Other Operating Expense	<u>10,928</u>
Total Deductions	<u>10,928</u>
Change in Net Position	(9,442)
Net Position at Beginning of Year	<u>103,192</u>
Net Position at End of Year	<u><u>\$ 93,750</u></u>

See accompanying notes to the basic financial statements

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 1 – REPORTING ENTITY

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

Reporting Entity

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT

RTC Industries, Inc. - RTC Industries, Inc. (the Workshop) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the 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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 1 – REPORTING ENTITY (Continued)

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.

RELATED ORGANIZATIONS

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

EXCLUDED POTENTIAL COMPONENT UNITS

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

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

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Presentation

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

(b) Fund Accounting

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 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

Government Wide Financial Statements

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

Fund Financial Statements

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions

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

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

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

Unavailable Revenue

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

Property and Other Local Taxes

On the government-wide statement of net position and governmental funds balance sheet, property and other local taxes represents property taxes and special assessments for which there is an enforceable legal claim as of December 31, 2013, but which were levied to finance year 2014 operations.

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

Expenditures/Expenses

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Budget

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

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2013.

Appropriations:

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

Encumbrances:

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

Lapsing of Appropriations:

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 2013 totaled \$213,040. 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.

(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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(j) Interfund Balances

On fund financial statements, receivables and payables resulting from interfund loans are classified as “Due to/From Other Funds” or “Advances To/From Other Funds”, the latter not expected to be repaid within one year, and outstanding repayments from funds responsible for particular expenditures to the funds that initially paid for them are classified as “Interfund Receivable/Payable”. All of these amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

(k) Compensated Absences

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

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

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments 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:

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

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

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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. The County did not receive any capital contributions during the fiscal year.

(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.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

NOTE 3 – BUDGET BASIS OF ACCOUNTING

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

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

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

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

	Net Change in Fund Balances		
	General Fund	Auto and Gas Fund	Developmental Disabilities Fund
Budget Basis	\$ 1,686,081	\$ (658,734)	\$ 699,794
Revenue Accruals	(320,726)	234,318	(131,278)
Expenditure Accruals	508,462	(338,173)	65,289
Advances	190,930	-	-
Encumbrances	378,695	178,378	191,726
Unclaimed Funds Activities	1,378	-	-
Recorder Equipment	14,160	-	-
Certificate of Title	56,074	-	-
Long Term Environment	(6,013)	-	-
GAAP Basis	<u>\$ 2,509,041</u>	<u>\$ (584,211)</u>	<u>\$ 825,531</u>

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

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

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

(a) Cash on Hand

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

(b) Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits, including cash with fiscal agents, was \$31,392,145 and the bank balance was \$31,860,122. Of the County's bank balance, \$2,794,952 was covered by the Federal Deposit Insurance Corporation, while the remaining \$29,065,170 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.

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 \$434,380 and the unadjusted bank balance was \$453,402. At December 31, 2013, FDIC insured \$250,000 of the bank balance.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

(c) Investments

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

Investment Type	Fair Value	Investment Maturities		
		Less than one year	1 to 2 years	Greater than 2 years
Federal Farm Credit Bank	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Government National Mortgage Association	9,688	-	-	9,688
Corporate Note	507,976	507,976	-	-
Municipal Bonds	1,001,885	501,885	-	500,000
Total	<u>\$ 2,519,549</u>	<u>\$ 1,009,861</u>	<u>\$ -</u>	<u>\$ 1,509,688</u>

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

Investment Type	Fair Value	Standard and Poor's Ratings		
		AAA	AA+	A1
Federal Farm Credit Bank	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Government National Mortgage Association	9,688	9,688	-	-
Corporate Note	507,976	-	-	507,976
Municipal Bonds	1,001,885	1,001,885	-	-
Total	<u>\$ 2,519,549</u>	<u>\$ 1,011,573</u>	<u>\$ 1,000,000</u>	<u>\$ 507,976</u>

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

Concentration of Credit Risk: Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2013:

Investment Type	Fair Value	% of Total
Federal Farm Credit Bank	\$ 1,000,000	39.70%
Government National Mortgage Association	9,688	0.38%
Corporate Note	507,976	20.16%
Municipal Bonds	1,001,885	39.76%
Total	<u>\$ 2,519,549</u>	<u>100%</u>

RTC had no investments as of December 31, 2013.

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

(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, 2013:

<u>Cash and Investments Per Note</u>	
Carrying Amount of Deposits	\$ 31,392,145
Investments	2,519,549
Cash on Hand	8,000
Total	<u>\$ 33,919,694</u>
<u>Cash and Investments Per Statement of Net Position</u>	
Governmental and Business-Type Activities	\$ 28,695,603
Private-Purpose Trust Funds	93,750
Agency Funds	5,130,341
Total	<u>\$ 33,919,694</u>

(e) Deficit Fund Balances

The following governmental funds had deficit fund balances at December 31, 2013 as a result of accruals recorded in accordance with accounting principles generally accepted in the United States of America. The General Fund transfers funds when deficit cash balances exist, not when accruals occur.

<u>Fund</u>	<u>Deficit</u>
Job and Family Services	(21,815)
Bond Retirement- McClure 77 Ditch	(5,340)
Bond Retirement- South Fork Ditch	(11,038)
Bond Retirement- Laughlin Ditch	(6,027)
Community Housing and Investment Partnership	(3,234)
Office of Juvenile Justice and Delinquency Prevention	(248)
Juvenile Justice	(1,639)

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 5 – INTERFUND TRANSFERS

Interfund transfer activity during the fiscal year was as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ -	\$ 1,706,850
Other Governmental Funds	1,613,695	-
Total Governmental Funds	<u>\$ 1,613,695</u>	<u>\$ 1,706,850</u>
<u>Proprietary Funds:</u>		
Indian Lake Water Pollution Control	93,155	-
Total Proprietary Funds	<u>\$ 93,155</u>	<u>\$ -</u>
Totals	<u>\$ 1,706,850</u>	<u>\$ 1,706,850</u>

The transfers from the General Fund to Other Governmental Funds represent recurring subsidies for program (\$205,868) and debt service (\$752,873) expenditures, as well as nonrecurring transfers for capital projects (\$654,954). The transfer from the General Fund to the Indian Lake Water Pollution Control Fund represents a normal recurring subsidy for debt service expenditures.

NOTE 6 – INTERFUND LOANS

Interfund loan activity during the fiscal year was as follows:

<u>Fund</u>	<u>Beginning Balance</u>	<u>New Advances</u>	<u>Advance Repayments</u>	<u>Ending Balance</u>
General	\$ 31,475	\$ 200,000	\$ (9,070)	\$ 222,405
Permanent Improvement Fund	15,844	-	(15,844)	-
Leach Ditch #780	(15,844)	-	15,844	-
McClure 77 Ditch	(13,604)	-	8,264	(5,340)
South Fork Ditch	(11,196)	-	158	(11,038)
Laughlin Ditch	(6,675)	-	648	(6,027)
Moving Ohio Forward Grant	-	(200,000)	-	(200,000)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

In addition, interfund receivables/payables at year-end totaled \$66,334. This represents the outstanding balance of operating costs incurred by the Public Assistance Fund on behalf of the Workforce Development (\$16,305) and Child Support (\$50,029) Funds, but not yet reimbursed by those Funds. The Public Assistance Fund is expected to be reimbursed in calendar year 2014.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 7 – RECEIVABLES

Receivables at December 31, 2013, 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 2012, which was used to collect property taxes in calendar year 2013, was \$1,086,847,330. The full tax rate for all County operations applied to real property for the year ended December 31, 2013, was \$2.50 per \$1,000 of assessed valuation.

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

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

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

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

Property taxes receivable represents delinquent real and public utility taxes outstanding as of the last settlement and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2013 operations, the receivable is offset by a credit to Deferred Inflows of Resources (Property and Other Local Taxes). The delinquent real and public utility taxes that will become available to the County within the first 30 days of 2014 are shown as 2013 revenue; the remainder is shown as "Unavailable Revenue".

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 7 – RECEIVABLES (Continued)

A detailed breakdown of intergovernmental receivables is as follows:

	Amounts
Governmental Activities:	
Local Government and Revenue Assistance	\$ 188,259
Excess IRP Compensation	67,590
Gasoline and Excise Tax	1,141,542
Auto Registration Fees	765,537
Homestead and Rollback	414,705
Casino Revenue Tax	270,841
Indigent Counsel Fees	40,709
Sheriff Subsidy	3,954
VOCA Grant	7,987
Title XX	4,827
Targeted Case Management	3,028
ODE Unit Funding	86,537
Developmental Disabilities State Subsidy	48,961
Childrens Services Grant	285,196
Traffic Grant	10,560
Workforce Development Grant	82,471
JAIBG Grant	1,058
Family Drug Court Grant	18,987
Homeland Security Grant	81,969
Juvenile Court Grant	25,324
911 Charges	7,500
CDBG Formula Grant	12,500
CHIP Grant	9,000
Bellefontaine Municipal Court	6,480
Total Governmental Activities	\$ 3,585,522
Business-Type Activities	
Logan Acres-State Aid	\$ 226,477

NOTE 8 – INSURANCE

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 9 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 3,951,674	\$ -	\$ -	\$ 3,951,674
Construction in Progress	994,476	990,554	(1,985,030)	-
Total Nondepreciable Assets	<u>4,946,150</u>	<u>990,554</u>	<u>(1,985,030)</u>	<u>3,951,674</u>
Depreciable Capital Assets				
Land Improvements	576,459	78,533	-	654,992
Building and Improvements	19,490,059	29,978	1,985,030	21,505,067
Machinery and Equipment	14,339,505	698,732	(24,450)	15,013,787
Vehicles	3,644,429	-	(172,429)	3,472,000
Infrastructure- Roads and Bridges	71,794,284	3,222,154	-	75,016,438
Total Depreciable Assets	<u>109,844,736</u>	<u>4,029,397</u>	<u>1,788,151</u>	<u>115,662,284</u>
Less accumulated depreciation				
Land Improvements	(413,064)	(26,647)	-	(439,711)
Building and Improvements	(6,907,386)	(432,225)	-	(7,339,611)
Machinery and Equipment	(8,869,473)	(950,606)	29,600	(9,790,479)
Vehicles	(2,981,091)	(128,581)	121,633	(2,988,039)
Infrastructure- Roads and Bridges	(24,753,049)	(2,576,810)	(18,597)	(27,348,456)
Total accumulated depreciation	<u>(43,924,063)</u>	<u>(4,114,869)</u>	<u>132,636</u>	<u>(47,906,296)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>65,920,673</u>	<u>(85,472)</u>	<u>1,920,787</u>	<u>67,755,988</u>
Total Capital Assets, Net	<u>\$ 70,866,823</u>	<u>\$ 905,082</u>	<u>\$ (64,243)</u>	<u>\$ 71,707,662</u>

Depreciation expense was charged to the governmental functions as follows:

General Government	
Legislative	\$ 713,301
Judicial	15,560
Conservation and Recreation	4,680
Public Works	2,928,002
Public Safety	266,835
Human Services	108,726
Health	77,765
Total depreciation expense	<u>\$ 4,114,869</u>

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 9 – CAPITAL ASSETS (Continued)

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

Water Pollution Control Capital Assets:	Beginning Balance	Additions	Deductions	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 209,800	\$ -	\$ -	\$ 209,800
Total Nondepreciable Assets	<u>209,800</u>	<u>-</u>	<u>-</u>	<u>209,800</u>
Depreciable Capital Assets				
Land Improvements	336,647	-	-	336,647
Building and Improvements	15,043,089	5,495	-	15,048,584
Machinery and Equipment	3,772,961	84,674	-	3,857,635
Vehicles	353,225	-	-	353,225
Infrastructure	21,300,550	-	-	21,300,550
Total Depreciable Assets	<u>40,806,472</u>	<u>90,169</u>	<u>-</u>	<u>40,896,641</u>
Less accumulated depreciation				
Land Improvements	(199,681)	(3,748)	-	(203,429)
Building and Improvements	(3,667,533)	(207,940)	-	(3,875,473)
Machinery and Equipment	(3,271,133)	(45,114)	-	(3,316,247)
Vehicles	(320,641)	(3,054)	-	(323,695)
Infrastructure	(7,084,782)	(527,931)	-	(7,612,713)
Total accumulated depreciation	<u>(14,543,770)</u>	<u>(787,787)</u>	<u>-</u>	<u>(15,331,557)</u>
Depreciable Capital Assets, Net of accumulated depreciation	<u>26,262,702</u>	<u>(697,618)</u>	<u>-</u>	<u>25,565,084</u>
Total Capital Assets, Net	<u>\$ 26,472,502</u>	<u>\$ (697,618)</u>	<u>\$ -</u>	<u>\$ 25,774,884</u>
Logan Acres County Home:				
Depreciable Capital Assets				
Land Improvements	\$ 1,453	\$ -	\$ -	\$ 1,453
Building and Improvements	16,880,526	-	-	16,880,526
Machinery and Equipment	688,081	21,342	-	709,423
Vehicles	71,923	-	-	71,923
Infrastructure	9,052	-	-	9,052
Total Depreciable Assets	<u>17,651,035</u>	<u>21,342</u>	<u>-</u>	<u>17,672,377</u>
Less accumulated depreciation				
Land Improvements	(828)	(138)	-	(966)
Building and Improvements	(2,535,549)	(378,789)	-	(2,914,338)
Machinery and Equipment	(578,139)	(23,629)	-	(601,768)
Vehicles	(68,323)	-	-	(68,323)
Infrastructure	(2,150)	(430)	-	(2,580)
Total accumulated depreciation	<u>(3,184,989)</u>	<u>(402,986)</u>	<u>-</u>	<u>(3,587,975)</u>
Total Capital Assets, Net	<u>\$ 14,466,046</u>	<u>\$ (381,644)</u>	<u>\$ -</u>	<u>\$ 14,084,402</u>

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 9 – CAPITAL ASSETS (Continued)

Component Unit Capital Assets:

A summary of capital assets by class during the year ended December 31, 2013 is as follows:

<i>RTC Industries, Inc. Capital Assets:</i>	Beginning Balance	Ending Balance
Nondepreciable Capital Assets		
Land	\$ 150,000	\$ 150,000
Building	945,743	945,743
Machinery and Equipment	252,245	250,970
Furniture and Fixtures	28,603	28,603
Vehicles	77,410	76,348
Total Capital Assets, cost	<u>1,454,001</u>	<u>1,451,664</u>
Less accumulated depreciation	<u>(321,702)</u>	<u>(354,207)</u>
Total Capital Assets, Net	<u>\$ 1,132,299</u>	<u>\$ 1,097,457</u>

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LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 10 – LONG TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended December 31, 2013:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2012 A/B - Various Purpose Bonds Issued 11/8/12. 0.65% to 3%	\$ 8,565,000	\$ -	\$ (730,000)	\$ 7,835,000	\$ 735,000
Series 2012 A/B - Premium	168,601	-	(16,921)	151,680	-
Compensated Absences	1,216,608	892,774	(916,170)	1,193,212	502,652
Total Governmental Activities	\$ 9,950,209	\$ 892,774	\$ (1,663,091)	\$ 9,179,892	\$ 1,237,652
Business-Type Activities					
Sewer System Improvement Bonds, Series 2007, Issued 03/30/2007, 4.00%	\$ 2,020,000	\$ -	\$ (100,000)	\$ 1,920,000	\$ 105,000
O.W.D.A. Loan 07/23/1992, 5.2%	82,648	-	(82,648)	-	-
Sewer System Improvement Revenue Bonds, Series 2007A/B Issued 03/30/07, 4.125%	2,299,700	-	(30,500)	2,269,200	31,700
Sewer System Improvement Bonds Series 2008, Issued 12/17/08 3% to 5%	8,975,000	-	(270,000)	8,705,000	275,000
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36	5,787,000	-	(139,000)	5,648,000	145,000
County Home Revenue Bonds Issued 08/11/06, 4.5%	2,671,000	-	(64,000)	2,607,000	67,000
County Home Improvement Bonds, Series A Issued 07/21/10, 2.0% to 3.0%	150,000	-	(15,000)	135,000	30,000
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	-	(105,000)	1,915,000	115,000
Series 2012 A/B - Premium	36,233	-	(2,684)	33,549	-
O.W.D.A. Loan 10/25/2012, 1.0%	-	309,811	-	309,811	-
Compensated Absences Payable	211,935	178,060	(159,125)	230,870	104,675
Total Business-Type Activities	\$ 28,623,516	\$ 487,871	\$ (967,957)	\$ 28,143,430	\$ 873,375

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 10 – LONG TERM LIABILITIES (Continued)

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

In 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.

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 10 – LONG TERM LIABILITIES (Continued)

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

Sewer System Improvement Bonds, Series 2007			
	Principal	Interest	Totals
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	120,000	58,800	178,800
2019-2023	690,000	217,400	907,400
2024-2027	660,000	67,400	727,400
Total	\$ 1,920,000	\$ 624,800	\$ 2,544,800

	Sewer System Improvement Bonds, Series 2007			Sewer System Improvement Bonds, Series 2008		
	Principal	Interest	Totals	Principal	Interest	Totals
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	37,300	88,040	125,340	325,000	372,111	697,111
2019-2023	210,600	415,683	626,283	1,855,000	1,627,185	3,482,185
2024-2028	257,800	368,660	626,460	2,350,000	1,150,839	3,500,839
2029-2033	315,600	310,915	626,515	3,005,000	788,815	3,793,815
2034-2038	386,600	240,204	626,804	-	-	-
2039-2043	472,900	153,633	626,533	-	-	-
2044-2047	453,500	47,713	501,213	-	-	-
Total	\$ 2,269,200	\$ 1,991,202	\$ 4,260,402	\$ 8,705,000	\$ 5,556,395	\$ 14,261,395

	County Home Construction Bonds, 2006			County Home Revenue Bonds, Series 2006		
	Principal	Interest	Totals	Principal	Interest	Totals
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	173,000	226,215	399,215	80,000	104,445	184,445
2019-2023	989,000	1,007,676	1,996,676	455,000	465,341	920,341
2024-2028	1,231,000	764,530	1,995,530	570,000	353,185	923,185
2029-2033	1,536,000	460,701	1,996,701	710,000	212,635	922,635
2034-2037	1,098,000	100,307	1,198,307	506,000	46,237	552,237
Total	\$ 5,648,000	\$ 3,536,364	\$ 9,184,364	\$ 2,607,000	\$ 1,632,778	\$ 4,239,778

As of December 31, 2013, the County has drawdown \$309,811 of the OWDA 2012 loan. Since the loan was not completed at year end, this amount was excluded from the future debt service schedules presented above.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 10 – LONG TERM LIABILITIES (Continued)

	County Home Improvement Bonds, Series 2010A			County Home Improvements Bonds, Series 2010B		
	Principal	Interest	Totals	Principal	Interest	Totals
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	-	-	-	125,000	125,520	250,520
2019-2023	-	-	-	675,000	521,708	1,196,708
2024-2028	-	-	-	830,000	294,346	1,124,346
2029-2033	-	-	-	380,000	38,352	418,352
Total	\$ 135,000	\$ 8,325	\$ 143,325	\$ 2,130,000	\$ 1,503,650	\$ 3,633,650

	County Home Improvements Bonds, Series 2010C			Various Purpose Refunding Bonds, Series 2012 A/B		
	Principal	Interest	Totals	Principal	Interest	Totals
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	-	152,768	152,768	735,000	181,725	916,725
2018	-	152,768	152,768	755,000	167,026	922,026
2019-2023	-	763,840	763,840	3,460,000	585,399	4,045,399
2024-2028	-	763,840	763,840	1,520,000	272,712	1,792,712
2029-2033	670,000	718,828	1,388,828	1,000,000	76,200	1,076,200
2034-2038	1,285,000	365,894	1,650,894	-	-	-
2039-2042	285,000	19,438	304,438	-	-	-
Total	\$ 2,240,000	\$ 3,395,680	\$ 5,635,680	\$ 9,750,000	\$ 1,916,737	\$ 11,666,737

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 \$4,239,778. Principal and interest paid for the current year and total customer net revenues in 2013 were \$184,195 and \$1,452,550, 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 \$4,260,402. Principal and interest paid for the current year and total customer net revenues in 2013 were \$125,363 and \$1,051,850, respectively.

LOGAN COUNTY
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 10 – LONG TERM LIABILITIES (Continued)

Component Unit Long Term Debt

A summary of changes in long term debt during the year ended December 31, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<i>Mortgage Payable:</i>				
Citizen Federal Savings and Loan Matures 2022, 6.00%	\$ 250,410	\$ -	\$ (21,666)	\$ 228,744
Citizen Federal Savings and Loan Matures 2017, 5.00%	43,611	-	(8,685)	34,926
Solid Waste District Loan Matures 2017, interest free	-	4,700	-	4,700
Total Component Unit Long Term Liabilities	<u>\$ 294,021</u>	<u>\$ 4,700</u>	<u>\$ (30,351)</u>	<u>\$ 268,370</u>

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

	Principal
2014	\$ 33,703
2015	34,406
2016	36,316
2017	33,641
2018	28,096
2019-2022	102,208
Total	<u>\$ 268,370</u>

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.

During fiscal year 2014, RTC issued Solid Waste District Notes. The notes are interest free and due in monthly installments of \$100. The note is secured by the baler.

NOTE 11 – COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government-wide Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2013 vested vacation, compensatory, and sick leave benefits for governmental activity and business-type activity employees totaled \$1,193,212 and \$230,870, respectively.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 12 – DEFINED BENEFIT PENSION PLANS

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

Ohio Public Employees Retirement System (OPERS)

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

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

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

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

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

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2013, 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 2013 member contribution rates were 10.0% for members in state and local classifications. Public safety and law enforcement members contributed 12.0% and 12.6% respectively. Effective January 1, 2014, the member contribution rates for public safety and law enforcement members increased to 12.0% and 13.0%, respectively.

The 2013 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, 2013, 2012, and 2011, were \$2,636,951, \$2,621,429, and \$2,719,386, respectively, equal to the required contributions in each year.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

State Teachers Retirement Systems

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

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

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

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

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

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 12 – DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

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

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

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

For the year ended December 31, 2013, 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, 2013, 2012 and 2011 were \$92,063, \$93,225, and \$124,075, respectively, equal to the required contributions for each year.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2013 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 2013, none have elected Social Security.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BEEFITS

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 2013, state and local employers contributed at a rate of 14.00% of covered payroll, and public safety and law enforcement employer units contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The portion of employer contribution allocated to the health care for members in the Traditional Plan was 1.0% during calendar year 2013. The portion of employer contributions allocated to health care for members in the Combined Plan was 1.0% during calendar year 2013. Effective January 1, 2014, the portion of employer contributions allocated to health care was raised to 2% for both plans, as recommended by the OPERS actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree, or their surviving beneficiaries, to pay a portion of the health care benefits provided. Payments amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution to OPERS for the years ending December 31, 2013, 2012, and 2011 were \$2,636,951, \$2,621,429, and \$2,719,386, respectively, of which \$188,352, \$748,942, and \$776,929, respectively, was allocated to the healthcare plan. The County's contributions were equal to the required contribution in each year.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

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

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

State Teachers Retirement System

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

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

Under Ohio Law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post employment health care for the years ended June 30, 2013, 2012, and 2011. 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, 2013, 2012, and 2011 were \$92,063, \$93,225, and \$124,075, respectively, of which \$6,573, \$6,659, and \$8,862, respectively, was allocated to the STRS post employment healthcare plan. The County's contributions were equal to the required contributions in each year.

NOTE 14 – DEFERRED COMPENSATION PLAN

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

NOTE 15 – 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 2013, the value of these contributions totaled \$534,932.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 16 – CONTINGENT LIABILITIES

Federal and State Grants

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

Pending Litigation

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

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2013, the County has implemented the following:

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34" improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this statement did not have a significant effect on the financial statements of the County.

GASB Statement No. 66 "Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62" improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this statement did not have a significant effect on the financial statements of the County.

NOTE 18 – NEW PRONOUNCEMENTS

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The implementation of this Statement is effective for financial statements for fiscal years beginning after June 15, 2014.

LOGAN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

NOTE 19 – SUBSEQUENT EVENTS

On July 24, 2014, the Board of County Commissioners approved Resolution 279-14 providing for the issuance and sale of bonds, in the maximum aggregate principal amount of \$12,800,000, for the purpose of paying the costs of refunding bonds previously issued by the County. The bonds were issued in order to refund at a lower rate of interest all or a portion of the outstanding Series 2006 Bonds and all or a portion of the outstanding 2010 Bonds. The County expects to issue the bonds on September 30, 2014.

Component Unit Subsequent Event

The Logan County Board of Commissioners designated RTC Industries, Inc. as the grantee for the county total transit program starting on June 6, 2014 and ending December 31, 2016. This designation has allowed RTC Industries, Inc. to enter into a contract with the Ohio Department of Transportation to provide general public transit services for Logan County under the Section 5311 Rural Transit Program. The contract with ODOT is effective through December 31, 2014 and is renewed on an annual basis.

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
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	\$260,244
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	05-PU-09	10.553	6,125
National School Lunch Program	LLP4-09	10.555	10,893
Total Child Nutrition Cluster			<u>17,018</u>
Total U.S. Department of Agriculture			<u>277,262</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Pass through the Ohio Development Services Agency</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:			
Formula Grant	B-F-09-1BP-1	14.228	32,488
Formula Grant	B-F-11-1BP-1	14.228	107,667
Formula Grant	B-F-12-1BP-1	14.228	37,145
Community Housing Improvement Program	B-C-11-1BP-1	14.228	116,265
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:			<u>293,565</u>
Home Investment Partnerships Program	B-C-11-1BP-2	14.239	<u>250,651</u>
Total U.S. Department of Housing and Urban Development			<u>544,216</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	4,676
Juvenile Accountability Block Grants	2010-JB-011-B009	16.523	9,140
Total Juvenile Accountability Block Grants			<u>13,816</u>
Drug Court Discretionary Grant Program	2011-DC-BX-0003	16.585	100,374
<i>Passed through the Ohio Attorney General's Office</i>			
Crime Victim Assistance	2011VAGENE950	16.575	500
Crime Victim Assistance	2011VAGENE898	16.575	994
Crime Victim Assistance	2013VAGENE007	16.575	37,851
Crime Victim Assistance	2014VAGENE007	16.575	13,317
Total Crime Victim Assistance			<u>52,662</u>
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
ARRA - Violence Against Women Formula Grants	2011-WFVAV-v8918	16.588	4,494
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program:			
Edward Byrne Memorial Justice Assistance Grant Program - Jail Programs	2011-JG-C01-6858	16.738	4,805
Edward Byrne Memorial Justice Assistance Grant Program - Rehire Deputies and Overtime	2012-JG-A02-6821	16.738	<u>49,201</u>
Total Edward Byrne Memorial Justice Assistance Grant Program			<u>54,006</u>
ARRA - Recovery Act, Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories - Project Car	2009-RA-LSS-2425	16.803	29,885
ARRA - Recovery Act, Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories - Stokes Enforcement	2012-JG-LLE-5281	16.803	9,993
Total ARRA - Recovery Act, Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories:			<u>39,878</u>
Total JAG Program Cluster			<u>93,884</u>
Criminal and Juvenile Justice and Mental Health Collaboration Program	2012-MO-BX-0031	16.745	111,310
Total U.S. Department of Justice			<u>376,540</u>

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
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	65,373
WIA Youth Activities	2010-7346	17.259	97,557
WIA Dislocated Worker Formula Grants	2010-7346	17.278	65,102
Total WIA Cluster			228,032
Workforce Investment Act (WIA) National Emergency Grant	2010-7346	17.277	1,059,142
Total U.S. Department of Labor			1,287,174
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed through the Ohio Department of Transportation</i>			
Highway Planning and Construction	PID #79659	20.205	117,460
Highway Planning and Construction	PID #87081	20.205	120,578
Highway Planning and Construction	PID #87485	20.205	50,000
Highway Planning and Construction	PID #91595	20.205	36,916
Highway Planning and Construction	PID #93896	20.205	34,697
Total Highway Planning and Construction			359,651
<i>Passed through the Ohio Department of Public Safety</i>			
State and Community Highway Safety			
Traffic Grant	HVEO-2013-46-00-00-00-360-00	20.600	25,155
Traffic Grant	HVEO-2014-46-00-00-00-369-00	20.600	4,533
Total State and Community Highway Safety			29,688
Interagency Hazardous Material Public Sector Training and Planning Grants	(1)	20.703	5,212
Total U.S. Department of Transportation			394,551
U.S. DEPARTMENT OF EDUCATION			
<i>Passed through the Ohio Department of Education</i>			
Special Education Preschool Grants	PGS1-2010	84.173	37,739
Total U.S. Department of Education			37,739
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	56,739
Temporary Assistance for Needy Families	G-1213-11-5068	93.558	657,721
Child Support Enforcement	G-1213-11-5068	93.563	274,956
Child Care and Development Block Grant	G-1213-11-5068	93.575	37,090
Community Based Child Abuse Prevention Grants	G-1213-11-5068	93.590	2,000
<i>Passed through the Ohio Secretary of State</i>			
Voting Access for Individuals with Disabilities - Grants to States	06-SOS-HHHS-46	93.617	17,137
<i>Passed through the Ohio Department of Job & Family Services</i>			
Stephanie Tubbs Jones Child Welfare Services Program	G-1213-11-5068	93.645	45,256
Foster Care - Title IV-E	G-1213-11-5068	93.658	218,027
Foster Care - Title IV-E	G-1213-11-5068	93.658	66,643
Total Foster Care - Title IV-E			284,670

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Expenditures
Adoption Assistance	G-1213-11-5068	93.659	336,238
Social Services Block Grant: <i>Passed through the Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	(1)	93.667	44,418
<i>Passed through the Ohio Department of Job & Family Services</i>			
Social Services Block Grant	G-1213-11-5068	93.667	366,011
Total Social Services Block Grant			<u>410,429</u>
Chafee Foster Care Independence Program	G-1213-11-5068	93.674	2,414
Medical Assistance Program: <i>Passed through the Ohio Department of Job & Family Services</i>			
Medical Assistance Program	G-1213-11-5068	93.778	254,978
<i>Passed through the Ohio Department of Developmental Disabilities</i>			
Medical Assistance Program	(1)	93.778	116,176
Total Medical Assistance Program			<u>371,154</u>
Total U.S. Department of Health and Human Services			<u>2,495,804</u>
U.S DEPARTMENT OF HOMELAND SECURITY			
<i>Passed through the Ohio Department of Public Safety</i>			
<i>Emergency Management Agency</i>			
Emergency Management Performance Grants	EMW-2012-EP- 00004-S01	97.042	32,289
Emergency Management Performance Grants	EMW-2012-EP- 00004-S01	97.042	29,422
Emergency Management Performance Grants	EMW-2012-EP- 00004-S01	97.042	1,559
Total Emergency Management Performance Grants			<u>63,270</u>
Homeland Security Grant Program:			
Citizen Corps Program	2010-SS-T0-0012	97.067	1,985
Citizen Corps Program	2010-SS-T0-0012	97.067	2,437
State Homeland Security Program	EMW-2011-SS-00070	97.067	33,244
Citizen Corps Program	EMW-2011-SS-00070	97.067	1,000
Citizen Corps Program	EMW-2011-SS-00070	97.067	980
Citizen Corps Program	EMW-2011-SS-00070	97.067	770
Total Homeland Security Grant Program			<u>40,416</u>
Total U.S. Department of Homeland Security			<u>103,686</u>
TOTAL FEDERAL AWARD EXPENDITURES			<u><u>\$5,516,972</u></u>

(1) Pass through number not available or multiple.

See accompanying notes to the Schedule of Federal Awards Expenditures.

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**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports Logan County's (the County's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

NOTE B – BASIS OF ACCOUNTING

The accompanying Schedule of Federal Awards Expenditures 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 C – SUB-RECIPIENTS

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

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

NOTE D - 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 E - MATCHING REQUIREMENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

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 2013, a portion of Logan County's Social Services Block Grant program allocation from ODJFS represents allowable TANF transfer funds.

During fiscal year 2013, ODJFS transferred \$159,662 of the County's Temporary Assistance for Needy Families (93.558) funds to the Social Services Block Grant program.

**FINANCIAL CONDITION
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2013
(Continued)**

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS (Continued)

The Schedule of Federal Awards Expenditures shows the County spent \$657,721 on the Temporary Assistance for Needy Families program. The amount reported for the Temporary Assistance for Needy Families program on the Schedule of Federal Awards Expenditures 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 2013:

Total Temporary Assistance for Needy Families	\$817,383
Total reported as Social Services Block Grant	<u>(159,662)</u>
Total reported as Temporary Assistance for Needy Families	<u>\$657,721</u>

NOTE G – COST REPORT SETTLEMENT

During the calendar year, the County Board of Developmental Disabilities received a settlement for the 2008 Cost Report from the Ohio Department of Developmental Disabilities for the Medicaid Program (CFDA #93.778) in the amount of \$85,848. 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, each major fund, and the discretely presented component unit and the aggregate remaining fund information of Logan County, (the County) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 12, 2014. 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 the RTC Industries, Inc, the discretely presented component unit, 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 opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the County's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards*, which is described in the accompanying schedule of findings as item 2013-002

Entity's Response to Findings

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

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

September 12, 2014



Dave Yost • Auditor of State

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

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

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

Report on Compliance for Each Major Federal Program

We have audited Logan County's (the County) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the County's major federal programs for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the County's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Logan County complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2013.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
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www.ohioauditor.gov

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.

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 compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Dave Yost
Auditor of State

Columbus, Ohio

September 12, 2014

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(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
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	CFDA #17.277–Workforce Investment Act (WIA) National Emergency Grant CFDA #93.558 – Temporary Assistance for Needy Families CFDA #93.563 – Child Support Enforcement CFDA #93.667 – Social Services Block Grant CFDA #93.778 – Medical Assistance Program
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

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

FINDING NUMBER 2013-001

Material Weakness – Financial Reporting

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

The following misstatements were adjusted on the December 31, 2013 financial statements:

- \$309,811 in the Water Pollution Control Fund and Business-Type Activities opinion units to properly reclassify special assessment revenues as OWDA Loans Payable

The following errors were immaterial to the overall financial statements of the County and were not adjusted in the December 31, 2013 financial statements:

- \$80,536 and \$105,416 in the General and Developmental Disabilities Funds, respectively, to properly post taxes at gross rather than at net
- \$1,051,176 in the Other Governmental Funds to properly classify interfund activity as reduction of an expenditure rather than intergovernmental revenue
- \$226,005 and \$107,621 in the Other Governmental Funds and General Fund, respectively, to properly classify amounts as intergovernmental revenue rather than charges for services revenue,
- \$72,236 in the General Fund to properly record encumbrances previously unrecorded as assigned fund balance
- \$99,213 in the Water Pollution Control Fund and Business-Type Activities to properly reclassify special assessments receivable rather than accounts receivable

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

The misstatements identified above should be reviewed by the Auditor and the governing board to ensure that similar errors are not reported on the financial statements in subsequent years. In addition, the Auditor should adopt policies and procedures to identify and correct errors and omissions. The implementation and proper management of a new accounting software system, planned for 2014, should help to alleviate future issues. Accurate financial reporting is essential to provide useful information to financial statement users as well as management.

Officials' Response: A new accounting and payroll system will be implemented soon along with a new account numbering system. We believe this change will address this issue.

FINDING NUMBER 2013-002

Noncompliance

Ohio Rev. Code §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 is 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.

**FINDING NUMBER 2013-002
(Continued)**

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 \$1,000, 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 one line item appropriation.

The County did not properly certify the availability of funds prior to purchase commitment for 7 out of 42 (or 16.7%) of the tested expenditures for 2013 and there was no evidence that the County followed the aforementioned exceptions. In addition, the County utilized blanket certificates; however, no supporting documentation showed an authorized amount established by the County Commissioners as required above.

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.

Officials' Response: The new accounting system and account numbering system will allow for us to be able to implement "then and now" certificates, along with working with department heads and elected officials, should improve this situation.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

**FINANCIAL CONDITION
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
DECEMBER 31, 2013**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2012-001	Noncompliance - Ohio Rev. Code § 5705.41(D)(1) – Failure to properly encumber funds prior to entering into purchase obligations.	No	Repeated as Finding 2013-002
2012-002	Noncompliance and Material Weakness – Child Support Enforcement and Medical Assistance Grants Cash Management – 45 CFR 92.20(a)(1), 45 CFR 92.20(b)(7), OAC 5101:9-7-02(B)(1) and OAC 5101:9-7-03(B)(1) – Failure to timely expend federal grant funds.	Yes	



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
OCTOBER 2, 2014