LOGAN COUNTY, OHIO

General Purpose Financial Statements

December 31, 1999

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

LOGAN COUNTY, OHIO

General Purpose Financial Statements

December 31, 1999

with

Independent Auditors' Reports

LOGAN COUNTY, OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

Board of County Commissioners
Logan County, Ohio

We have reviewed the independent auditor's report of Logan County, prepared by Clark, Schaefer, Hackett & Co., Certified Public Accountants, for the audit period January 1, 1999 through December 31, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

July 19, 2000

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditor's Report

Board of County Commissioners
Logan County, Ohio

We have audited the accompanying general purpose financial statements of Logan County, Ohio, as of and for the year ended December 31, 1999, as listed in the table of contents. The general purpose financial statements are the responsibility of Logan County, Ohio's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Logan County, Ohio as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2000 on our consideration of the Logan County, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Logan County, Ohio, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and its not a required part of the general purpose financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as whole.

Clark Schaefer Hackett & Co.

Springfield, Ohio
May 18, 2000

LOGAN COUNTY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNITS
December 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government		Total Reporting Entity
ASSETS AND OTHER DEBITS	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	Component Units	(Memorandum Only)
ASSETS:												
Equity with County Treasurer in pooled cash and investments	5,281,543	7,061,268	26,626	6,329,229	5,043,108	1,065,700	2,731,014	-	-	27,538,488	2,088,101	29,626,589
Cash with fiscal and escrow agents	-	-	-	-	56,835	-	355,861	-	-	412,696	308,931	721,627
Receivables (net of allowances of uncollectibles):												
Real and other taxes	1,586,076	671,997	-	-	-	-	-	-	-	2,258,073	1,824,579	4,082,652
Accounts	1,413,487	229,025	-	-	556,387	2,818	1,334	-	-	2,203,051	-	2,203,051
Special assessments	-	89,743	1,624	-	718,676	-	-	-	-	810,043	-	810,043
Due from other governments	14,524	362,693	-	683,948	-	-	-	-	-	1,061,165	73,081	1,134,246
Prepayments	81,331	8,383	-	-	2,034	-	-	-	-	91,748	-	91,748
Materials and supplies inventory	13,310	326,109	-	-	5,749	-	-	-	-	345,168	4,853	350,021
Unamortized bond issue costs	-	-	-	-	104,313	-	-	-	-	104,313	-	104,313
Restricted assets:												
Cash with escrow agents	-	-	-	-	623,329	-	-	-	-	623,329	-	623,329
Advances to other funds	175,000	-	-	-	-	-	-	-	-	175,000	-	175,000
Property, plant and equipment (net of accumulated depreciation where applicable)	-	-	-	-	12,015,372	-	-	20,501,014	-	32,516,386	4,464,088	36,980,474
OTHER DEBITS:												
Amount available in debt service fund	-	-	-	-	-	-	-	-	26,626	26,626	-	26,626
Amount to be provided from general government resources	-	-	-	-	-	-	-	-	1,786,418	1,786,418	-	1,786,418
Amount to be provided for retirement of special assessment debt	-	-	-	-	-	-	-	-	536	536	-	536
Amount to be provided from component unit resources	-	-	-	-	-	-	-	-	-	-	127,794	127,794
Total assets and other debits	8,565,271	8,749,218	28,250	7,013,177	19,125,803	1,068,518	3,088,209	20,501,014	1,813,580	69,953,040	8,891,427	78,844,467

See accompanying notes to the general purpose financial statement.

LOGAN COUNTY, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES, ACCOUNT GROUPS AND COMPONENT UNITS
(CONTINUED)
December 31, 1999

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total Primary Government		Total
	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)	Component Units	Reporting Entity (Memorandum Only)
LIABILITIES, EQUITY AND OTHER CREDITS												
LIABILITIES:												
Accounts payable	$ 109,725	414,846	-	1,017,901	115,664	2,880	-	-	-	1,661,016	36,647	1,697,663
Accrued wages and benefits	381,596	439,896	-	-	341,511	4,274	-	-	-	1,167,277	168,551	1,335,828
Compensated absences payable	22,686	44,235	-	-	136,880	-	-	-	678,044	881,845	50,369	932,214
Due to other funds	-	175,000	-	-	-	-	-	-	-	175,000	-	175,000
Due to other governments	-	-	-	-	-	-	2,565,445	-	-	2,565,445	-	2,565,445
Deposits held and due to others	-	-	-	-	56,335	-	355,861	-	-	412,196	-	412,196
Deferred revenue	1,512,206	730,444	1,624	-	718,676	-	-	-	-	2,962,950	1,739,601	4,702,551
Notes payable	-	-	-	5,200,000	1,280,000	-	-	-	-	6,480,000	-	6,480,000
Amount to be paid to claimants	-	-	-	-	-	-	64,737	-	-	64,737	-	64,737
Accrued interest payable	-	-	-	-	33,002	-	-	-	-	33,002	-	33,002
Special assessment debt with										-	-	
governmental commitment	-	-	-	-	1,085,000	-	-	-	536	1,085,536	-	1,085,536
OWDA loans payable	-	-	-	-	1,629,897	-	-	-	-	1,629,897	-	1,629,897
Revenue bonds payable	-	-	-	-	3,735,000	-	-	-	-	3,735,000	-	3,735,000
General obligation bonds payable	-	-	-	-	-	-	-	-	1,135,000	1,135,000	-	1,135,000
Total liabilities	2,026,213	1,804,421	1,624	6,217,901	9,131,965	7,154	2,986,043	-	1,813,580	23,988,901	1,995,168	25,984,069
EQUITY AND OTHER CREDITS:												
Investment in general fixed assets	-	-	-	-	-	-	-	20,501,014	-	20,501,014	4,464,088	24,965,102
Contributed capital	-	-	-	-	6,210	-	-	-	-	6,210	-	6,210
Retained earnings:												
Reserved for debt service	-	-	-	-	623,329	-	-	-	-	623,329	-	623,329
Unreserved	-	-	-	-	9,364,299	1,061,364	-	-	-	10,425,663	-	10,425,663
Fund balances:												
Reserved for supplies inventory	13,310	326,109	-	-	-	-	-	-	-	339,419	4,853	344,272
Reserved for debt service	-	-	26,626	-	-	-	-	-	-	26,626	-	26,626
Reserved for principal endowment	-	-	-	-	-	-	70,787	-	-	70,787	-	70,787
Reserved for advances	-	175,000	-	-	-	-	-	-	-	175,000	-	175,000
Reserved for encumbrances	419,564	653,379	-	4,821,322	-	-	-	-	-	5,894,265	8,217	5,902,482
Unreserved, undesignated	6,106,184	5,790,309	-	(4,026,046)	-	-	31,379	-	-	7,901,826	2,419,101	10,320,927
Total equity and other credits	6,539,058	6,944,797	26,626	795,276	9,993,838	1,061,364	102,166	20,501,014	-	45,964,139	6,896,259	52,860,398
Total liabilities, equity and other credits	$ 8,565,271	8,749,218	28,250	7,013,177	19,125,803	1,068,518	3,088,209	20,501,014	1,813,580	69,953,040	8,891,427	78,844,467

See accompanying notes to the general purpose financial statements.

LOGAN COUNTY, OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES/
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types				Fiduciary Fund Type	Total Primary Government (Memorandum Only)		Total Reporting Entity (Memorandum Only)
	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust		Component Units	
Revenues:								
Taxes	$7,951,702	2,329,363	-	-	-	10,281,065	2,197,799	12,478,864
Charges for services	1,242,826	1,267,474	-	-	-	2,510,300	439,123	2,949,423
Licenses and permits	137,973	1,583,397	-	-	-	1,721,370	-	1,721,370
Fines and forfeitures	97,445	83,543	-	-	-	180,988	-	180,988
Intergovernmental	1,372,638	5,986,462	-	1,221,934	-	8,581,034	1,388,504	9,969,538
Special assessments	-	52,242	-	-	-	52,242	-	52,242
Investment income	1,447,557	27,451	-	-	1,262	1,476,270	30,636	1,506,906
Rental income	48,843	21,034	-	-	-	69,877	-	69,877
Other	269,571	78,681	-	16,950	-	365,202	140,359	505,561
Total revenue	12,568,555	11,429,647	-	1,238,884	1,262	25,238,348	4,196,421	29,434,769
Expenditures:								
Current:								
General government:								
Legislative and executive	2,056,012	39,055	-	-	-	2,095,067	-	2,095,067
Judicial	1,970,276	583,477	-	-	-	2,553,753	-	2,553,753
Public safety	2,842,828	847,615	-	-	-	3,690,443	-	3,690,443
Public works	2,562,162	3,220,173	-	-	-	5,782,335	-	5,782,335
Health	376,210	550,290	-	-	-	926,500	-	926,500
Human services	239,312	5,151,865	-	-	-	5,391,177	3,659,165	9,050,342
Conservation and Recreation	10,000	-	-	-	-	10,000	-	10,000
Economic development	-	282,131	-	-	-	282,131	-	282,131
Urban development and housing	-	101,762	-	-	-	101,762	-	101,762
Other	903,283	158,502	-	-	49	1,061,834	-	1,061,834
Capital outlay	-	-	-	3,918,319	-	3,918,319	-	3,918,319
Debt service:								
Principal retirement	-	-	45,000	-	-	45,000	-	45,000
Interest and fiscal charges	-	-	70,295	-	-	70,295	2,900	73,195
Total expenditures	10,960,083	10,934,870	115,295	3,918,319	49	25,928,616	3,662,065	29,590,681
Excess (deficiency) of revenues over (under) expenditures	1,608,472	494,777	(115,295)	(2,679,435)	1,213	(690,268)	534,356	(155,912)
Other financing sources (uses):								
Operating transfers in	-	239,236	115,295	1,200,000	-	1,554,531	50,761	1,605,292
Operating transfers out	(954,654)	(58,490)	-	-	-	(1,013,144)	(650,761)	(1,663,905)
Total other financing sources (uses)	(954,654)	180,746	115,295	1,200,000	-	541,387	(600,000)	(58,613)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	653,818	675,523	-	(1,479,435)	1,213	(148,881)	(65,644)	(214,525)
Fund balance, January 1, as restated	5,884,441	6,229,180	26,626	2,274,711	30,166	14,445,124	6,966,465	21,411,589
Increase in Component units fixed assets	-	-	-	-	-	-	-	-
Increase (decrease) in reserve for inventory	799	40,094	-	-	-	40,893	(4,562)	36,331
Fund balance, December 31	$ 6,539,058	6,944,797	26,626	795,276	31,379	14,337,136	6,896,259	21,233,395

See accompanying notes to the general purpose financial statement.

LOGAN COUNTY, OHIO
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budgetary Basis)
All Governmental Fund Types
For the Year Ended December 31, 1999

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	$ 7,860,425	7,968,362	107,937	2,505,100	2,398,237	(106,863)
Charges for services	1,227,500	1,212,384	(15,116)	1,070,725	1,215,752	145,027
Licenses and permits	106,600	137,973	31,373	1,474,500	1,583,397	108,897
Fines and forfeitures	100,000	90,349	(9,651)	103,100	91,345	(11,755)
Intergovernmental	1,166,400	1,363,224	196,824	6,578,345	5,696,933	(881,412)
Special assessments	-	-	-	49,155	52,242	3,087
Investment income	1,275,850	1,393,943	118,093	25,000	27,451	2,451
Rental income	42,200	48,843	6,643	-	21,034	21,034
Other	207,625	283,460	75,835	120,900	208,579	87,679
Total revenue	11,986,600	12,498,538	511,938	11,926,825	11,294,970	(631,855)
Expenditures:						
Current:						
General government:						
Legislative and executive	2,410,743	2,050,268	360,475	931,517	922,675	8,842
Judicial	2,115,503	2,028,468	87,035	591,282	507,253	84,029
Public safety	3,029,115	3,026,775	2,340	1,761,605	878,709	882,896
Public works	2,835,705	2,777,997	57,708	3,902,038	3,410,891	491,147
Health	376,420	403,087	(26,667)	802,398	565,548	236,850
Human services	292,496	250,347	42,149	6,311,231	5,294,050	1,017,181
Conservation and recreation	10,000	10,000	-	-	-	-
Economic Development and Assistance	-	-	-	205,475	203,663	1,812
Urban redevelopment and assistance	-	-	-	600	101,762	(101,162)
Other	1,301,818	911,919	389,899	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	12,371,800	11,458,861	912,939	14,506,146	11,884,551	2,621,595
Excess of revenues over (under) expenditures	(385,200)	1,039,677	1,424,877	(2,579,321)	(589,581)	1,989,740
Other financing sources (uses):						
Proceeds from Notes	-	-	-	-	-	-
Advance In	13,400	67,325	53,925	32,525	32,525	-
Advance Out	(36,425)	(36,425)	-	(38,425)	(63,425)	(25,000)
Operating transfers - in	-	-	-	243,736	239,236	(4,500)
Operating transfers - out	(1,220,986)	(954,654)	266,332	(58,940)	(58,490)	450
Total other sources (uses)	(1,244,011)	(923,754)	320,257	178,896	149,846	(29,050)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,629,211)	115,923	1,745,134	(2,400,425)	(439,735)	1,960,690
Fund balance (deficit) at beginning of year	4,275,323	4,275,323	-	5,790,105	5,790,105	-
Prior year encumbrances appropriated	315,937	315,937	-	660,247	660,247	-
Fund balances at end of year	$ 2,962,049	4,707,183	1,745,134	4,049,927	6,010,617	1,960,690

See accompanying notes to the general purpose financial statements.

Debt Service Funds			Capital Projects Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable
-	-	-	-	-	-	10,365,525	10,366,599	1,074
-	-	-	-	-	-	2,298,225	2,428,136	129,911
-	-	-	-	-	-	1,581,100	1,721,370	140,270
-	-	-	-	-	-	203,100	181,694	(21,406)
-	-	-	2,060,000	537,986	(1,522,014)	9,804,745	7,598,143	(2,206,602)
8,700	-	(8,700)	18,400	-	(18,400)	76,255	52,242	(24,013)
-	-	-	-	-	-	1,300,850	1,421,394	120,544
-	-	-	-	-	-	42,200	69,877	27,677
-	-	-	26,000	16,950	(9,050)	354,525	508,989	154,464
8,700	-	(8,700)	2,104,400	554,936	(1,549,464)	26,026,525	24,348,444	(1,678,081)
-	-	-	-	-	-	3,342,260	2,972,943	369,317
-	-	-	-	-	-	2,706,785	2,535,721	171,064
-	-	-	-	-	-	4,790,720	3,905,484	885,236
-	-	-	-	-	-	6,737,743	6,188,888	548,855
-	-	-	-	-	-	1,178,818	968,635	210,183
-	-	-	-	-	-	6,603,727	5,544,397	1,059,330
-	-	-	-	-	-	10,000	10,000	-
-	-	-	-	-	-	205,475	203,663	1,812
-	-	-	-	-	-	600	101,762	(101,162)
-	-	-	-	-	-	1,301,818	911,919	389,899
-	-	-	10,801,461	8,743,141	2,058,320	10,801,461	8,743,141	2,058,320
80,000	45,000	35,000	-	-	-	80,000	45,000	35,000
70,295	70,295	-	-	-	-	70,295	70,295	-
150,295	115,295	35,000	10,801,461	8,743,141	2,058,320	37,829,702	32,201,848	5,627,854
(141,595)	(115,295)	26,300	(8,697,061)	(8,188,205)	508,856	(11,803,177)	(7,853,404)	3,949,773
-	-	-	5,600,000	5,200,000	(400,000)	5,600,000	5,200,000	(400,000)
-	-	-	-	-	-	45,925	99,850	53,925
-	-	-	-	-	-	(74,850)	(99,850)	(25,000)
115,295	115,295	-	948,250	1,200,000	251,750	1,307,281	1,554,531	247,250
-	-	-	-	-	-	(1,279,926)	(1,013,144)	266,782
115,295	115,295	-	6,548,250	6,400,000	(148,250)	5,598,430	5,741,387	142,957
(26,300)	-	26,300	(2,148,811)	(1,788,205)	360,606	(6,204,747)	(2,112,017)	4,092,730
26,627	26,627	-	2,169,679	2,244,223	(74,544)	12,261,734	12,336,278	(74,544)
-	-	-	33,988	33,988	-	1,010,172	1,010,172	-
327	26,627	26,300	54,856	490,006	286,062	7,067,159	11,234,433	4,018,186

LOGAN COUNTY, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS/FUND EQUITY
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Proprietary Fund Types		Fiduciary Fund Type	
	Enterprise	Internal Service	Nonexpendable Trust	Total (Memorandum Only)
Operating revenues:				
Charges for services	$ 3,007,955	50,811	-	3,058,766
Special Assessments	472,263	-	-	472,263
Intergovernmental revenues	1,929,402	-	-	1,929,402
Other operating revenues	91,901	-	-	91,901
Total operating revenues	5,501,521	50,811	-	5,552,332
Operating expenses:				
Personal services	3,406,406	32,376	-	3,438,782
Contractual services	653,768	23,451	-	677,219
Materials and supplies	439,971	697	-	440,668
Depreciation	497,262	-	-	497,262
Other	117,893	-	-	117,893
Total operating expenses	5,115,300	56,524	-	5,171,824
Operating income (loss)	*386,221*	*(5,713)*	-	*380,508*
Nonoperating revenues (expenses):				
Tap-in fees	85,213	-	-	85,213
Interest income	100,338	-	-	100,338
Unrealized loss on investments	*(1,155)*	-	-	*(1,155)*
Interest and fiscal charges	(436,426)	-	-	(436,426)
Total nonoperating revenues (expenses)	(252,030)	-	-	(252,030)
Income (loss) before operating transfers	134,191	(5,713)	-	128,478
Operating transfers in	716,462	-	-	716,462
Operating transfers out	(657,849)	-	-	(657,849)
Net income (loss)	192,804	(5,713)	-	187,091
Depreciation on assets acquired by contributed capital	2,810	-	-	2,810
Retained earnings at January 1	9,801,034	1,067,077	70,787	10,938,898
Retained earnings at December 31	9,996,648	1,061,364	70,787	11,128,799
Contributed capital at December 31	(2,810)	-	-	(2,810)
Fund Equity at December 31	$ 9,993,838	1,061,364	70,787	11,125,989

See accompanying notes to the general purpose financial statements.

LOGAN COUNTY, OHIO

COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUNDS AND NONEXPENDABLE TRUST FUND

FOR THE YEAR ENDED DECEMBER 31, 1999

		Proprietary Fund Types		Fiduciary Fund Type	
		Enterprise Fund	Internal Service Funds	Nonexpendable Trust	Total (Memorandum Only)
Cash flows from operating activities:					
Cash received for services	$	5,781,762	49,778	-	5,831,540
Cash paid to employees		(3,288,143)	(29,729)	-	(3,317,872)
Cash paid for goods and services		(1,211,144)	(21,268)	-	(1,232,412)
Net change in deposits		32,194	-	-	32,194
Net cash provided (used) by operating activities		1,314,669	(1,219)	-	1,313,450
Cash flows from investing activities:					
Cash received from investments		100,338	-	-	100,338
Cash flows from capital and related financing activities:					
Proceeds of Notes		1,280,000	-	-	1,280,000
Principal payments		(1,636,607)	-	-	(1,636,607)
Interest paid		(416,740)	-	-	(416,740)
Purchase of fixed assets		(228,597)	-	-	(228,597)
Net cash provided (used) by capital and related financing activities		(1,001,944)	-	-	(1,001,944)
Cash flows from non-capital financing activities:					
Tap-in fees		85,213	-	-	85,213
Operating transfer - in		716,462	-	-	716,462
Operating transfer - out		(657,849)	-	-	(657,849)
Net cash provided by non-capital financing activities		143,826	-	-	143,826
Net increase (decrease) in cash		556,889	(1,219)	-	555,670
Cash, beginning of year		5,166,383	1,066,919	70,787	6,304,089
Cash, end of year	$	5,723,272	1,065,700	70,787	6,859,759
Cash per combined balance sheet:					
Equity with county treasurer in pooled cash and investments	$	5,043,108	1,065,700	2,731,014	8,839,822
Cash with fiscal agent		56,835	-	-	56,835
Cash with escrow agent		-	-	355,861	355,861
Agency fund cash and cash with fiscal agent		623,329	-	(3,016,088)	(2,392,759)
	$	5,723,272	1,065,700	70,787	6,859,759
Reconciliation of net income to net cash provided by operating activities:					
Operating income	$	386,221	(5,713)	-	380,508
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation expense		497,262	-	-	497,262
Net (increase) decrease in accounts receivable		280,241	(1,033)	-	279,208
(Increase) decrease in inventories		11,803	-	-	11,803
(Increase) decrease in special assessments receivable		(22,581)	-	-	(22,581)
(Increase) decrease in prepaid items		438	-	-	438
Increase (decrease) in accounts payable		38,199	2,880	-	41,079
Increase (decrease in accrued wages and benefits		111,135	2,647	-	113,782
Increase (decrease) in compensated absences payable		(3,163)	-	-	(3,163)
Fixed assets purchased through accounts payable		(39,661)	-	-	(39,661)
Increase in deposits held		32,194	-	-	32,194
Increase (decrease) in deferred revenue		22,581	-	-	22,581
Total adjustments		928,448	4,494	-	932,942
Net cash provided by operating activities	$	1,314,669	(1,219)	-	1,313,450

See accompanying notes to the general purpose financial statements.

NOTE 1 - REPORTING ENTITY

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, effective for financial statements for periods beginning after December 15, 1992. The general purpose financial statements (GPFS) include all funds, account groups, agencies, boards, commissions, and component units for which Logan County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County and whether exclusion would cause the County's general purpose financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County. Responsibility was evaluated on the basis of financial dependence and the manifestations of oversight exercised by the Commissioners. Among the factors considered were budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the County, obligation of the County to finance any deficits that may occur, reliance of the organization on continuing subsidies from the County, selection of governing authority, and designation of management.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a December 31 year end. Logan County has no blended component units at December 31, 1999.

Based on the foregoing criteria, the financial activities of the following PCUs have been reflected in the accompanying general purpose financial statements as follows:

DISCRETELY PRESENTED COMPONENT UNIT

Logan County Board of Mental Retardation and Development Disabilities (MRDD) - The Logan County Board of Mental Retardation and Developmental Disabilities, which includes Ludlow Center Gifts & Donations and Logan Housing Corporation (the Board), is appointed by the Probate Judge and the County Commissioners. The County Commissioners serve as the appropriating authority for the Board, but are not "accountable" for its activities. The operations of the Board are reported in the GPFS component units column, on a governmental fund-type basis. Complete financial information concerning the Board can be obtained from the Board's administrative offices.

RTC Industries, Inc.

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

JOINTLY GOVERNED ORGANIZATIONS

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by forty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include 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. The affairs of the CORSA are managed by an elected board of not more than nine trustees. 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.

Five County Joint Juvenile Detention and Rehabilitation Center - The Five County Joint Juvenile Detention and Rehabilitation Center is a jointly governed organization involving Union, Champaign, Delaware, Logan, and Madison Counties. The Center provides facilities for the training, treatment, and rehabilitation of delinquent, dependent, abused, or neglected children and was established under Section 2151.34 of the Ohio Revised Code. The operation of the Center is controlled by a joint board of trustees whose membership consists of two appointees of the Union County Commissioners, two appointees of the Delaware County Commissioners, and one appointee from Champaign, Logan, and Madison Counties. Each county's ability to influence the operations of the Center is limited to their representation on the board of trustees. Appropriations are adopted by the joint board of trustees who exercise control over the operation, maintenance, and construction of the Center. Union County serves as the fiscal agent. Each county is charged for their share of the operating costs of the Center based on the number of individuals from their County in attendance. In 1999 Logan County contributed $146,690 for the Center's operations which represents its percentage of the total contributions.

RELATED ORGANIZATIONS

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

EXCLUDED POTENTIAL COMPONENT UNITS

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

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

Logan County Board of Health - The six member Board of Health is appointed by the District Advisory Council, which is comprised 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of Logan County conform to generally accepted accounting principles as applicable to governmental entities. The following is a summary of its significant accounting policies:

A. BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the County are maintained on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The following fund types and account groups are used by the County:

GOVERNMENTAL FUNDS:

General Fund - The general fund is used to account for all activities of the County not required to be included in another fund.

Special Revenue Funds - The special revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general obligation long-term debt principal, interest and related costs.

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

PROPRIETARY FUNDS:

Enterprise Funds - The enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The intent of the County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - The internal service funds are used to account for the financing on a cost-reimbursement basis of goods or services provided by one County department or agency to other departments, agencies, or political subdivisions. Charges to the users are intended to recover total cost.

FIDUCIARY FUNDS:

Trust and Agency Funds - These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Non-Expendable Trust and Agency Funds. Agency Funds generally are used to account for assets that the government holds on behalf of others as their agent.

ACCOUNT GROUPS:

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for all general fixed assets of the County, other than those fixed assets accounted for in the proprietary funds.

General Long-Term Obligations Account Group - The General Long-Term Obligations Account Group is used to account for all long-term obligations of the County, except those accounted for in the proprietary funds.

COMPONENT UNITS:

Component Units - Component units are either legally separate organizations for which the elected officials of the County are not financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would not cause the County's financial statement to be misleading or incomplete.

B. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The agency funds, being custodial in nature, are merely "assets equal liabilities" and, thus, do not involve the measurement of results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

The modified accrual basis of accounting is followed for governmental and expendable trust funds. Under the modified accrual basis of accounting, revenues are recognized in the period when measurable and available to meet obligations incurred during the year. The County defines available as meaning collectible within 60 days of year-end. Revenues which are accrued include earnings on investments; delinquent real and personal property taxes; sales taxes; federal and state grants and subventions; and charges for current services.

Deferred revenues, as reported on the combined balance sheet, arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes that are measurable as of December 31, 1999, but are intended to finance 2000 operations, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenue.

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

Expenditures are recognized when the related liability is expected to be liquidated with expendable available financial resources with the following exceptions: general long term obligation principal and interest is reported only when paid, and the costs of accumulated unpaid vacation and sick leave are reported in the period due and payable rather than in the period earned by employees.

The proprietary and non-expendable trust funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred. Unbilled service charges receivable are recognized as revenue at year-end.

C. BUDGETARY DATA

Outlined below are the procedures followed by the County to establish the annual operating budget and budgetary data reported in the combined statement of revenues, expenditures and changes in fund balance - budget and actual:

1. Following submission of requests by various offices and departments, the Board of County Commissioners holds budget hearings during the Fall with respective officeholders and department heads.

2. Shortly after the beginning of the fiscal year, the County Commissioners pass an Appropriation Resolution which legally authorizes the expenditure of funds for respective officeholders and department heads.

3. The County is accorded discretion in its method of appropriating federal funds. Appropriations are provided in the amounts of approved grants by the Board of County Commissioners.

4. The revised budget figures reflected in the combined financial statements include the prior year appropriations carried over for liquidations against prior year encumbrances, and any amendments to the original Appropriation Resolution.

5. 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 are directly appropriated by the Commissioners, transfers of appropriations at the major account level or between appropriation level require a resolution signed by at least two Commissioners.

6. Supplemental appropriations are made when needed, subject to approval by at least two Commissioners. Supplemental appropriations were made during 1999.

7. Unencumbered appropriations lapse at year end. Contracts and purchase-type encumbrances outstanding at year-end carry their appropriations with them into the next year. Contracts and purchase-type encumbrances outstanding at year-end are recorded as expenditures on the budget basis of accounting.

8. The budgetary procedures described herein apply to all funds except the trust and agency funds.

D. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the appropriated governmental and proprietary funds. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditures on the modified accrual basis of accounting, compared to encumbrances outstanding at year-end reported as expenditures on the budget basis of accounting.

E. CASH AND INVESTMENTS

For GASB 9 reporting purposes the County considers "Equity with County Treasurer" to be cash on hand, demand deposits, and all short-term investments (maturity less than 90 days) held by the County Treasurer; and "Cash with Fiscal and Escrow 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 combined balance sheet as "Equity with County Treasurer". Interest income earned in 1999 totaled $1,607,244. Investments are reported at fair value (see footnote 18). All coupon bearing instruments include the cost of accrued interest paid until such time as the first coupon comes due. Premiums paid for coupon bearing investments are amortized using the straight line method; discounts are not amortized. An analysis of the Treasurer's investment account at year-end is provided in Note 4.

F. HEALTH CARE

The Comprehensive Omnibus Budget Reconciliation Act (COBRA) of 1986 required the County to offer to provide terminated or retired employees continued participation in the County's employee health care benefits program, provided that the employees pay the rate established by the plan administrator. In 1999, the County incurred expenditures of $21,364 in providing these services, and recognized revenues of $22,632 for premiums received from these previous employees.

G. INVENTORIES OF MATERIALS AND SUPPLIES

Inventories are valued at cost using the first in, first out method. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in the proprietary funds when used. The total of inventories at year end is reported as a reservation of fund balance in the governmental funds because it does not represent available, spendable resources.

H. PROPERTY, PLANT, EQUIPMENT, AND DEPRECIATION

1. *General Fixed Assets Account Group*

   General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Contributed fixed assets are recorded at their fair market values as of the date donated. The County follows the policy of not capitalizing infrastructure, which is defined as assets that are immovable and of value only to the County (i.e. roads, bridges, etc.); ornamental artifacts; and assets with a cost of less than $500. No depreciation is recognized for assets in the account group. Interest on debt issued to construct general fixed assets is not capitalized in the account group.

2. *Enterprise Funds*

   Property, plant, and equipment reflected in the enterprise funds are stated at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Contributed fixed assets are recorded at their fair market values as of the date donated. Depreciation and amortization have been provided on a straight-line basis over the following estimated useful lives:

Description	Estimated Life
Autos and trucks	5
Machinery, equipment, furniture and fixtures	5-15
Building improvements	15
Sewer and water treatment plants and buildings	20
Other buildings	25-50
Sewer and water mains	70

The County also capitalizes the cost of major renovations which extend the useful life of an asset or which enable it to perform new or more valuable services. Interest on debt issued to construct enterprise fund fixed assets is capitalized, net of interest earned on the proceeds of such debt.

I. <u>COMPENSATED ABSENCES</u>

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 <u>or</u> 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.

Accumulated vacation and sick leave of Governmental Fund Type employees meeting the above requirements have been recorded in the appropriate Governmental fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and sick leave benefits for employees meeting the above requirements who are paid from Proprietary funds are recorded as an expense when earned.

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.

J. INTERGOVERNMENTAL REVENUES

Unrestricted intergovernmental revenues received on the basis of entitlement are recorded as receivables and revenues when the entitlement occurs. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred.

K. LONG-TERM OBLIGATIONS

Long-term obligations for general obligation bonds, vested sick and vacation leave, capital lease obligations, and any claims or judgements that are expected to be paid from the governmental funds are shown in the General Long-Term Obligations Account Group, while those expected to be paid from proprietary funds are shown as a liability of those funds.

L. INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions between funds. The most significant include:

1. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers, with the exception of agency funds, which do not show transfers of resources as operating transfers.

2. Reimbursements from one fund to another are treated as expenditures/expenses in the reimbursing fund and a reduction in expenditures/expense in the reimbursed fund.

3. Short-term interfund loans, accrued interfund reimbursements, and accrued operating transfers are reflected as due to and from other funds.

4. Long-term interfund loans that will not be repaid within the next year are termed "advances" and are shown as reservations of fund balances on the combined balance sheets for those fund groups that report advances to other funds as assets because they are not spendable, available resources.

An analysis of interfund transactions is presented in Note 5.

M. FUND BALANCE RESERVES

Reserved fund balances indicate that portion of fund equity which is not available for current appropriation or use. The unreserved portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

Logan County reports amounts representing material and supply inventories, available debt service equity, prepaid items, and long-term interfund advances as reservations of fund balance in the governmental funds and the principal amount of the non-expendable trust endowments as a reservation of fund balance in the fiduciary funds.

N. BOND DISCOUNTS, PREMIUMS AND ISSUANCE COSTS

When the proceeds from general obligation bonded debt are placed in a governmental type fund, any bond issuance costs are shown as capital outlay expenditures. Any premium or discount is included in "Other Financing Sources - Bond Proceeds" on the Statement of Revenues, Expenditures and Changes in Fund Balance. The long-term debt that appears in the General Long-Term Obligations Account Group would always be reported at the bond's face value.

When the proceeds from general obligation bonded debt are placed in a proprietary type fund, and the debt will be serviced from revenues generated by that fund, then any material issuance costs will be reported as a deferred charge and amortized over the life of the bond using the interest method. Any material discounts or premiums are shown as additions to or deductions from the account of the bond liability, are amortized using the interest method, and are reflected as interest income or expense in the Statement of Revenues, Expenses, and Changes in Retained Earnings.

O. PREPAIDS AND DEFERRALS

Prepayments and deferrals for governmental funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period end, because prepayment and deferrals are not available to finance future governmental fund expenditures the fund balance is reserved by an amount equal to the carry value of the asset.

P. STATEMENT OF CASH FLOWS

In September 1989, the Governmental Accounting Standards Board (GASB) issued Statement No. 9, *"Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."* The County has presented a statement of cash flows for its enterprise funds, internal service funds and nonexpendable trust funds. For purposes of the statement of cash flows, the County considers cash and cash equivalents to include "Equity with County Treasurer", "Investments", "Cash with Fiscal and Escrow Agents" (restricted in Enterprise Funds) and "Cash Restricted for Retainage Payable".

Q. FINANCIAL REPORTING FOR PROPRIETARY AND SIMILAR FUND TYPES

The County's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 20, *AAccounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.* This Statement is effective for financial statements beginning after December 15, 1993. The County accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. ESTIMATES

The preparation of these financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenditure/expenses during the reporting period. Actual results could differ from those estimates.

S. TOTAL COLUMNS ON FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns **do not** present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

NOTE 3 - OTHER REQUIRED FUND DISCLOSURES

A. The following are accruals for Agency fund types, which, in other fund types, would be recognized in the combined balance sheet:

<u>Assets</u>	
Real and Other Taxes Receivable	$ 32,239,565
Special Assessments Receivable	233,590
<u>Liabilities</u>	
Due to Other Governments	$ 32,473,155

NOTE 4 - EQUITY WITH COUNTY TREASURER

The County maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as Equity with County Treasurer in pooled cash and investments.

A. LEGAL REQUIREMENTS

Statutes require the classification of monies held by the County into two categories. The first category consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for current demands upon the County Treasury. Such monies must be maintained either as cash in the County Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

The second category consists of "inactive" monies, those monies in excess of the amount determined to be "active" monies. Inactive monies may be deposited or invested in the following securities:

1. Bonds, notes or other obligations of or guaranteed by the United States government, or those for which the faith of the United States government is pledged for the payment of principal and interest;

2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, including, but not limited to, Federal National Mortgage Association debentures and discount notes, or by the Export-Import Bank of Washington, whether or not they are guaranteed by the United States government;

3. Repurchase agreements in the securities enumerated above;

4. Time certificates of deposit, savings or deposit accounts;

5. Bonds and other obligations of the State of Ohio, its political subdivision, or other units or agencies of the state or its political subdivisions; and

6. The State Treasurer's investment pool (STAR Ohio).

B. DEPOSITS

At year-end, the carrying amount of the County's deposits, including non-negotiable certificates of deposit and the amount of deposits representing custodial funds described in Note 1, was $20,803,741 and the bank balance, including non-negotiable certificates of deposit and the amount of deposits representing custodial funds described in Note 1 was $20,475,410. Of the bank balance:

1. $785,532 was covered by federal depository insurance; and

2. $19,689,878 was covered by collateral held by third party trustee pursuant to Sections 135.18 and 135.181, Revised Code, in specific and collateralized pools securing all public funds on deposits with specific depository institutions.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

C. INVESTMENTS

Category 1 includes investments that are insured or registered or for which the securities are held by the County. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the County's name.

Amounts reported as other investments include stock and bond closed-end mutual funds maintained outside the county treasury by Ross Training Center (see Note 1).

As of December 31, 1999, the County's investments were as follows:

	1	2	3	Market Value
Repurchase Agreements	$ -	-	1,768,000	1,768,000
U. S. Government Securities	-	-	7,579,754	7,579,754
Other investments	-	-	196,721	196,721
Amounts Held in Escrow by Trustee for Refunding Bond Issue	-	623,329	-	623,329
Total Investments	$ -	623,329	9,544,475	10,167,804

A reconciliation between the classifications of pooled cash and cash equivalents and investments on the Combined Balance Sheet and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Equity with County Treasurer	Investments
Per Combined Balance Sheet Reclassifications:	$ 29,626,589	-
Investments	(9,544,475)	9,544,475
Escrow Amounts Held in Trust	-	623,329
Cash With Fiscal Agents	721,627	-
Per GASB 3	$ 20,803,741	10,167,804

NOTE 5 - INTERFUND TRANSACTIONS

A. The following is a summarized analysis of the County's operating transfers for 1999.

Fund	Transfers In	Transfers Out
General Fund	$ -	954,654
Special Revenue Funds:		
Litter Fund	58,490	-
Waste Disposal Fund	-	58,490
Public Assistance Fund	159,591	-
Emergency Management Fund	21,155	-
Total Special Revenue Funds	239,236	58,490
Debt Service Funds:		
Engineer and Library Bond Retirement Fund	115,295	-
Total Debt Service Funds	115,295	-
Capital Projects Funds:		
MR/DD Capital Fund	600,000	-
Capital Improvement Buildings	100,000	-
Jail Construction	500,000	-
Total Capital Projects Funds	1,200,000	-
Enterprise Funds:		
County Water and Sewer Line Bond Retirement	58,613	-
Indian Lake WPC Bond Retirement	657,849	-
Indian Lake WPC Fund	-	657,849
Total Enterprise Funds	716,462	657,849
Component Unit:		
MRDD Community Support	50,761	-
MRDD	-	650,761
Total Component Unit	50,761	650,761
Totals	$ 2,321,754	2,321,754

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25% of true value. The assessed value upon which the 1999 taxes were collected was $779,289,377. The full tax rate for all County operations applied to real property for fiscal year ended December 31, 1999 was $9.45 per $1,000 of assessed valuation.

Real property taxes for tax year 1999 are payable annually or semi-annually. If paid annually, payment is due February 10, 1999. If paid semi-annually, the first payment is due February 10, 1997 and the remainder payable by July 20, 1999. 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 taxes 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.

"Real and Other Taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of the last settlement (net of allowances for estimated uncollectibles) and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 1999 operations, the receivable is offset by a credit to "Deferred Revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first 60 days of 1999 are shown as 1999 revenue; the remainder are shown as "Deferred Revenue".

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

NOTE 7 - FIXED ASSETS

A summary of the proprietary fund property, plant, and equipment at December 31, 1999 follows:

	Sewer	County Home	Hazmat	Total
Land and Buildings	$ 4,593,177	1,104,316	-	5,697,493
Vehicles	427,327	57,297	-	484,624
Machinery and Equipment	3,168,391	321,625	9,600	3,499,616
Sewer	11,257,903	-	-	11,257,903
	$19,446,798	1,483,238	9,600	20,939,636
Accumulated Depreciation:				
Buildings	$ 3,041,838	821,684	-	3,863,522
Vehicles	289,450	21,231	-	310,681
Machinery and Equipment	2,830,790	160,381	3,787	2,994,958
Sewer	1,755,103	-	-	1,755,103
	$ 7,917,181	1,003,296	3,787	8,924,264
Net property, plant and equipment				$ 12,015,372

A summary of changes in general fixed assets follows:

	Balance January 1, 1999	Additions	Disposals	Balance December 31, 1999
Land and Buildings	$ 8,819,604	-	-	8,819,604
Machinery and Equipment	5,466,884	216,182	9,850	5,673,216
Vehicles	2,317,973	120,913	76,447	2,362,439

Construction in progress		3,645,755	-	3,645,755
	$ 16,604,461	3,982,850	86,297	20,501,014

A summary of changes in component units fixed assets follows:

	Balance January 1, 1999	Additions	Disposals	Balance December 31, 1999
Land and Buildings	$ 3,504,391	-	-	3,504,391
Machinery and Equipment	285,653	-	-	285,653
Vehicles	674,044	-	-	674,044
	$ 4,464,088	-	-	4,464,088

NOTE 8 - CONTRIBUTED CAPITAL

The County's 1999 activity related to contributed capital is summarized below:

Contributed Capital at January 1, 1999	$ 9,020
Additions to Contributed Capital	-
Depreciation on Fixed Assets Acquired by Contributed Capital	(2,810)
Contributed Capital at December 31, 1999	$ 6,210

NOTE 9 - COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the General Long-Term Obligations Account Group, while overtime earned has been recorded as individual fund liabilities. Vacation, sick leave, and overtime in the proprietary funds is expensed when earned.

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, 1999 vested benefits for governmental fund type, proprietary fund type and component units employees totaled $66,921, $136,880 and $50,369, respectively. In accordance with GASB No. 16, a liability of $678,044 was also accrued to record termination (severance) payments for employees expected to become eligible to retire in the future. The total liability for compensated absences for all governmental fund types, proprietary fund types, component units and General Long-Term Obligations Account Group is $932,214.

NOTE 10 - DEBT OBLIGATIONS

The County's long-term debt at year end consisted of general obligation bonds, which are recorded in the General Long-Term Obligations Account Group, and special assessment and revenue bonds that are recorded as fund liabilities of the enterprise funds.

A. The County's long term debt transactions for the year ended December 31, 1999, are summarized below:

	Enterprise Fund			General Long Term Debt Account Group		
	Special Assessment Bonds Proprietary Purposes	OWDA Loan Supported By Enterprise Revenues	Revenue Bonds Supported By Enterprise Revenues	General Obligation Bonds Governmental Purposes	Compensated Absences	Totals
Debt principal outstanding January 1, 1999	$ 1,240,000	1,711,504	4,135,000	1,180,000	634,873	8,901,377
Debt principal issued in 1999	-	-	-	-	43,171	43,171
Debt principal retired in 1999	(155,000)	(81,607)	(400,000)	(45,000)	-	(681,607)
Debt principal outstanding December 31, 1999	$ 1,085,000	1,629,897	3,735,000	1,135,000	678,044	8,262,941

B. The following is a description of the bonds that were outstanding as of December 31, 1999:

Description	Issue Date	Interest Rate %	Original Amount	Outstanding Amount	Maturity Date
General Long-Term Obligations Account Group					
Highway Garage General Obligation Bonds	6-94	4.5%	$1,350,000	$1,135,000	6-2014
Enterprise Fund Long-Term Debt					
Sanitary Sewer Special Assessment Bonds	6-86	7.75%	$3,160,000	$1,085,000	12-2006
Sanitary Sewer Revenue Refunding Bonds	8-92	2.55% to 5.75%	$5,570,000	$3,195,000	12-2006
Sewer and Water Revenue Bonds	6-94	3.9%	$ 650,000	$ 540,000	12-2006
OWDA Loan	7-92	5.2%	$2,093,142	$1,629,897	1-2013

On August 18, 1992, the County issued $5,570,000 sanitary sewer system revenue refunding bonds for fourteen years with interest rates ranging from 2.55% to 5.75% to advance refund $4,235,000 in sanitary sewer system revenue bonds and

$750,000 in sewer improvement general obligation notes. A portion of the net proceeds amounting to $4,076,111 and the 1986 Series reserve and bond funds, amounting to $682,609, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments for the sewer system improvement general obligation bonds, respectively. As a result, the 1986 series sewer system revenue bonds are considered to be defeased and the liability for those bonds has been removed in 1992 from the sewer funds. At December 31, 1999, $3,195,000 of the bonds outstanding are considered defeased.

The sewer system revenue refunding bonds pledge sewer fund income to pay debt service. The bond indenture has certain restrictive covenants which principally require that the bond reserve accounts be maintained and charges for services to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture. In addition, special provisions exist regarding covenant violations, redemptions of principal, and maintenance of properties.

In conjunction with the issuance of the sewer system revenue refunding bonds, the County entered into a trust agreement with a commercial bank. The trust agreement, along with the bond indenture, require that the County establish various accounts for the repayment of debt. The restricted assets in the sewer fund are held by the trustees in accordance with the trust agreements. Restricted assets relating to the sewer revenue bonds consisted of the following at December 31, 1999:

Restricted assets held by the trustee for Revenue Bond Future Debt Service	$623,329

A portion of the bonds maturing on or after December 1, 2003, are subject to optional redemption at the direction of the County, either in whole or in part in integral multiples of $5,000 on any June 1 or December 1, commencing December 1, 2002, at the redemption prices (expressed as percentages of the principal amount redeemed) set for below:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2002 through November 30, 2003	102%
December 1, 2003 through November 30, 2004	101%
December 1, 2004 and thereafter	100%

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

	General Obligation Bonds Governmental Purposes	Special Assessment Bonds Proprietary Purposes	Revenue Bonds Supported By Enterprise Revenues	OWDA Loan Supported By Enterprise Revenues	Totals
2000	118,045	239,088	616,543	169,587	1,143,263
2001	120,445	227,075	620,608	169,587	1,137,715
2002	117,530	215,063	617,963	169,587	1,120,143
2003	114,560	203,050	628,823	169,587	1,116,020
2004	116,535	191,038	622,103	169,587	1,099,263
Thereafter	1,180,990	346,036	1,676,933	1,513,739	4,717,698
Total	1,768,105	1,421,350	4,782,973	2,361,674	10,334,102
Less Amount Representing Interest	633,105	336,350	1,047,973	731,777	2,749,205
Principal	$ 1,135,000	1,085,000	3,735,000	1,629,897	7,584,897

The County utilizes a trustee to service the sewer system revenue refunding bonds. Payments to the trustee are recorded as disbursements in the year deposited with the trustee. As of December 31, 1999, the trustee had accumulated $623,329 toward the redemption of these bonds.

D. The County had the following special assessment notes outstanding at December 31, 1999:

Description	Issue Date	Interest Rate	Principal Amount
Special Assessment Notes			
General Long-Term Obligations			
Account Group:			
Milner Ditch	12-4-93	5.5%	536

E. The County had the following notes payable at December 31, 1999:

Description	Issue Date	Interest Rate	Principal Amount
Notes Payable			
Sanitary Sewer Improvement Note	11-15-99	4.25%	1,280,000
Jail Construction Note	11-15-99	4.25%	5,200,000

F. 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 and 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.

NOTE 11 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains three Enterprise Funds. One fund is used to account for the operations of the County's sewer system, one is used to account for the operations of the County Home and the other is used to account for hazardous material treatment. Segment information for the year ended December 31, 1999 follows:

	Sewer Operations Fund	County Home Fund	Hazmat Team Fund	Total
Operating Revenue	$ 1,956,469	3,545,052	-	5,501,521
Operating Expenses before Depreciation	1,002,917	3,608,351	6,770	4,618,038
Depreciation Expense	458,093	38,209	960	497,262
Operating Income (Loss)	495,459	(101,508)	(7,730)	(386,221)
Net Income (Loss) before Operating Transfers	241,774	(99,853)	(7,730)	134,191
Operating Transfers In	716,462	-	-	716,462
Operating Transfers Out	(657,849)	-	-	(657,849)
Net Income	300,387	(99,853)	(7,730)	192,804

Net Working Capital	2,050,854	1,332,565	19,726	3,403,145
Property, Plant and Equipment (addition)	197,674	70,584	-	268,258
Property, Plant and Equipment (Net of Accumulated Depreciation)	11,529,617	479,942	5,813	12,015,372
Long Term Debt	5,424,679	-	-	5,424,679
Total Assets	16,770,287	2,329,914	25,602	19,125,803
Total Equity	8,155,792	1,812,507	25,539	9,993,838

NOTE 12- DEFINED PENSION PLANS

A. Public Employees Retirement System (PERS)

All Logan County full time employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system created by the State of Ohio. (PERS) provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates effective for 1999 were 8.5% for employees other than law enforcement. Law enforcement employees contribute 9.0% of covered salary. The employer contribution rate was 13.55% of covered payroll, 8.44% was the portion used to fund pension obligations for 1999. The law enforcement employer rate was 16.70% of covered payroll and 10.81% was the portion used to fund pension obligations for 1997. The County's contributions for pension obligations to PERS for the years ended December 31, 1999, 1998 and 1997 were $1,873,162, $1,790,935, and $1,678,658, respectively; 92.8% has been contributed for 1999 and 100% for 1998 and 1997. $151,223, representing the unpaid contribution for 1999 is recorded as a liability within the respective funds.

B. STATE TEACHERS RETIREMENT SYSTEM (STRS)

Certified teachers employed by the school for the Mentally Retarded/ Developmentally Disabled (MRDD) participate in the State Teachers Retirement

System of Ohio (STRS), a cost-sharing multiple employer public retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the County is required to contribute 14%; 12% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The county's contributions for pension obligations to STRS for the years ended December 31, 1999, 1998 and 1997 were $90,225, $83,962, and $70,664, respectively; 91.1% has been contributed for 1999 and 100% for the years 1998 and 1997. $17,027 representing the unpaid contribution for 1999 is recorded as a liability within the respective funds.

C. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

PERS:

A. The Public Employees Retirement System of Ohio (PERS) provides post retirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of post retirement health care based on authority granted by state statute. The 1999 employer contribution rate was 13.55% of covered payroll for employees not engaged in law enforcement; 4.2% was the portion that was used to fund health care for 1999. For law enforcement employees, the employer contribution rate for 1999 was 16.7% of which 4.2% was used to fund health care.

B. The Ohio Revised Code provides the statutory authority requiring public employers to fund post retirement health care through their contributions to PERS.

   OPEB are financed through employer contributions and investment earnings thereon. The contributions allocated to retiree health care, along with investment income on allocated assets and periodic adjustments in health care provisions are expected to be sufficient to sustain the program indefinitely.

Expenditures for OPEB during 1999 were $523,599,349. As of December 31, 1999, the unaudited estimated net assets available for future OPEB payments were $9,870,285,641. The number of benefit recipients eligible for OPEB at December 31, 1999 was 118,062.

During 1997, the Retirement Board adopted a new calculation method for determining employer contributions applied to OPEB. Under the new method, effective January 1, 1998, employer contributions, equal to 4.2% of member covered payroll, are used to fund health care expenses. Under the prior method, accrued liabilities and normal costs rates were determined for retiree health care coverage.

STRS:

The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

For STRS, all benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of the coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. However, for the fiscal year ended June 30, 1999, the board allocated employer contributions equal to 8% of covered payroll to the Health Care Reserve Fund. As of June 30, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were $249,929,000.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 6.3% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay had been established at $12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. The number of participants currently receiving health care benefits is 51,000. For the fiscal year ended June 30, 1999, net health care costs paid by SERS were $126,380,984.

NOTE 13 - BUDGETARY BASIS OF ACCOUNTING

The County's budgetary process is based upon accounting for transactions on the cash (budget) basis. The differences between the cash basis (budget basis) and the modified accrual basis (GAAP basis) are that revenues are recorded when actually received (budget) as opposed to when susceptible to accrual (GAAP) and expenditures are recorded when paid (budget) as opposed to when incurred (GAAP). Additionally, the County reflects outstanding encumbrances as expenditures on the budgetary basis of accounting. 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:

EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES

	General	Special Revenue	Debt Service	Capital Projects
Budget Basis	$ 115,923	(439,735)	-	(1,788,205)
Net Adjustments Revenue and Other Sources	2,692	99,152	-	(4,516,052)
Net Adjustment for Expenditures and Other Uses	14,973	(34,376)	-	(1,014,401)
Encumbrances	520,230	1,050,482	-	5,839,223
GAAP Basis	$ 653,818	675,523	-	(1,479,435)

NOTE 14 - DEFERRED COMPENSATION PLAN

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

NOTE 15 - CONTINGENT LIABILITIES

A. GRANTS

The County receives significant financial assistance from numerous federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the County at December 31, 1999.

B. LITIGATION

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

NOTE 16 - RISK MANAGEMENT

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 forty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by CORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

Management has elected, under GASB 10, to designate retained earnings in the self-insurance fund to offset the risk of future catastrophic losses.

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, nor has significant reduction in coverage occurred.

NOTE 17 - PRIOR PERIOD ADJUSTMENT

Prior year's increase in Unclaimed Money within the Expendable Trust Fund was not recorded as a liability. This resulted in an overstatement of beginning unreserved fund balance.

Expendable Trust Fund:

Fund balance as originally stated at December 31, 1998	$ 55,321
Prior period adjustment	(25,155)
Restated Balance, January 1, 1999	$ 30,166

NOTE 19 - COMPONENT UNIT'S CONDENSED FINANCIAL STATEMENTS

	Ross Training Center	MRDD	Total
Revenues	$ 389,208	3,807,213	4,196,421
Expenditures	363,171	3,298,894	3,662,065
Excess deficiency) of revenue over expenditures	26,037	508,319	534,356
Transfer In	-	50,761	50,761
Transfer Out	-	650,761	650,761
Excess of revenues and other financing sources over (under) expenditures and other uses	$ 26,037	(91,681)	(65,644)

NOTE 20 – SIGNIFICANT CONTRACTUAL OBLIGATIONS

The County has several continuing with construction contractors. Of the total amounts authorized by the Commissioners, the following amounts remain unspent from the Capital Projects Fund, for construction of County Jail, as of December 31, 1999:

Vendor	Original Contract	Expended to Date	Balance Remaining
Peterson Construction	$ 4,294,500	2,182,496	2,112,004
Vaughn Industries	2,269,100	582,078	1,687,022
Central Fire Protection	221,257	101,414	119,843
Noll Fisher Inc.	574,737	260,892	313,845
Watchel & McAnally – Architects	500,000	490,076	9,924
	$ 7,859,594	3,616,956	4,242,638

LOGAN COUNTY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number		Receipts	Disbursements
U.S. Department of Housing and Urban Development (HUD):					
Passed through Ohio Deparatment of Development:					
Small Cities Block Grant	(1)	14.228	$	170,800	272,372
Housing Rehabilitation	(1)	14.239		27,000	-
Total HUD				197,800	272,372
United States Department of Agriculture:					
School Lunch Program	(1)	10.558		22,833	22,833
United States Department of Justice:					
Passed through the Ohio Attorney General's Office:					
Victims Witness Program	(1)	16.575		28,462	48,673
United States Department of Labor:					
Passed through the Darke County Private Industry Council:					
Jobs Partnership Training Act	(1)	17.246		237,250	81,703
United States Department of Human Services:					
Passed through the Ohio Department of MRDD:					
Title XX	(1)	93.667		46,909	46,909
United States Departmnet of Transportation:					
Passed through the Ohio Department of Transportation:					
County Pavement Markings Program	(1)	20.600		21,302	-
Rural Transit	(1)	20.507		133,700	133,700
Total Department of Transportation				155,002	133,700
Federal Emergency Management (FEMA):					
Passed through the Ohio Department of Public Safety:					
FEMA	(1)	83.534		21,795	21,795
			$	710,051	627,985

(1) - Passthrough entity number not available.

Note 1:

The County uses the cash basis of accounting for the Schedule of Expenditures of Federal Awards

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of County Commissioners
Logan County, Ohio

We have audited the financial statements of Logan County, Ohio, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Logan County, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Logan County, Ohio's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questions costs as items 1999-1 through 1999-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 1999-1 and 1999-4 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of Logan County, Ohio in a separate letter dated May 18, 2000

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark Schaefer Hackett & Co.

Springfield, Ohio
May 18, 2000

Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Board of County Commissioners
Logan County, Ohio

Compliance

We have audited the compliance of Logan County, Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. Logan County, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Logan County, Ohio's management. Our responsibility is to express an opinion on Logan County, Ohio's compliance based on our audit.

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

In our opinion, Logan County, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of Logan County, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirement of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Logan County, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co

Springfield, Ohio
May 18, 2000

LOGAN COUNTY, OHIO
Schedule of Findings and Questioned Costs

December 31, 1999

1.	Summary of Auditors' Results

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other reportable weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §5 10?	No
(d)(1)(vii)	Major Programs	Community Development Block Grant CFDA # 14.228 Federal Transit Grant CFDA # 20.507
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	No

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

Finding Number 1999-1

Treasurer's Office

Condition:	We noted that at time cash is deposited and reconciled by the same person.
Criteria:	Proper internal controls require segregation of duties to properly protect County assets.
Recommendation:	We recommend the treasurer, or her designee, review monthly reports and insure proper segregation of duties exist in all treasury functions.

Finding Number 1999-2

Auditor

Condition:	We noted that the auditor does not maintain a fixed asset system. Proper control over County assets, require adequate management of fixed assets.
Criteria:	Accounting procedures over County fixed assets would properly track and safeguard assets.
Recommendation:	We recommend that a fixed asset system be developed.

Finding Number 1999-3

Common Pleas Court

Condition:	Reconciling differences on monthly bank reconciliation are not resolved due to the lack of understanding of basic accounting principles. The lack of basic accounting concepts leads to a reliance on software programs without the knowledge of what outcomes to expect.
Criteria:	Training accounting personnel would alert County personnel of reconciling items.
Recommendation:	We recommend accounting training for all department heads and that an accounting manual be developed.

Schedule of Prior Audit Findings

Comment 1998-1: Treasurer
We noted that at times cash is deposited and reconciled by the same person.

Current Status: Repeat comment.

Comment 1998-2: Auditor
We noted that the auditor does not maintain a fixed asset system. Proper control over County assets requires adequate management of fixed assets.

Current Status: Repeat comment.

Comment 1998-3: Common Pleas Court
Reconciling differences on monthly bank reconciliation are not resolved due to the lack of understanding of basic accounting principles. The lack of basic accounting concepts leads to a reliance on software programs without the knowledge of what outcomes to expect.

Current Status: Repeat comment.

Comment 1998-4: Juvenile Court
We noted several disbursements were made without proper documentation or adequate approval. Proper control over County assets require that disbursement of funds be properly documented and authorized.

Current Status: Corrected in 1999.

LOGAN COUNTY, OHIO
Elected Officials
December 31, 1999

Name/Title	Term of Office
Commissioners: John F. Bayliss George W. Clayton Russell Forsythe	 01/02/97 - 01/01/01 01/03/97 - 01/02/01 01/01/99 - 12/31/02
Auditor: Michael Yoder	 03/08/99 - 03/09/03
Treasurer: Joy King	 09/01/97 - 09/02/01
Prosecuting Attorney: Gerald L. Heaton	 01/06/97 - 01/01/01
Sheriff: Michael E. Henry	 01/06/97 - 01/01/01
Engineer: James Cox	 01/06/97 - 01/01/01
Recorder: Carolyn Collins	 01/06/97 - 01/01/01
Clerk of Courts: Dottie Tuttle	 01/06/97 - 01/01/01
Coroner: Dr. James B. McGriff	 01/01/97 - 01/01/01
Probate/Juvenile Court Judge: Michael L. Brady	 02/10/97 - 02/09/03
Common Pleas Court Judge: Mark S. O'Connor	 01/01/99 - 12/31/04

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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.

By: Susan Babbitt

Date: JUL 25 2000