

**Logan County Financial Condition**

**Single Audit**

**For the Year Ended December 31, 2007**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Logan County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2007 through December 31, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 3, 2008

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**Logan County Financial Condition**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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# Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

## Independent Auditors' Report

County Board of Commissioners  
Logan County  
117 E. Columbus Ave.  
Bellefontaine, Ohio 43311

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

The financial statements of RTC Industries, Inc. have not been audited, and we were not engaged to audit the RTC Industries, Inc. financial statements as part of our audit of the County's basic financial statements. RTC Industries, Inc. financial activities are included in the County's basic financial statements as a discretely presented component unit. RTC Industries, Inc. is the County's only discretely presented component unit.

Because the financial statements of RTC Industries, Inc., the County's only discretely presented component unit, have not been audited, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements of the discretely presented component unit of the County, as of and for the year ended December 31, 2007.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Logan County, Ohio as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Auto and Gas Fund, Board of MRDD Fund, Children Services Fund, and Job and Family Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Clark, Schaefer Harkett P.C.

Springfield, Ohio  
June 30, 2008



**Logan County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*(Unaudited)*

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The discussion and analysis of Logan County's financial performance provides an overall view of the County's financial activities for the year ended December 31, 2007. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review notes to the basic financial statements, and the financial statements themselves, to enhance their understanding of the County's financial performance.

### **Financial Highlights**

Key financial highlights for 2007 are as follows:

- The County's net assets increased \$3,960,708 as a result of this year's operations. Net assets of the business-type activities increased \$11,037,429 or 88.0 percent, and net assets of our governmental activities decreased \$7,076,721 or 8.5 percent. The large increase and decrease was caused by the completion and transfer of the new Logan Acres County Home in the amount of \$10,240,136.
- Business-Type activities had expenses of \$8,568,462 which is \$863,573 less than the \$9,432,035 in program revenues generated for such expenses.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Logan County as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the County, presenting both an aggregate view of the County's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column. In the case of the Logan County, the General Fund is by far the most significant fund.

### **Reporting the County as a Whole**

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

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2007?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the County, the *financial position* of the County has increased or diminished. The cause of this is the result of many factors, some the County can control, some not. Non-controllable financial factors include the County's insurance costs, Workers Compensation costs, the economy, interest rates, and revenues or expenses determined by laws in Ohio restricting revenue growth, required programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the County is divided into two distinct kinds of activities:

- Governmental Activities - Most of the County's programs and services are reported here including public safety, public works, health, human services, conservation and recreation, economic development, urban redevelopment, legislative and executive, and judicial.

**Logan County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*(Unaudited)*

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- Business-Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Indian Lake Water Pollution Control District Fund and the Logan Acres County Home Funds are reported as business activities.

**Reporting the County's Most Significant Funds**

*Fund Financial Statements*

Fund financial statements provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General Fund, the Auto and Gas Fund, the MRDD Fund, the Children Services Fund, and the Job and Family Services Fund.

**Governmental Funds** Most of the County's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted into cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance County operations. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

**Proprietary Funds** Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

**The County as a Whole**

Recall that the Statement of Net Assets provides the perspective of the County as a whole.

Table 1  
Net Assets

	Governmental Activities 2007	Business-Type Activities 2007	Total 2007	Total 2006
<b>Asset</b>				
Current and Other Assets	\$ 32,000,849	\$ 9,141,895	\$ 41,142,744	\$ 34,829,706
Capital Assets, Net	66,729,798	30,526,840	97,256,638	95,524,151
<b>Total Assets</b>	<b>\$ 98,730,647</b>	<b>\$ 39,668,735</b>	<b>\$ 138,399,382</b>	<b>\$ 130,353,857</b>

**Logan County**  
*Management's Discussion and Analysis*  
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*(Unaudited)*

<b>Liabilities</b>				
Other Liabilities	8,431,497	821,472	9,252,969	9,225,387
Long-Term Liabilities	<u>14,211,869</u>	<u>15,262,333</u>	<u>29,474,202</u>	<u>25,416,967</u>
Total Liabilities	<u>22,643,366</u>	<u>16,083,805</u>	<u>38,727,171</u>	<u>34,642,354</u>
<b>Net Assets</b>				
Invested in Capital				
Assets Net of Debt	53,910,423	15,470,982	69,381,405	71,498,916
Restricted	1,491,969	-	1,491,969	1,799,793
Unrestricted (Deficit)	<u>20,684,889</u>	<u>8,113,948</u>	<u>28,798,837</u>	<u>22,412,794</u>
Total Net Assets	<u>\$ 76,087,281</u>	<u>\$ 23,584,930</u>	<u>\$ 99,672,211</u>	<u>\$ 95,711,503</u>

Table 2 shows comparative numbers for the changes in net assets for the years 2007 and 2006.

**Governmental Activities**

Table 2  
Changes in Net Assets

	Governmental Activities 2007	Business-Type Activities 2007	Total 2007	Total 2006
<b>Revenue</b>				
Program Revenues:				
Charges for Services	\$ 4,835,320	\$ 6,345,135	\$ 11,180,455	\$ 10,036,318
Operating Grants	13,193,812	3,086,900	16,280,712	17,898,750
Capital Grants	220,443	-	220,443	406,201
General Revenue:				
Property and Sales Taxes	16,738,988	-	16,738,988	14,366,412
Grants and Entitlements	2,819,501	-	2,819,501	4,210,815
Other	<u>3,624,472</u>	<u>268,195</u>	<u>3,892,667</u>	<u>3,555,820</u>
Total Revenues	<u>\$ 41,432,536</u>	<u>\$ 9,700,230</u>	<u>\$ 51,132,766</u>	<u>\$ 50,474,316</u>

**Logan County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*(Unaudited)*

Table 2 (Continued)

	Governmental Activities 2007	Business-Type Activities 2007	Total 2007	Total 2006
<b>Program Expenses</b>				
General Government – Legislative and Executive	6,578,122	-	6,578,122	4,919,699
General Government – Judicial	2,901,657	-	2,901,657	2,985,165
Public Safety	6,499,455	-	6,499,455	6,669,876
Public Works	4,884,753	-	4,884,753	6,267,671
Health	1,465,547	-	1,465,547	2,012,848
Human Service	14,569,585	-	14,569,585	13,006,536
Conservation and Recreation	468,234	-	468,234	366,736
Economic Development and Assistance	265,212	-	265,212	209,585
Urban Redevelopment and housing	403,205	-	403,205	324,351
Interest and Fiscal Charges	567,826	-	567,826	417,339
Wastewater Pollution Control Fund	-	2,113,590	2,113,590	1,982,478
Logan Acres County Home Fund	-	6,454,872	6,454,872	5,412,936
<b>Total Expenses</b>	<b>38,603,596</b>	<b>8,568,462</b>	<b>47,172,058</b>	<b>44,575,220</b>
Change in Net Assets before transfers	2,828,940	1,131,768	3,960,708	5,899,096
Net Transfers	(9,905,661)	9,905,661	-	-
Increase (Decrease) in Net Assets	(7,076,721)	11,037,429	3,960,708	5,899,096
Beginning Net Assets - Restated	83,164,002	12,547,501	95,711,503	89,812,407
Ending Net Assets	<u>\$ 76,087,281</u>	<u>\$ 23,584,930</u>	<u>\$ 99,672,211</u>	<u>\$ 95,711,503</u>

Without the transfer of the new County Home from Governmental Activities, the Governmental Activities would show an increase in net assets of \$3,163,415 while the Business-Type Activities would have shown an increase of only \$797,293.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons are made to 2006.

Table 3  
Governmental Activities

	Total Cost of Services 2007	Net Cost of Services 2007	Total Cost of Services 2006	Net Cost of Services 2006
General Government - Legislative	\$ 6,578,122	\$ 5,205,035	\$ 4,919,699	\$ 3,145,265
General Government - Judicial	2,901,657	1,625,518	2,985,165	1,754,115
Public Safety	6,499,455	5,008,181	6,669,876	4,974,504
Public Works	4,884,753	(1,936,982)	6,267,671	(221,520)
Health	1,465,547	1,432,221	2,012,848	1,965,603
Human Services	14,569,585	7,824,287	13,006,536	5,025,639
Conservation and Recreation	468,234	468,234	366,736	366,736
Economic Development and Assistance	265,212	(23,061)	209,585	178,789
Urban Redevelopment and Housing	403,205	182,762	324,351	324,351
Interest and Fiscal Charges	567,826	567,826	417,339	417,339
<b>Total Expenses</b>	<b>38,603,596</b>	<b>20,354,021</b>	<b>37,179,806</b>	<b>17,930,821</b>

The dependence upon tax revenues for governmental activities is apparent. Only 47.3 percent of expenses are supported through program revenues. For all governmental activities, taxes and other general revenues support 52.7 percent of expenses. The community, as a whole, is by far the primary support for the County.

**Logan County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*(Unaudited)*

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***Business-Type Activities***

Business-type activities include the Water Pollution Control Fund and Logan Acres County Home Fund. These programs had revenues of \$9,700,230 and expenses of \$8,568,462 for the year 2007. Business activities receive no support from tax revenues.

**The County's Funds**

Information about the County's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other fund sources of \$46,977,720 and expenditures and other fund uses of \$45,878,308. The net change in fund balance for the year was an increase of \$1,099,412. A modest increase but shows the county is staying within its budget.

***General Fund Budgeting Highlights***

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

During the course of the year 2007 the County amended its General Fund budget numerous times. The County uses department based budgeting and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the General Fund, final budget revenue was \$15,869,700 and actual revenue was \$16,234,524 resulting in a positive variance of \$364,824. Expenditures also had a positive variance for the year of \$173,733.

The County's 2007 ending unobligated General Fund cash balance was \$1,096,875 which was \$657,398 greater than the final budgeted amount.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of the 2007 the County had \$97,256,638 invested in land, buildings, equipment, vehicles, and infrastructure, of which \$66,729,798 was in governmental activities. Table 4 shows the 2007 balances.

Table 4  
 Capital Assets at December 31

	Governmental Activities 2007	Business-Type Activities 2007	Total 2007	Total 2006
Land	\$ 4,104,446	\$ 205,526	\$ 4,309,972	\$ 4,309,972
Construction In Progress	-	-	-	13,632,226
Land Improvements	378,351	173,161	551,512	576,604
Buildings and Improvements	14,274,582	11,721,840	25,996,422	15,164,246
Machinery and Equipment	4,330,084	703,839	5,033,923	5,430,298
Infrastructure	42,153,016	17,714,617	59,867,633	54,783,914
Vehicles	1,489,319	7,857	1,497,176	1,626,891
<b>Totals</b>	<b>\$ 66,729,798</b>	<b>\$ 30,526,840</b>	<b>\$ 97,256,638</b>	<b>\$ 95,524,151</b>

A transfer of \$10,240,136 of the new Logan Acres County Home from the Governmental Activities to the Business-Type activities was made because operations began this year.

**Logan County**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2007*  
*(Unaudited)*

**Debt**

As of December 31, 2007 the County had \$27,875,233 in bonds and notes outstanding, \$6,131,532 due within one year. Table 5 summarizes bonds and notes outstanding.

Table 5  
 Outstanding Debt, at Year End

	Governmental Activities 2007	Business- Type Activities 2007	As Reclassed	
			Governmental Activities 2006	Business- Type Activities 2006
Various Purpose Bonds, Series 2	\$ 6,423,375	\$ -	\$ 6,782,750	\$ 367,250
County Home Revenue Bonds	-	2,952,000	-	3,000,000
County Home Construction Bonds	6,396,000		6,500,000	-
Sewer System Imp. Revenue Bonds, Series B		2,811,625	-	-
Sewer System Refunding Bonds	-	780,000	-	815,000
Sewer System Imp. Revenue Bonds, Series A		2,410,000	-	-
O.W.D.A. Loan	-	802,233	-	925,283
Sewer System Improvement Notes	-	5,300,000	-	5,465,000
<b>Total</b>	<u>\$ 12,819,375</u>	<u>\$ 15,055,858</u>	<u>\$ 13,282,750</u>	<u>\$ 10,572,533</u>

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

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

See Note 11 for additional information on the County's debt obligations.

**For the Future**

As we begin 2008, the sales tax seems to be improving over last year's numbers and we trust this improvement to continue. If it does, then the County will have another successful year financially.

In conclusion, the County has committed itself to financial responsibility for many years. In addition, the County's systems of budgeting and internal controls are well regarded. All of the County's financial abilities will be needed to meet the challenges of the future.

**Contacting the County's Financial Management**

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

**Logan County**  
Statement of Net Assets  
December 31, 2007

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$17,089,789	\$ 7,652,900	\$ 24,742,689	\$ -
Cash and Investments:				
With Fiscal Agents	-	25,888	25,888	794,857
Receivables:				
Taxes	8,331,446	-	8,331,446	-
Accounts	410,724	618,671	1,029,395	227,986
Special Assessments	161,720	501,953	663,673	-
Accrued Interest	305,428	-	305,428	-
Intergovernmental	4,982,819	223,853	5,206,672	-
Prepaid Items	103,737	18,844	122,581	-
Material and Supplies Inventory	615,186	23,386	638,572	-
Unamortized Bond Issuance Costs	-	76,400	76,400	-
Capital assets, No Depreciation	4,104,446	205,526	4,309,972	-
Capital assets, net of depreciation	<u>62,625,352</u>	<u>30,321,314</u>	<u>92,946,666</u>	<u>462,919</u>
Total Assets	<u>98,730,647</u>	<u>39,668,735</u>	<u>138,399,382</u>	<u>1,485,762</u>
<u>Liabilities</u>				
Accounts Payable	766,214	406,558	1,172,772	74,290
Accrued Wages	677,273	162,080	839,353	15,892
Due to Other Governments	485,781	121,565	607,346	8,470
Unearned Revenue	6,439,038	-	6,439,038	-
Deposits Held and due to Others	-	25,788	25,788	-
Accrued Interest Payable	63,191	105,481	168,672	-
Long-Term Liabilities:				
Due within one year	1,460,963	5,829,719	7,290,682	8,822
Due in more than one year	<u>12,750,906</u>	<u>9,432,614</u>	<u>22,183,520</u>	<u>351,934</u>
Total Liabilities	<u>22,643,366</u>	<u>16,083,805</u>	<u>38,727,171</u>	<u>459,408</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	53,910,423	15,470,983	69,381,406	110,985
Restricted for:				
Other Purposes	1,491,969	-	1,491,969	-
Unrestricted (deficit)	<u>20,684,889</u>	<u>8,113,947</u>	<u>28,798,836</u>	<u>915,369</u>
Total Net Assets	<u>\$76,087,281</u>	<u>\$23,584,930</u>	<u>\$ 99,672,211</u>	<u>\$ 1,026,354</u>

See accompanying notes to the basic financial statements.

Logan County  
Statement of Activities  
For the Year Ended December 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary government:								
Governmental Activities:								
General Government:								
Legislative and Executive	\$ 6,578,122	\$ 1,333,885	\$ 39,202	\$ -	\$ (5,205,035)		\$ (5,205,035)	
Judicial	2,901,657	546,001	730,138	-	(1,625,518)		(1,625,518)	
Public Safety	6,499,455	1,202,964	288,310	-	(5,008,181)		(5,008,181)	
Public Works	4,884,753	1,255,713	5,566,022	-	1,936,982		1,936,982	
Health	1,465,547	33,326	-	-	(1,432,221)		(1,432,221)	
Human Service	14,569,585	463,431	6,281,867	-	(7,824,287)		(7,824,287)	
Conservation and Recreation	468,234	-	-	-	(468,234)		(468,234)	
Economic Development and Assistance	265,212	-	288,273	-	23,061		23,061	
Urban Redevelopment and Housing	403,205	-	-	220,443	(182,762)		(182,762)	
Interest and Fiscal Charges	567,826	-	-	-	(567,826)		(567,826)	
<b>Total Governmental Activities</b>	<b>38,603,596</b>	<b>4,835,320</b>	<b>13,193,812</b>	<b>220,443</b>	<b>(20,354,021)</b>		<b>(20,354,021)</b>	
Business-Type activities:								
Water Pollution Control Fund	2,113,590	2,649,668	-	-		536,078	536,078	
Logan Acres County Home Fund	6,454,872	3,695,467	3,086,900	-		327,495	327,495	
<b>Total Business-Type activities</b>	<b>8,568,462</b>	<b>6,345,135</b>	<b>3,086,900</b>	<b>-</b>	<b>-</b>	<b>863,573</b>	<b>863,573</b>	
<b>Total Primary Government</b>	<b>\$ 47,172,058</b>	<b>\$ 11,180,455</b>	<b>\$ 16,280,712</b>	<b>\$ 220,443</b>	<b>(20,354,021)</b>	<b>863,573</b>	<b>(19,490,448)</b>	
Component Unit:								
RTC Industries, Inc.	\$ 886,094	\$ 925,535	\$ -	\$ -				\$ 39,441
<b>Total Component Unit</b>	<b>\$ 886,094</b>	<b>\$ 925,535</b>	<b>\$ -</b>	<b>\$ -</b>				<b>39,441</b>
General revenues:								
Taxes:								
Property and sales taxes for general purposes					16,738,988	-	16,738,988	-
Fines & Forfeitures					333,642	-	333,642	-
Grants & Contributions not restricted to specific programs					2,819,501	-	2,819,501	-
Unrestricted Investment earnings					1,600,702	43,514	1,644,216	-
Miscellaneous					1,588,859	224,681	1,813,540	-
Gain on sale of capital assets					101,269	-	101,269	-
Transfers					(9,905,661)	9,905,661	-	-
<b>Total general revenues</b>					<b>13,277,300</b>	<b>10,173,856</b>	<b>23,451,156</b>	<b>-</b>
<b>Change in net assets</b>					<b>(7,076,721)</b>	<b>11,037,429</b>	<b>3,960,708</b>	<b>39,441</b>
<b>Net Assets - January 1, 2007 (As Restated)</b>					<b>83,164,002</b>	<b>12,547,501</b>	<b>95,711,503</b>	<b>986,913</b>
<b>Net Assets - December 31, 2007</b>					<b>\$ 76,087,281</b>	<b>\$ 23,584,930</b>	<b>\$ 99,672,211</b>	<b>\$ 1,026,354</b>

See accompanying notes to the basic financial statements.



**Logan County  
Balance Sheet  
Governmental Funds  
December 31, 2007**

	General	Auto and Gas	Board of MRDD	Children Services	Job & Family Services	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Equity in Pooled Cash and Investments	\$ 1,565,602	\$ 1,604,839	\$ 3,502,885	\$ 2,487,677	\$ 256,514	\$ 7,672,272	\$ 17,089,789
Receivables:							
Taxes	3,679,909	-	3,635,538	1,015,999	-	-	8,331,446
Accounts	153,549	5,125	115,902	6,364	523	129,261	410,724
Special Assessments	-	-	-	-	-	161,720	161,720
Accrued Interest	305,428	-	-	-	-	-	305,428
Intergovernmental	1,116,989	2,357,461	524,157	314,421	-	669,791	4,982,819
Prepaid Items	89,504	2,630	1,473	2,535	560	7,035	103,737
Material and Supply Inventory	54,892	543,936	14,508	1,850	-	-	615,186
Advances to Other Funds	61,172	-	-	-	-	32,477	93,649
<b>Total Assets</b>	<b>\$ 7,027,045</b>	<b>\$ 4,513,991</b>	<b>\$ 7,794,463</b>	<b>\$ 3,828,846</b>	<b>\$ 257,597</b>	<b>\$ 8,672,556</b>	<b>\$ 32,094,498</b>
<b>Liabilities</b>							
Accounts Payable	\$ 247,509	\$ 142,091	\$ 46,779	\$ 40,754	\$ 127,436	\$ 161,645	\$ 766,214
Accrued Wages	240,663	62,371	144,415	49,347	68,556	111,921	677,273
Due to Other Governments	201,432	43,699	93,987	32,901	50,914	62,848	485,781
Deferred Revenue	4,027,231	2,172,107	4,157,016	1,215,773	344	715,434	12,287,905
Advances from Other Funds	-	-	-	-	-	93,649	93,649
<b>Total Liabilities</b>	<b>4,716,835</b>	<b>2,420,268</b>	<b>4,442,197</b>	<b>1,338,775</b>	<b>247,250</b>	<b>1,145,497</b>	<b>14,310,822</b>
<b>Fund Balances:</b>							
Reserved for Encumbrances	239,170	54,919	12,684	52,832	59,192	364,337	783,134
Reserved for Inventory	54,892	543,936	14,508	1,850	-	-	615,186
Reserved for Advances	61,172	-	-	-	-	32,477	93,649
Unreserved	1,954,976	-	-	-	-	81,795	2,036,771
Unreserved, Reported in:							
Special Revenue Funds	-	1,494,868	3,325,074	2,435,389	(48,845)	6,879,565	14,086,051
Capital Projects Funds	-	-	-	-	-	168,885	168,885
<b>Total Fund Balances</b>	<b>2,310,210</b>	<b>2,093,723</b>	<b>3,352,266</b>	<b>2,490,071</b>	<b>10,347</b>	<b>7,527,059</b>	<b>17,783,676</b>
<b>Total Liabilities and Fund Balance:</b>	<b>\$ 7,027,045</b>	<b>\$ 4,513,991</b>	<b>\$ 7,794,463</b>	<b>\$ 3,828,846</b>	<b>\$ 257,597</b>	<b>\$ 8,672,556</b>	<b>\$ 32,094,498</b>

See accompanying notes to the basis financial statements.

**Logan County**  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2007

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Total Governmental Fund Balances \$ 17,783,676

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

Capital assets used in governmental activities are not financial  
 resources and therefore are not reported in the funds. 66,729,798

Other long-term assets are not available to pay for  
 current period expenditures and therefore are deferred  
 in the funds:

Taxes	\$ 1,097,080	
Special Assessments	161,720	
Grants	4,164,183	
Accounts Receivable	171,651	
Accrued Interest On Investments	<u>254,233</u>	5,848,867

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

Accrued Interest Payable	\$ (63,191)	
Bonds & Notes	(12,819,375)	
Compensated Absences Payable	<u>(1,392,494)</u>	<u>(14,275,060)</u>

Net Assets of Governmental Activities

Net Assets of Governmental Activities \$ 76,087,281

See accompanying notes to the basis financial statements.

**Logan County**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2007**

	General	Auto and Gas	Board of MRDD	Children Services	Job & Family Services	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 10,217,843	\$ -	\$ 4,536,906	\$ 1,235,155	\$ -	\$ 698,761	\$ 16,688,665
Intergovernmental	1,627,731	4,024,795	1,386,740	1,237,454	4,003,497	4,213,469	16,493,686
Investment Income	1,475,924	51,676	-	-	-	7,904	1,535,504
Licenses and Permits	148,490	-	-	-	-	76,214	224,704
Fines and Forfeitures	217,464	60,697	-	-	-	52,940	331,101
Special Assessments	-	-	-	-	-	52,153	52,153
Charges for Services	2,570,011	164,550	169,943	900	26,217	1,692,056	4,623,677
Miscellaneous	223,849	5,801	455,539	155,721	245,632	277,613	1,364,155
<b>Total Revenue</b>	<b>16,481,312</b>	<b>4,307,519</b>	<b>6,549,128</b>	<b>2,629,230</b>	<b>4,275,346</b>	<b>7,071,110</b>	<b>41,313,645</b>
<b>Expenditures:</b>							
<b>Current:</b>							
<b>General Government:</b>							
Legislative and Executive	5,046,809	-	-	-	-	1,066,482	6,113,291
Judicial	1,823,436	-	-	-	-	1,215,887	3,039,323
Public Safety	5,572,883	-	-	-	-	664,849	6,237,732
Public Works	133,331	3,832,624	-	-	-	2,391,509	6,357,464
Health	41,025	-	-	-	-	1,416,774	1,457,799
Human Service	294,133	-	5,700,776	2,417,686	4,739,477	2,144,508	15,296,580
Conservation and Recreation	379,190	-	-	-	-	83,700	462,890
Economic Development and Assistance	3,958	-	-	-	-	258,887	262,845
Urban Redevelopment and Housing	-	-	-	-	-	403,205	403,205
<b>Debt Service:</b>							
Principal Retirement	-	-	-	-	-	463,375	463,375
Interest and Fiscal Charges	-	-	-	-	-	579,204	579,204
<b>Total Expenditures</b>	<b>13,294,765</b>	<b>3,832,624</b>	<b>5,700,776</b>	<b>2,417,686</b>	<b>4,739,477</b>	<b>10,688,380</b>	<b>40,673,708</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,186,547</b>	<b>474,895</b>	<b>848,352</b>	<b>211,544</b>	<b>(464,131)</b>	<b>(3,617,270)</b>	<b>639,937</b>
<b>Other Financing Sources (Uses):</b>							
Proceeds from the Sale of Assets	125,000	-	-	-	-	-	125,000
Transfers In	1,200	50,000	-	-	845,635	4,642,240	5,539,075
Transfers Out	(3,541,359)	-	(30,000)	-	(715,355)	(917,886)	(5,204,600)
<b>Total Other Sources (Uses)</b>	<b>(3,415,159)</b>	<b>50,000</b>	<b>(30,000)</b>	<b>-</b>	<b>130,280</b>	<b>3,724,354</b>	<b>459,475</b>
<b>Net Change in Fund Balance</b>	<b>(228,612)</b>	<b>524,895</b>	<b>818,352</b>	<b>211,544</b>	<b>(333,851)</b>	<b>107,084</b>	<b>1,099,412</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>2,527,018</b>	<b>1,437,355</b>	<b>2,531,772</b>	<b>2,284,228</b>	<b>344,198</b>	<b>7,432,445</b>	<b>16,557,016</b>
<b>Increase (Decrease) in Reserve for Inventory</b>	<b>11,804</b>	<b>131,473</b>	<b>2,142</b>	<b>(5,701)</b>	<b>-</b>	<b>(12,470)</b>	<b>127,248</b>
<b>Fund Balances (Deficits) End of Year</b>	<b>\$ 2,310,210</b>	<b>\$ 2,093,723</b>	<b>\$ 3,352,266</b>	<b>\$ 2,490,071</b>	<b>\$ 10,347</b>	<b>\$ 7,527,059</b>	<b>\$ 17,783,676</b>

See accompanying notes to the basic financial statements.

**Logan County**  
 Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 1,099,412

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

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

Capital Outlay	\$ 4,731,812	
Depreciation	<u>(3,245,295)</u>	1,486,517

The capital asset of the new Logan Acres County Home was transferred as contributed capital to the Business - Type Statement of Activity but not reported in the Governmental Funds (10,240,136)

Loss on disposal of Capital Assets is not recorded in the Governmental funds but is recorded in the Statement of Activity. (23,731)

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

Property Taxes	\$ 50,323	
Charges for Services	133,892	
Fines and Forfeitures	2,541	
Intergovernmental Grants	(259,930)	
Special Assessments	17,677	
Interest Income	65,198	
Miscellaneous Income	<u>7,921</u>	17,622

Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets. 463,375

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 11,378

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Reserve for Inventory	\$ 127,248	
Compensated Absences	<u>(18,406)</u>	<u>108,842</u>

Change in Net Assets of Governmental Activities \$ (7,076,721)

See accompanying notes to the basic financial statements.

**Logan County**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP) and Actual**  
**General Fund**  
**December 31, 2007**

	<u>Budgeted Amounts</u>			Variance Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 10,308,000	\$ 10,308,000	\$ 10,050,758	\$ (257,242)
Intergovernmental	1,490,525	1,472,525	1,558,067	85,542
Investment Income	945,000	961,500	1,454,813	493,313
Licenses and Permits	217,720	190,720	148,490	(42,230)
Fines and Forfeitures	196,630	196,630	215,413	18,783
Charges for Services	2,341,400	2,553,100	2,573,167	20,067
Miscellaneous	260,725	187,225	233,816	46,591
Total Revenue	<u>15,760,000</u>	<u>15,869,700</u>	<u>16,234,524</u>	<u>364,824</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
Legislative and Executive	2,782,344	5,739,499	5,323,069	416,430
Judicial	2,295,588	1,864,162	1,851,884	12,278
Public Safety	5,265,495	5,652,553	5,634,761	17,792
Public Works	1,050,385	193,550	189,421	4,129
Health	1,034,331	88,868	52,118	36,750
Human Service	554,500	376,615	304,315	72,300
Conservation and Recreation	-	379,265	379,190	75
Total Expenditures	<u>12,982,643</u>	<u>14,294,512</u>	<u>13,734,758</u>	<u>559,754</u>
Excess of Revenues Over (Under) Expenditures	2,777,357	1,575,188	2,499,766	924,578
<b>Other Financing Sources (Uses)</b>				
Advance In	-	41,000	23,750	(17,250)
Proceeds on Sales of Assets	-	-	125,000	125,000
Transfers In	-	40,000	1,200	(38,800)
Transfers Out	<u>(3,225,928)</u>	<u>(3,591,250)</u>	<u>(3,541,359)</u>	<u>49,891</u>
Total Other Financing Sources	(3,225,928)	(3,510,250)	(3,391,409)	118,841
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(448,571)	(1,935,062)	(891,643)	1,043,419
Fund Balances at Beginning of Year	1,602,496	1,602,496	1,602,496	-
Prior Year Encumbrances Appropriated	<u>386,022</u>	<u>386,022</u>	<u>386,022</u>	-
Fund Balances (Deficit) at End of Year	<u>\$ 1,539,947</u>	<u>\$ 53,456</u>	<u>\$ 1,096,875</u>	<u>\$ 1,043,419</u>

See accompanying notes to the basic financial statements.

**Logan County**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP) and Actual**  
**Auto and Gas Fund**  
**December 31, 2007**

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 3,850,000	\$ 3,850,000	\$ 3,960,031	\$ 110,031
Investment Income	25,000	25,000	51,676	26,676
Fines and Forfeitures	40,000	40,000	60,359	20,359
Charges for Services	177,000	177,000	164,550	(12,450)
Miscellaneous	2,000	20,000	5,802	(14,198)
Total Revenue	<u>4,094,000</u>	<u>4,112,000</u>	<u>4,242,418</u>	<u>130,418</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public Works	4,763,105	4,763,105	3,957,312	805,793
Total Expenditures	<u>4,763,105</u>	<u>4,763,105</u>	<u>3,957,312</u>	<u>805,793</u>
Excess of Revenues Over (Under) Expenditures	(669,105)	(651,105)	285,106	936,211
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	-	50,000	50,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(669,105)	(651,105)	335,106	986,211
Fund Balances at Beginning of Year	958,567	958,567	958,567	-
Prior Year Encumbrances Appropriated	114,156	114,156	114,156	-
Fund Balances (Deficit) at End of Year	<u>\$ 403,618</u>	<u>\$ 421,618</u>	<u>\$ 1,407,829</u>	<u>\$ 986,211</u>

See accompanying notes to the basic financial statements.

**Logan County**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP) and Actual**  
**Board of MRDD Fund**  
**December 31, 2007**

	<u>Budgeted Amounts</u>			Variance Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 4,155,000	\$ 4,155,000	\$ 4,560,469	\$ 405,469
Intergovernmental	1,154,004	1,174,004	1,386,740	212,736
Charges for Services	165,000	145,000	170,518	25,518
Miscellaneous	391,000	391,000	455,539	64,539
Total Revenue	<u>5,865,004</u>	<u>5,865,004</u>	<u>6,573,266</u>	<u>708,262</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Human Service	8,378,414	8,348,414	5,670,071	2,678,343
Total Expenditures	<u>8,378,414</u>	<u>8,348,414</u>	<u>5,670,071</u>	<u>2,678,343</u>
Excess of Revenues Over (Under) Expenditures	(2,513,410)	(2,483,410)	903,195	3,386,605
<b>Other Financing Sources (Uses)</b>				
Transfers Out	-	(30,000)	(30,000)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(2,513,410)	(2,513,410)	873,195	3,386,605
Fund Balances at Beginning of Year	2,527,878	2,527,878	2,527,878	-
Prior Year Encumbrances Appropriated	45,330	45,330	45,330	-
Fund Balances (Deficit) at End of Year	<u>\$ 59,798</u>	<u>\$ 59,798</u>	<u>\$ 3,446,403</u>	<u>\$ 3,386,605</u>

See accompanying notes to the basic financial statements.

**Logan County**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP) and Actual**  
**Children Services Fund**  
**December 31, 2007**

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,217,809	\$ 17,809
Intergovernmental	1,125,044	1,125,044	1,150,733	25,689
Charges for Services	625	625	125	(500)
Miscellaneous	7,875	7,875	155,721	147,846
Total Revenue	2,333,544	2,333,544	2,524,388	190,844
Expenditures:				
Current:				
Human Service	2,353,627	2,662,627	2,529,116	133,511
Total Expenditures	2,353,627	2,662,627	2,529,116	133,511
Excess of Revenues Over (Under) Expenditures	(20,083)	(329,083)	(4,728)	324,355
Fund Balances at Beginning of Year	2,301,900	2,301,900	2,301,900	-
Prior Year Encumbrances Appropriated	109,792	109,792	109,792	-
Fund Balances (Deficit) at End of Year	\$ 2,391,609	\$ 2,082,609	\$ 2,406,964	\$ 324,355

See accompanying notes to the basic financial statements.



**Logan County**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget (Non-GAAP) and Actual**  
**Job and Family Services Fund**  
**December 31, 2007**

	Budgeted Amounts			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 3,846,000	\$ 4,936,249	\$ 4,003,499	\$ (932,750)
Charges for Services	-	100,757	26,217	(74,540)
Miscellaneous	250,000	287,725	245,451	(42,274)
Total Revenue	<u>4,096,000</u>	<u>5,324,731</u>	<u>4,275,167</u>	<u>(1,049,564)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Human Service	4,096,000	5,132,099	4,888,452	243,647
Total Expenditures	<u>4,096,000</u>	<u>5,132,099</u>	<u>4,888,452</u>	<u>243,647</u>
Excess of Revenues Over (Under) Expenditures	-	192,632	(613,285)	(805,917)
<b>Other Financing Sources (Uses)</b>				
Transfers In	-	191,269	845,635	654,366
Transfers Out	-	(715,355)	(715,355)	-
Total Other Financing Sources	-	(524,086)	130,280	654,366
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	(331,454)	(483,005)	(151,551)
Fund Balances at Beginning of Year	336,040	336,040	336,040	-
Prior Year Encumbrances Appropriated	216,851	216,851	216,851	-
Fund Balances (Deficit) at End of Year	<u>\$ 552,891</u>	<u>\$ 221,437</u>	<u>\$ 69,886</u>	<u>\$ (151,551)</u>

See accompanying notes to the basic financial statements.

**Logan County**  
Statement of Net Assets  
Proprietary Funds  
December 31, 2007

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 6,838,349	\$ 814,551	\$ 7,652,900
Cash and Cash Equivalents:			
With Fiscal Agents	15,319	10,569	25,888
Receivables:			
Accounts	212,653	406,018	618,671
Special Assessments	501,953	-	501,953
Due from Other Governments	-	223,853	223,853
Prepaid Items	769	18,075	18,844
Material and Supplies Inventory	-	23,386	23,386
Unamortized Bond Costs	76,400	-	76,400
Total Current Assets	7,645,443	1,496,452	9,141,895
Capital Asset, No Depreciation	201,000	4,526	205,526
Capital Assets, (Net of Accumulated Depreciation)	18,816,797	11,504,517	30,321,314
Total Assets	<u>\$ 26,663,240</u>	<u>\$ 13,005,495</u>	<u>\$ 39,668,735</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 154,050	\$ 252,508	\$ 406,558
Accrued Wages	25,078	137,002	162,080
Compensated Absences Payable	45,133	136,804	181,937
Due to Other Governments	16,159	105,406	121,565
Deposits Held and Due to Others	15,219	10,569	25,788
Accrued Interest Payable	94,535	10,946	105,481
Bonds & Notes Payable	5,596,782	51,000	5,647,782
Total Current Liabilities	5,946,956	704,235	6,651,191
Long-Term Liabilities:			
Compensated Absences Payable	12,427	12,112	24,539
Revenue Bonds Payable	5,834,375	2,901,000	8,735,375
OWDA Loan Payable	672,700	-	672,700
Total Long-Term Liabilities	6,519,502	2,913,112	9,432,614
Total Liabilities	12,466,458	3,617,347	16,083,805
<u>Net Assets</u>			
Invested in capital assets, net of related debt	6,913,940	8,557,043	15,470,983
Unrestricted	7,282,842	831,105	8,113,947
Total Net Assets	<u>\$ 14,196,782</u>	<u>\$ 9,388,148</u>	<u>\$ 23,584,930</u>

See accompanying notes to the basis financial statements.

**Logan County**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2007

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Totals
Operating Revenues:			
Charges for Services	\$ 2,048,104	\$ 3,695,467	\$ 5,743,571
Special Assessment	601,564	-	601,564
Intergovernmental Revenue	-	3,086,900	3,086,900
Other Operating Revenues	62,825	95,204	158,029
Total Operating Revenues	<u>2,712,493</u>	<u>6,877,571</u>	<u>9,590,064</u>
Operating Expenses:			
Personal Services	787,893	3,987,892	4,775,785
Contractual Services	452,168	1,439,584	1,891,752
Materials and Supplies	141,861	463,091	604,952
Other Operating Expense	17,341	70,137	87,478
Depreciation	292,866	351,922	644,788
Total Operating Expenses	<u>1,692,129</u>	<u>6,312,626</u>	<u>8,004,755</u>
Operating Income (Loss)	<u>1,020,364</u>	<u>564,945</u>	<u>1,585,309</u>
Non-Operating Revenues (Expenses):			
Tap-In Fees	66,652	-	66,652
Interest Income	43,514	-	43,514
Interest and Fiscal Charges	(421,461)	(142,246)	(563,707)
Total Non-Operating Revenues (Expenses)	<u>(311,295)</u>	<u>(142,246)</u>	<u>(453,541)</u>
Income (Loss) before contributions and transfers	709,069	422,699	1,131,768
Contributed Capital	-	10,240,136	10,240,136
Transfers in	54,010	-	54,010
Transfers out	-	(388,485)	(388,485)
Change in Net Assets	<u>763,079</u>	<u>10,274,350</u>	<u>11,037,429</u>
Total Net Assets at Beginning of Year - Restated	<u>13,433,703</u>	<u>(886,202)</u>	<u>12,547,501</u>
Total Net Assets at End of Year	<u>\$ 14,196,782</u>	<u>\$ 9,388,148</u>	<u>\$ 23,584,930</u>

See accompanying notes to the basic financial statements.

**Logan County**  
**Statement of Cash Flows-Proprietary Funds**  
**For the Year Ended December 31, 2007**

	Business-Type Activities - Enterprise Fund		
	Water Pollution Control	Logan Acres Home	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received for Services	\$ 2,655,849	\$ 3,666,638	\$6,322,487
Cash Received from Other Governments	-	3,087,958	3,087,958
Cash Received from Other Operating Sources	62,825	95,204	158,029
Net Change in Deposits	314	(7,729)	(7,415)
Cash Payments to Suppliers for Goods and Services	(595,062)	(1,756,984)	(2,352,046)
Cash Payments to Employees for Services	(781,261)	(3,963,474)	(4,744,735)
Cash Payment for Other Services	(18,785)	(71,981)	(90,766)
Net Cash Provided by (Used in) Operating Activities	<u>1,323,880</u>	<u>1,049,632</u>	<u>2,373,512</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Tap-In Fees	66,652	-	66,652
Transfers In	54,010	-	54,010
Transfers Out	-	(388,485)	(388,485)
Net Cash Provided by Noncapital Financing Activities	<u>120,662</u>	<u>(388,485)</u>	<u>(267,823)</u>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>			
Proceeds of Notes	5,915,000	-	5,915,000
Proceeds of Revenue Bonds	4,895,000	-	4,895,000
Principal Payments - Bonds	(6,278,676)	(48,000)	(6,326,676)
Payments for Capital Acquisitions	(838,024)	(295,701)	(1,133,725)
Interest Paid	(433,116)	(131,300)	(564,416)
Net Cash Provided by Capital and Related Financing Activities	<u>3,260,184</u>	<u>(475,001)</u>	<u>2,785,183</u>
<b>Cash Flows from Investing Activities:</b>			
Interest Income	43,514	-	43,514
Net Cash Provided by Investing Activities:	<u>43,514</u>	<u>-</u>	<u>43,514</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,748,240	186,146	4,934,386
Cash and Cash Equivalents Beginning of Year	2,105,428	638,974	2,744,402
Cash and Cash Equivalents End of Year	<u>\$ 6,853,668</u>	<u>\$ 825,120</u>	<u>\$ 7,678,788</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>			
Operating Income (Loss)	\$ 1,020,364	\$ 564,945	\$ 1,585,309
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	292,866	351,922	644,788
(Increase) Decrease in Assets:			
Accounts Receivable	11,196	(28,829)	(17,633)
Special Assessments Receivable	(5,015)	-	(5,015)
Due from Other Governments	-	1,058	1,058
Materials and Supplies Inventory	-	765	765
Prepaid Items	13,458	39,900	53,358
Increase (Decrease) in Liabilities:			
Accounts Payable	(15,935)	101,582	85,647
Accrued Wages and Benefits	1,913	15,927	17,840
Compensated Absences Payable	7,193	11,687	18,880
Due to Other Governments	(2,474)	(1,596)	(4,070)
Deposits Held for Others	314	(7,729)	(7,415)
Total Adjustments	<u>303,516</u>	<u>484,687</u>	<u>788,203</u>
Net Cash Provided by Operating Activities	<u>\$ 1,323,880</u>	<u>\$ 1,049,632</u>	<u>\$ 2,373,512</u>

**Schedule of Noncash investing, capital, and Financing Activities:**

During 2007, the Logan Acres fund received \$10,240,136 in capital contributions.

During 2007, the Logan Acres fund paid \$219,236 in retainer payable, in which was capitalized in 2006.

See accompanying notes to the basic financial statements.

**Logan County**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2007

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 194,818	\$ 4,535,211
Cash and Cash Equivalents:		
With Fiscal Agents	-	987,267
Receivables:		
Taxes	-	43,665,820
Accounts	-	32,589
Special Assessments	-	367,439
Accrued Interest	895	-
Intergovernmental	-	2,216,012
Total Assets	195,713	51,804,338
<u>Liabilities:</u>		
Accounts Payable	-	73,560
Due to Other Governments	-	3,618,235
Undistributed Monies	-	48,112,543
Claims & Judgements Payable	98,551	-
Total Liabilities	98,551	51,804,338
<u>Net Assets</u>		
Restricted for:		
Reserved for Veterans	70,787	-
Unrestricted:		
Undesignated	26,375	-
Total Net Assets	\$ 97,162	\$ -

See accompanying notes to the basic financial statements.

**Logan County**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended December 31, 2007

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	Private Trust
Additions:	
Investment Income	\$ 2,916
Total Additions	<u>2,916</u>
Deductions:	
Other Operating Expense	<u>50</u>
Total Deductions	<u>50</u>
Change in Net Assets	2,866
Total Net Assets at Beginning of Year	<u>94,296</u>
Total Net Assets at End of Year	<u><u>\$ 97,162</u></u>

See accompanying notes to the basic financial statements.

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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**NOTE 1 -- DESCRIPTION OF THE ENTITY AND REPORTING ENTITY**

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

**Reporting Entity**

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

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

Based on the foregoing criteria, the financial activities of RTC Industries, Inc. has been reflected in the accompanying Basic Financial Statements as follows:

***DISCRETELY PRESENTED COMPONENT UNIT***

*RTC Industries, Inc.* - RTC Industries, Inc. (the Workshop) is a legally separate, nonprofit corporation, served by a self-appointing board of trustees. The Workshop, under a contractual agreement with the 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 component unit in a separate column in the financial statements. Complete financial statements for RTC Industries, Inc. may be obtained from the administrative offices at 36 County Road 32, Bellefontaine, Ohio 43111.

***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

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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

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

***RELATED ORGANIZATIONS***

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

***EXCLUDED POTENTIAL COMPONENT UNITS***

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

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

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

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

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

**NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the County of Logan, Ohio (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Under the provisions of GASB No. 20 the County has elected not to apply Financial Accounting Standards Board Statements and interpretations issued after November 30, 1989 to its proprietary activities. Election of this approach to accounting for proprietary activities by the County has required no change from prior years. The more significant of the County's accounting policies are described below:

**A. BASIS OF PRESENTATION**

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



**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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Government-wide Financial Statements

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

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

Fund Financial Statements

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

**B. FUND ACCOUNTING**

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

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

Governmental Funds

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

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

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

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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Mental Retardation/Developmentally Disabilities (MRDD) Fund - The MRDD Fund is used to account for a County-wide property tax levy, State grants and reimbursements used for care and services for the mentally handicapped and retarded.

Children Services Fund - The Children Services Fund is used to account for a Countywide property tax levy, State grants and reimbursements used for County child care programs.

Job and Family Services Fund – The Job and Family Services Fund is used to maintain and account for the revenue and expenditures necessary to support the Human Services programs administered by Logan County.

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

Proprietary Funds

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

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

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

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

Internal Service Funds - Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. The County does not have any internal services funds.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. The County's only trust fund (Chase Stuart Fund) is a private trust fund recorded as part of the fiduciary funds activities because the fund does not support any of the County's programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds account for assets held in an exclusively custodial capacity by the County as fiscal agent for other entities, and for various taxes, state-shared revenues and fines and forfeitures collected on behalf of and distributed to other local governments. Agency fund transactions typically involve only the receipt, temporary investment and distribution of these fiduciary resources.

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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**C. MEASUREMENT FOCUS**

Government Wide Financial Statements

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

Fund Financial Statements

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

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

**D. BASIS OF ACCOUNTING**

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

Revenues - Exchange and Non-exchange Transactions

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

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

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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

Deferred Revenue

Deferred revenues, as reported on the balance sheet, arise when 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 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, 2007, but are intended to finance 2008 operations, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenue. Also non-exchange receivables have been deferred, such as, gasoline taxes, motor vehicle license fees, homestead and rollback, permissive license taxes, local government funds and CDBG, MRDD, VOCA, and other small grants. Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**E. BUDGET**

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

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2007.

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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**Appropriations:**

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

**Encumbrances:**

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

**Lapsing of Appropriations:**

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

**F. CASH AND INVESTMENTS**

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalent with Fiscal Agents" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income was credited to the General, Auto & Gas, Ludlow Center Regional Planning, Jail Construction, Water Pollution Control, and the Chase Stewart Expendable Trust Funds. Interest income earned by these funds in 2007 totaled \$1,581,934. Investments are reported at fair value (See Note 4). All coupon-bearing instruments include the cost of accrued interest paid until such time as the first coupon comes due. Premiums paid for coupon bearing investments are amortized using the straight-line method; discounts are not amortized.

**G. INVENTORIES**

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

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

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**H. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond December 31, 2007, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

**I. CAPITAL ASSETS**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of \$1,000 dollars. Public domain ("infrastructure") general capital assets consisting of roads and bridges have been capitalized under new requirements of the Governmental Accounting Standards Board. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	15-20 years	15-20 years
Buildings and Improvements	50 years	50 years
Furniture and Equipment	10 years	10 years
Vehicles	5 years	5 years
Water Pollution Control Infrastructure		70 years
Roads	15 years	
Road base	0 years	
Bridges	75 years	

**J. INTERFUND BALANCES**

On fund financial statements, receivables and payables resulting from long-term interfund loans are classified as "Advance to/Advance from." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Presently, there are no internal balances.

**K. COMPENSATED ABSENCES**

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

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

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

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

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

**L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund statements only to the extent they will be paid with current, expendable, available resources. In general, payments made within thirty days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**M. FUND BALANCE RESERVES**

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, advances, and inventories of supplies and materials.

**N. NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net assets reported as restricted include auto and gas tax, MRDD, Children services, job and family services, and other programs. The County did not have any restrictions through enabling legislation at 12/31/07.

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The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**O. OPERATING REVENUES AND EXPENSE**

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

**P. CONTRIBUTION OF CAPITAL**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grant or outside contributions of resources restricted to capital acquisition and construction.

**Q. INTERFUND ACTIVITY**

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

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

**R. EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2007.

**S. ESTIMATES**

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

**NOTE 3 -- BUDGET BASIS OF ACCOUNTING**

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

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

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).



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- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP).

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

	Net Change in Fund Balances				
	General	Auto and Gas	MRDD	Children Services	Job and Family Services
	Fund	Fund	Fund	Fund	Fund
Budget Basis	\$ (891,643)	\$ 335,106	\$ 873,195	\$ (4,728)	\$ (483,005)
Adjustments					
Revenue Accruals:					
Accrued 2006					
Received in Cash 2007	(702,807)	(125,378)	154,373	(16,169)	-
Accrued 2007					
Not yet Received in Cash	949,595	190,479	(178,511)	121,011	179
Expenditure Accruals:					
Accrued 2007					
Not yet Paid in Cash	571,366	173,209	196,521	151,184	208,693
Accrued 2006					
Paid in Cash 2007	(600,100)	(245,531)	(283,708)	(120,467)	(246,346)
Encumbrances	468,727	197,010	56,482	80,713	186,628
Advances In	(23,750)	-	-	-	-
GAAP Basis	\$ (228,612)	\$ 524,895	\$ 818,352	\$ 211,544	\$ (333,851)

**NOTE 4 -- DEPOSITS AND INVESTMENTS**

**Deposits**

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

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

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

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

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

1. United State Treasury bills, bonds, notes or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time for a period not to exceed one hundred eighty days.
8. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts; and
9. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in divisions (1) or (2) of this section or cash or both securities and cash, equal value for equal value.

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

**A. Cash on Hand**

At year-end, the County Treasurer had \$8,000 in undeposited drawer and petty cash funds that is included in the financial statements as "Equity in Pooled Cash and Investments. Cash on hand in undeposited drawer and petty cash fund in county departments was \$1,832 that is included in "Cash With Fiscal Agents".

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**B. Deposits with Financial Institutions**

At year-end, the carrying amount of the County's deposits was \$24,777,401. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2007, \$600,000 of the County's bank balance of \$24,878,853 was covered by the Federal Deposit Insurance Corporation, while \$24,278,853 was exposed to custodial risk as discussed below.

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

**C. Investments**

As of June 30, 2007, the District had the following investment and maturities:

Investment Type	Balance at Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 months and over
Repurchase Agreement - Huntington Bank	\$ 118,072	\$ 118,072	\$ -	\$ -	\$ -
Federal Home Loan Bank	2,779,566	751,170	-	1,512,190	516,206
Federal National Mortgage Association	1,701,994	-	-	1,507,660	194,334
Government National Mortgage Association	87,685	-	-	-	87,685
	<u>\$ 4,687,317</u>	<u>\$ 869,242</u>	<u>\$ -</u>	<u>\$ 3,019,850</u>	<u>\$ 798,225</u>

The weighted average maturity of investments is 1.56 years.

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

*Credit Risk:* The County's investments were rated AAA by Standard & Poor's.

*Concentration of Credit Risk:* The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2007:

Investment Type	Fair Value	% of Total
Repurchase Agreement - Huntington Bank	\$ 118,072	2.52
Federal Agency Securities	4,481,560	95.61
Governmental Agency Securities	87,685	1.87
	<u>\$ 4,687,317</u>	<u>100.00</u>

**Logan County**  
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**D. Reconciliation of Cash and investment to the Statements of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2007:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 24,777,401
Investments	4,687,317
Cash on Hand	8,000
Total	<u>\$ 29,472,718</u>

<u>Cash and Investments per Statement of Net Assets</u>	
Governmental and Business-Type Activities	24,742,689
Private-purpose trust funds	194,818
Agency funds	4,535,211
Total	<u>\$ 29,472,718</u>

**NOTE 5 -- INTERFUND TRANSACTIONS**

A. The following is a summarized breakdown of the County's operating transfers for 2007.

<u>Funds:</u>	<u>Transfers</u>	<u>Transfers</u>
	<u>In</u>	<u>Out</u>
General Fund	\$ 1,200	\$3,541,359
Auto & Gas Fund	50,000	-
Board of MRDD Fund	-	30,000
Job and Family Services	845,635	715,355
Other Governmental Funds	4,642,240	917,886
Total Governmental Funds	<u>5,539,075</u>	<u>5,204,600</u>
Proprietary Funds:		
Indian Lake Water Pollution Control	54,010	-
Logan Acres Home	-	388,485
Totals	<u>\$ 5,593,085</u>	<u>\$ 5,593,085</u>

**NOTE 6 -- ADVANCES**

A. The following interfund payables and receivables are due at December 31, 2007:

<u>Funds:</u>	<u>Advances</u>	<u>Advances</u>
	<u>To</u>	<u>From</u>
General Fund	\$ 61,172	\$ -
Other governmental Funds	32,477	93,649
Total Governmental Funds	<u>\$ 93,649</u>	<u>\$ 93,649</u>

**Logan County**  
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**NOTE 7 -- RECEIVABLES**

Receivables at December 31, 2007, consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real, 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 2007 taxes were collected was \$743,171,590. The full tax rate for all County operations applied to real property for the year ended December 31, 2007, was \$2.50 per \$1,000 of assessed valuation.

Real property taxes for tax year 2007 are payable annually or semi-annually. If paid annually, payment is due February 10, 2007. If paid semi-annually, the first payment is due February 10, 2007 and the remainder payable by July 20, 2007. Under certain circumstances, state statute permits earlier or later payment dates to be established.

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

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

"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 uncollectible) and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2007 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 30 days of 2007 are shown as 2007 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.

**Logan County**  
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**Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Governmental Activities</b>	
Local Government and Local Government	
Revenue Assistance	\$ 457,112
Sales Tax Municipality	76,815
Intra-Indigent Counsel	48,487
Intra-Sheriff's Pay Subsidy	1,914
Gasoline and Excise Tax	1,212,022
Auto Registration Fees	1,145,439
Homestead and Rollback	772,366
CDBG Formula Grants	403,900
Title XX	21,198
Early Childhood Special Education, IDEA	29,510
Special Education, Part B-IDEA Grant	32,851
VOCA and SVAA Grants	44,059
Outreach and Other Reimbursements	203,175
Overtime Grant	6,979
CHIP Grant	18,000
Homeland Security Grant	88,099
Logan County Health Department	332,500
Other	88,393
Total Governmental Activities	\$ 4,982,819
 <b>Business-Type Activities</b>	
Logan Acres - State Aid	\$ 223,853
 <b>Fiduciary Activities</b>	
Local Government and Local Government	
Revenue Assistance	\$ 1,015,803
Homestead and Rollback	93,160
Gasoline and Excise Tax	677,200
Undivided Auto Licenses	272,870
Hotel-Motel Tax	8,993
PH Infrastructure Grant	69,519
Women Infants Children Admin Grant	78,467
Total Fiduciary Activities	\$ 2,216,012

**NOTE 8 -- INSURANCE**

The County is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters.

The County is a member of County Risk Sharing Authority, Inc. (CORSA) which is a shared risk pool of 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-

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

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

**NOTE 9 -- CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2007:

	Balance 12/31/2006	Additions	Retirements	Transfers	Balance 12/31/2007
<b>Governmental Activities:</b>					
Land	\$ 4,104,446	\$ -	\$ -	\$ -	\$ 4,104,446
Construction In Progress	9,342,195	897,941		(10,240,136)	-
Land Improvements	576,459	-	-	-	576,459
Buildings and Improvements	18,903,686	230,487	-	-	19,134,173
Equipment and Machinery	11,579,983	331,853	-	-	11,911,836
Vehicles	4,672,509	227,392	241,326	-	4,658,575
Infrastructure-Road and Bridges	53,013,520	3,044,139	-	-	56,057,659
Total Capital Assets	<u>102,192,798</u>	<u>4,731,812</u>	<u>241,326</u>	<u>(10,240,136)</u>	<u>96,443,148</u>
Less Accumulated Depreciation:					
Land Improvements	(175,448)	(22,660)	-	-	(198,108)
Buildings and Improvements	(4,482,721)	(376,870)	-	-	(4,859,591)
Equipment and Machinery	(6,817,456)	(764,296)	-	-	(7,581,752)
Vehicles	(3,066,333)	(320,518)	(217,595)	-	(3,169,256)
Infrastructure-Road and Bridges	(12,143,692)	(1,760,951)	-	-	(13,904,643)
Totals Accumulated Depreciation	<u>(26,685,650)</u>	<u>(3,245,295) *</u>	<u>(217,595)</u>	<u>-</u>	<u>(29,713,350)</u>
Governmental Activities-Assets, Net	<u>\$75,507,148</u>	<u>\$ 1,486,517</u>	<u>\$ 23,731</u>	<u>\$ (10,240,136)</u>	<u>\$66,729,798</u>
<b>Business-Type Activities:</b>					
<b>Water Pollution Control Capital Assets:</b>					
Land	\$ 201,000	\$ -	\$ -	\$ -	\$ 201,000
Land Improvements	191,917	-	-	-	191,917
Construction In Progress	3,316,496	-		(3,316,496)	-
Buildings and Improvements	4,746,707	-	-	-	4,746,707
Equipment and Machinery	3,525,805	106,764	-	-	3,632,569
Vehicles	346,827	-	-	-	346,827
Infrastructure	16,844,968	4,047,756	-	-	20,892,724
Total Capital Assets	<u>29,173,720</u>	<u>4,154,520</u>	<u>-</u>	<u>(3,316,496)</u>	<u>30,011,744</u>
Less Accumulated Depreciation:					
Land Improvements	(16,324)	(3,747)	-	-	(20,071)
Buildings and Improvements	(4,223,988)	(31,458)	-	-	(4,255,446)
Equipment and Machinery	(3,183,060)	(10,436)	-	-	(3,193,496)
Vehicles	(346,827)	-	-	-	(346,827)
Infrastructure-Sewer Systems	(2,930,882)	(247,225)	-	-	(3,178,107)
Totals Accumulated Depreciation	<u>(10,701,081)</u>	<u>(292,866)</u>	<u>-</u>	<u>-</u>	<u>(10,993,947)</u>
Water Pollution Control Capital Assets, Net	<u>\$18,472,639</u>	<u>\$ 3,861,654</u>	<u>\$ -</u>	<u>\$ (3,316,496)</u>	<u>\$19,017,797</u>

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	Balance 12/31/2006	Additions	Retirements	Transfers	Balance 12/31/2007
<b>Logan Acres County Home Capital Assets:</b>					
Land	\$ 4,526	\$ -	\$ -	\$ -	\$ 4,526
Land Improvements	-	1,453	-	-	1,453
Buildings and Improvements	1,106,997	1,049,129	-	10,240,136	12,396,262
Equipment and Machinery	632,757	(582)	-	-	632,175
Vehicles	49,106	-	-	-	49,106
Construction in Progress	973,535	-	-	(973,535)	-
Total Capital Assets	<u>2,766,921</u>	<u>1,050,000</u>	<u>-</u>	<u>9,266,601</u>	<u>13,083,522</u>
Less Accumulated Depreciation:					
Land Improvements	-	(138)	-	-	(138)
Buildings and Improvements	(886,435)	(279,248)	-	-	(1,165,683)
Equipment and Machinery	(307,731)	(59,678)	-	-	(367,409)
Vehicles	(28,391)	(12,858)	-	-	(41,249)
Totals Accumulated Depreciation	<u>(1,222,557)</u>	<u>(351,922)</u>	<u>-</u>	<u>-</u>	<u>(1,574,479)</u>
Logan Acres County Home Capital Assets, Net	<u>\$ 1,544,364</u>	<u>\$ 698,078</u>	<u>\$ -</u>	<u>\$ 9,266,601</u>	<u>\$ 11,509,043</u>

\* Depreciation expense was charged to governmental functions as follows:

General Government:	
Legislative and Executive	\$ 658,847
Judicial	16,395
Conversation and Recreation	5,344
Public Works	1,980,338
Public Safety	310,329
Human Services	267,489
Health	6,553
Total Depreciation Expense	<u>\$ 3,245,295</u>

**NOTE 10 -- COMPENSATED ABSENCES**

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government Wide Basic Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2007 vested vacation and sick leave benefits for governmental activity type and business type activity employees totaled \$1,392,494 and \$206,476, respectively.



**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

**NOTE 11 -- DEBT OBLIGATIONS**

	<u>Principal Reclassified Balance 12/31/2006 (1)</u>	<u>Additions</u>	<u>Retirements</u>	<u>Principal Balance 12/31/07</u>	<u>Amounts Due in One Year</u>
<b>Governmental Activities:</b>					
Various Purpose Bonds, Series 2 Issued 11/01/02, 1.7% to 4.75%	\$ 6,782,750	\$ -	\$ 359,375	\$ 6,423,375	\$ 372,750
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36	6,500,000	-	104,000	6,396,000	111,000
Compensated Absences Payable	1,374,088	18,406	-	1,392,494	977,213
<b>Total Governmental Type Activities Debt</b>	<u>\$ 14,656,838</u>	<u>\$ 18,406</u>	<u>\$ 463,375</u>	<u>\$ 14,211,869</u>	<u>\$ 1,460,963</u>
<b>Business-Type Activities:</b>					
Sewer System Refunding Bonds Issued 11/13/2002, 1.7% to 3%	\$ 815,000	\$ -	\$ 35,000	\$ 780,000	\$ 40,000
Sewer System Improvement Revenue Bonds, Series, A Issued 03/30/2007, 4.00%	-	2,485,000	-	2,485,000	85,000
O.W.D.A. Loan 07/23/1992, 5.2%	925,285	-	123,053	802,232	129,532
Sewer System Improvement Note Issued 07/07/05, 4.00%	4,850,000	5,000,000	4,850,000	5,000,000	5,000,000
Sewer System Improvement Notes Issued 11/7/07, 4.38%	615,000	915,000	1,230,000	300,000	300,000
Sewer System Improvement Revenue Bonds, Series 2007B Issued 03/30/07, 4.125%		2,410,000	-	2,410,000	-
County Sewer Capital Facility Bonds Issued 11/01/02, 1.7% to 4.75% (1)	367,250	-	40,625	326,625	42,250
County Home Revenue Bonds Issued 08/11/06, 4.5% (1)	3,000,000	-	48,000	2,952,000	51,000
Compensated Absences Payable	187,596	18,880	-	206,476	181,937
<b>Total Business-Type Debt</b>	<u>\$ 10,760,131</u>	<u>\$ 10,828,880</u>	<u>\$ 6,326,678</u>	<u>\$ 15,262,333</u>	<u>\$ 5,829,719</u>

(1) As the Logan Acres County Home was completed and put in operation this year, the capital asset was transferred to the Business-Type Assets and prior year debt was reclassified from Governmental Fund Activities to the Business-Type Activities I the amount of \$3,367,250.

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

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

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

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

In June 2007 the County issued \$5,000,000 of Wastewater Treatment Plant Improvement Notes for the purpose of paying the cost of improving the wastewater treatment plant, including constructing a new sewage pumping station and associated force main, an equalization basin a septage receiving station, new office facilities, and a pump maintenance building, installing a fine screening facility, solids handling equipment, aerobic equipment, disinfection equipment, a current age design aeration system, yard piping, electrical control systems, and ventilation and air handling systems.

In November 2007 the County issued \$300,000 of Sewer System Improvement Note, Series 2007B for the purpose of paying the cost of improving the Logan County Water Pollution Control District by rehabilitating manholes, improving lift stations, and sewer lines, constructing a sanitary pump station, and related sewer lines, grading, installing screening, filter press and diffuser equipment, constructing an equalization basin, improving aerobic digestion equipment, and installing a septic receiving site.

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

Various Purpose Bonds, Series 2002			
	Principal	Interest	Total
2008	\$ 372,750	\$ 283,397	\$ 656,147
2009	377,750	271,283	649,033
2010	399,500	258,439	657,939
2011	409,500	244,057	653,557
2012	426,250	228,906	655,156
2013-2017	2,067,625	877,279	2,944,904
2018-2022	2,370,000	351,098	2,721,098
Total	\$ 6,423,375	\$ 2,514,459	\$ 8,937,834

County Home Construction Bonds			
	Principal	Interest	Total
2008	\$ 111,000	\$ 288,609	\$ 399,609
2009	117,000	282,825	399,825
2010	122,000	277,560	399,560
2011	127,000	272,070	399,070
2012	132,000	267,085	399,085
2013-2017	760,000	1,237,350	1,997,350
2018-2022	946,000	1,050,246	1,996,246
2023-2027	1,179,000	817,226	1,996,226
2028-2032	1,469,000	527,164	1,996,164
2033-2036	1,433,000	164,792	1,597,792
Total	\$ 6,396,000	\$ 5,184,927	\$ 11,580,927

**Logan County**  
**Notes to the Basic Financial Statements**  
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Sewer System Refunding Bonds				
		Principal	Interest	Total
2008	\$	40,000	\$ 35,015	\$ 75,015
2009		40,000	33,715	73,715
2010		40,000	32,355	72,355
2011		45,000	30,915	75,915
2012		45,000	29,250	74,250
2013-2017		250,000	116,567	366,567
2018-2022		320,000	47,164	367,164
<b>Total</b>	<b>\$</b>	<b>780,000</b>	<b>\$ 324,981</b>	<b>\$ 1,104,981</b>

Sewer System Improvement Bonds Series 2007				
		Principal	Interest	Total
2008	\$	85,000	\$ 98,450	\$ 183,450
2009		85,000	95,050	180,050
2010		100,000	91,650	191,650
2011		100,000	88,100	188,100
2012		95,000	84,600	179,600
2013-2017		550,000	362,000	912,000
2018-2022		660,000	243,800	903,800
2023-2027		810,000	99,800	909,800
<b>Total</b>	<b>\$</b>	<b>2,485,000</b>	<b>\$ 1,163,450</b>	<b>\$ 3,648,450</b>

OWDA Loan				
		Principal	Interest	Total
2008	\$	129,533	\$ 40,054	\$ 169,587
2009		136,356	33,230	169,586
2010		143,538	26,048	169,586
2011		151,099	18,487	169,586
2012		159,059	10,527	169,586
2013		82,647	2,147	84,794
<b>Total</b>	<b>\$</b>	<b>802,232</b>	<b>\$ 130,493</b>	<b>\$ 932,725</b>

Wastewater Treatment Plant Improvement Note Series 2007				
		Principal	Interest	Total
2008	\$	5,000,000	\$ 110,685	\$ 5,110,685

Sewer System Improvement Note				
		Principal	Interest	Total
2008	\$	300,000	\$ 6,545	\$ 306,545

**Logan County**  
**Notes to the Basic Financial Statements**  
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Sewer System Improvement Bonds Series 2007A

	Principal	Interest	Total
2008	\$ -	\$ 91,404	\$ 91,404
2009	25,900	99,412	125,312
2010	27,000	98,345	125,345
2011	28,100	97,230	125,330
2012	29,300	96,072	125,372
2013-2017	165,400	461,217	626,617
2018-2022	202,300	424,177	626,477
2023-2027	247,600	378,872	626,472
2028-2032	303,100	323,418	626,518
2033-2037	371,200	255,515	626,715
2038-2042	454,200	172,368	626,568
2043-2047	555,900	70,643	626,543
<b>Total</b>	<b>\$ 2,410,000</b>	<b>\$ 2,568,673</b>	<b>\$ 4,978,673</b>

County Sewer Facilities Bonds

	Principal	Interest	Total
2008	\$ 42,250	\$ 12,106	\$ 54,356
2009	42,250	10,732	52,982
2010	45,500	9,296	54,796
2011	45,500	7,658	53,158
2012	48,750	3,285	52,035
2013-2014	102,375	6,254	108,629
<b>Total</b>	<b>326,625</b>	<b>49,331</b>	<b>375,956</b>

County Home Revenue Bonds

	Principal	Interest	Total
2008	\$ 51,000	\$ 133,204	\$ 184,204
2009	54,000	130,545	184,545
2010	56,000	128,115	184,115
2011	59,000	125,595	184,595
2012	61,000	123,277	184,277
2013-2017	350,000	571,130	921,130
2018-2022	436,000	484,961	920,961
2023-2027	545,000	377,545	922,545
2028-2032	679,000	243,355	922,355
2033-2036	661,000	75,982	736,982
<b>Total</b>	<b>\$ 2,952,000</b>	<b>\$ 2,393,709</b>	<b>\$ 5,345,709</b>

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

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

**Logan County**  
**Notes to the Basic Financial Statements**  
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**Pledged Revenues on Debt Issuances** – The County has pledged future Logan Acres home revenues, net of specified operating expenses, to repay \$3.0 million in county home revenue bonds issued in August 2006. Proceeds from the bonds provided financing for the construction of the new Logan Acres facility. The bonds are payable solely from the home customers net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 21 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,345,709. Principal and interest paid for the current year and total customer net revenues were \$179,301 and \$916,867.

The County also has pledged future sewer customer revenues, net of specified operating expenses, to repay \$2.41 million in sewer system improvement revenue bonds issued in March 2007. Proceeds from the bonds provided financing for the construction of sanitary sewers and installing individual grinder pumping stations. The bonds are payable solely from sewer customer net revenues and are payable through 2047. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,978,673. There was no principal and interest paid for the current year. The total customer net revenues in 2007 were \$1,313,230.

**NOTE 12-- DEFINED BENEFIT PENSION PLANS**

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

**Ohio Public Employees Retirement System (OPERS)** - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan (TP) is a cost-sharing multiple-employer defined benefit pension plan. The Member-Directed Plan (MD) is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon. The Combined Plan (CO) is a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement and disability, survivor and death benefits and annual cost of living adjustments to the Traditional Plan and Combined Plans. Members of the Member-Director Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2007 member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The 2007 member contribution rates were 9.5% for members in state, local, and public safety classifications. Members in law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed 9.75%. The 2007 rate for state employers was 13.77% of covered payroll. For local government employer contribution rate was 13.85% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2007 was 17.17%. The County's contributions for pension obligations to OPERS for the years ended December 31, 2007, 2006, and 2005 were \$2,938,137, \$2,767,180, and \$2,682,869; respectively; 91.46% representing the paid contribution for 2007 and 100% for 2006 and 2005. \$250,947 representing the unpaid contribution for 2007 is recorded as an expenditure to the individual funds that incurred the costs.

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

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

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

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

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

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

**Logan County**  
**Notes to the Basic Financial Statements**  
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A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

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

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

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

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

For the fiscal year June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. The County's required contribution for pension obligations for the year December 31, 2007, 2006 and 2005 were \$134,077, \$126,819, and \$115,711; 91.17 percent was contributed for fiscal year 2007 and 100 percent was made for the years 2006 and 2005. \$11,834 represents the unpaid contribution for fiscal year 2007. The balance outstanding is reflected as an intergovernmental payable.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2007 Comprehensive Annual Financial Report will be available after January 1, 2007. Additional information or copies of STRS Ohio's 2007 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

**NOTE 13-- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

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

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

**Logan County**  
**Notes to the Basic Financial Statements**  
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The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2007, state employers contributed at a rate of 13.77% of covered payroll of active members, local government employer units contributed 13.85% of covered payroll, and public safety and law enforcement employer units contributed at 17.17%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units, and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2007, the employer contribution allocated to the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0% and 6.0% of covered payroll, respectively. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution to OPERS for the years ending December 31, 2007, 2006, and 2005 were \$2,938,137, \$2,767,180, and \$2,682,869, respectively, of which \$1,060,667, \$918,990, and \$771,111, respectively, was allocated to the healthcare plan.

The health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

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

The R.C. grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio Law, health care benefits are not guaranteed and the cost of the coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year June 30, 2006, and June 30, 2005, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Stabilization Fund was \$3.5 billion as of June 30, 2006. For the County, this amount equaled \$9,577 for the year ended June 30, 2007.



**Logan County**  
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For the fiscal year ended June 30, 2006 (the latest information available) net health care costs paid by STRS Ohio were \$282,743,000. There were 119,184 eligible benefit recipients.

**NOTE 14-- DEFERRED COMPENSATION PLAN**

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

**NOTE 15-- RELATED PARTY TRANSACTIONS**

RTC Industries, Inc. – RTC Industries Inc., a discretely presented component unit of Logan County, received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as operating revenues and expenses at cost or fair market value as applicable, in the financial statements of the corporation. In 2007, these contributions were \$97,103.

**NOTE 16-- CONTINGENT LIABILITIES**

**Federal and State Grants**

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

**Pending Litigation**

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

**NOTE 17-- PRIOR YEAR RECLASSIFICATION OF NET ASSETS**

As the Logan Acres County Home was completed and put in operation this year, the capital asset was transferred to the Business-Type Assets and prior year debt was reclassified from Governmental Fund Activities Net Assets to the Business-Type Activities Net Assets in the amount of \$3,367,250. The following shows net asset reclassification made with the restated net assets at December 31, 2006:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Assets at December 31, 2006	\$ 79,796,752	\$ 15,914,751	\$ 95,711,503
Reclassification of Debt:			
County Home Revenue Bonds, 4.5%	3,000,000	(3,000,000)	-
Various Purpose Bonds, Series 2	367,250	(367,250)	-
	<u>3,367,250</u>	<u>(3,367,250)</u>	<u>-</u>
Restated Net Assets, December 31, 2006	<u>\$ 83,164,002</u>	<u>\$ 12,547,501</u>	<u>\$ 95,711,503</u>

**Logan County**  
**Notes to the Basic Financial Statements**  
**December 31, 2007**

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**NOTE 18—SUBSEQUENT EVENTS**

On January 29, 2008 the County issued \$4,500,000 in six months General Obligation note with a \$2,770 premium on the note. The note in anticipation of the issuance of bonds for the purpose of paying the cost of improving the County wastewater treatment plant with various equipment upgrades. The notes are due on June 18, 2008 bearing interest at the rate of 3.75%.

**Logan County Financial Condition**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended December 31, 2007**

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Receipts	Award Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
Water and Waste Disposal Systems for Rural Communities	(1)	10.760	S 41,407	S 622,041
<i>Passed Through Ohio Department of Education</i>				
<i>Nutritional Cluster:</i>				
National School Breakfast Program	PU-05	10.553	10,240	10,240
National School Lunch Program	LLP4-07	10.555	19,571	19,571
Total Nutrition Cluster			<u>29,811</u>	<u>29,811</u>
Total U.S. Department of Agriculture			<u>71,218</u>	<u>651,852</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Pass through the Ohio Department of Development</i>				
<i>Community Development Block Grant</i>				
Formula Grant	B-F-042-1	14.228	116,000	113,200
Community Housing Improvement Program	B-C-042-1	14.228	151,063	207,690
Microenterprise Grant	B-M-042-1	14.228	20,788	20,788
Total Community Development Block Grant			<u>287,851</u>	<u>341,678</u>
Home Investment Partnership Grant	B-C-042-2	14.239	111,000	137,745
Total U.S. Department of Housing and Urban Development			<u>398,851</u>	<u>479,423</u>
<b><u>U.S. DEPARTMENT OF LABOR</u></b>				
<i>Passed through the Ohio Department of Job &amp; Family Services and Area 7 Workforce Investment Board</i>				
<i>Workforce Investment Act Cluster</i>				
Workforce Investment Act - Adult	(1)	17.258	284,140	284,140
Workforce Investment Act - Youth		17.259	92,166	92,166
Workforce Investment Act - Dislocated Worker		17.260	473,510	473,510
Workforce Investment Act - Unemployment Insurance		17.225	1,970	1,970
Total Workforce Investment Act Cluster			<u>851,786</u>	<u>851,786</u>
Total U.S. Department of Labor			<u>851,786</u>	<u>851,786</u>
<b><u>U.S. Environmental Protection Agency</u></b>				
<i>Passed through the Ohio Department of Public Safety</i>				
Law Enforcement Overtime Grant	(1)	20.600	22,338	24,907
Hazardous Material Emergency Preparedness Grant	(1)	20.703	1,218	1,218
Total U.S. Environmental Protection Agency			<u>23,556</u>	<u>26,125</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Passed through the Ohio Attorney General's Office</i>				
Crime Victim Assistance	(1)	16.575	59,346	59,346
<i>Passed through the Ohio Department of Youth Services</i>				
Comprehensive Approaches to Sex Offender Management Grant	(1)	16.203	61,916	60,122
Total U.S. Department of Justice			<u>121,262</u>	<u>119,468</u>
<b><u>Department of Homeland Security</u></b>				
<i>Passed through the Ohio Department of Public Safety</i>				
<i>Homeland Security Grant Cluster</i>				
Emergency Management Performance Grant	2006-EME60042	97.042	13,879	13,879
Citizen Corps Program	2005-GC-T5-0001	97.053	8,103	8,103
			<u>21,982</u>	<u>21,982</u>
2006 State Homeland Security Grant	2006-GE-T6-0051	97.073	37,463	37,463
Total Homeland Security Grant Cluster			<u>59,445</u>	<u>59,445</u>
Total Department of Homeland Security			<u>59,445</u>	<u>59,445</u>

(Continued)

**Logan County Financial Condition**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended December 31, 2007**

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Award Receipts</u>	<u>Award Disbursements</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed through the Ohio Department of Education</i>				
Special Education Cluster:				
Special Education Grants to States	6BSF-2007	84.027	77,765	77,765
Special Education Preschool Grants	PGS1-2007	84.173	46,461	46,461
Total Special Education Cluster			<u>124,226</u>	<u>124,226</u>
Title V	C2S1-2007	84.298	251	251
Total U.S. Department of Education			<u>124,477</u>	<u>124,477</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through the Ohio Department of Health via the Columbus Health Department</i>				
Public Infrastructure Grant (RMRS Regional Excerise)	PHI-461012BI07	93.283	78,906	81,901
	PHI-461012BI08		34,924	34,924
Total Public Infrastructure Grant (RMRS Regional Excerise)			<u>113,830</u>	<u>116,825</u>
<i>Passed through the State Department of MRDD</i>				
Title XIX - Medicaid Assistance Program - Day Habilitation	N/A	93.778	279,474	279,474
Title XIX - Medicaid Assistance Program - TCM			109,250	109,250
Total Title XIX - Medicaid Assistance Program			<u>388,724</u>	<u>388,724</u>
Social Services Block Grant - Title XX	N/A	93.667	31,345	31,345
Total U.S. Department of Health and Human Services			<u>533,899</u>	<u>536,894</u>
<b>TOTAL FEDERAL AWARD EXPENDITURES</b>			<u>\$ 2,184,494</u>	<u>\$ 2,849,469</u>

(1) Pass through number not available or multiple.

See accompanying notes to the Schedule of Expenditures of Federal Awards

**Logan County**  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2007

1. Basis of Presentation

The accompanying Schedule of Federal Awards has been prepared using the cash basis of accounting in accordance with the format as set forth in the *Governmental 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*.

2. Community Development Block Grant (CDBG)

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

3. Matching Requirements

Certain Federal Programs require that the County contribute non-federal funds (matching funds) to support the Federally-funded programs. The expenditures of non-Federal matching funds are not included on the Schedule.



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

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

Board of Commissioners of Logan County  
117 E. Columbus Ave.  
Bellefontaine, Ohio 43311

We have audited the financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County) as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 30, 2008. We did not express an opinion on the County's only discretely presented component unit because the financial information for RTC Industries, Inc. was not audited. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2007-001.

We noted certain additional matters that we reported to management of the County in a separate letter dated June 30, 2008.

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

This report is intended solely for the information and use of the audit committee, management, County Commissioners, 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 Mackin & Co.*

Springfield, Ohio  
June 30, 2008



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

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

Board of Commissioners of Logan County  
117 E. Columbus Ave.  
Bellefontaine, Ohio 43311

Compliance

We have audited the compliance of Logan County, Ohio (the County) 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, 2007. The County'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 the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 the County'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 of the County's compliance with those requirements.

As described in items 2007-003 and 2007-004 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Cash Management and Reporting that are applicable to its Community Development Block Grant. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program. In relation, items 2007-002 the County did not comply with requirements regarding the preparation and completion of the Schedule of Expenditures of Federal Awards.

In our opinion, except for the noncompliance described in the preceding paragraph, the County 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, 2007.



## Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2007-003 and 2007-005 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2007-005 to be a material weakness.

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

This report is intended solely for the information and use of audit committee, management, County Commissioners, 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.



Springfield, Ohio  
June 30, 2008

**Logan County**  
Schedule of Findings and Questioned Costs  
OMB Circular A-133 § .505  
December 31, 2007

1. SUMMARY OF AUDITORS' RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Qualified																		
(d)(1)(ii)	Was there any material weaknesses reported at the financial statement level (GAGAS)?	No																		
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No																		
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes																		
(d)(1)(iv)	Was there any material weaknesses reported for major federal programs?	Yes																		
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	Yes																		
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified																		
(d)(1)(vi)	Are there any reportable findings under §.510?	Yes																		
(d)(1)(vii)	Major Programs (list):	<table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><u>Program</u></th> <th style="text-align: right;"><u>CFDA#</u></th> </tr> </thead> <tbody> <tr> <td>Community Development</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Block Grant</td> <td style="text-align: right;">14.228</td> </tr> <tr> <td>Home Investment Partnership</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Grant</td> <td style="text-align: right;">14.239</td> </tr> <tr> <td>United States Department of</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Agriculture Grant</td> <td style="text-align: right;">10.760</td> </tr> <tr> <td>Title XIX Medicaid Assistance</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Program</td> <td style="text-align: right;">93.778</td> </tr> </tbody> </table>	<u>Program</u>	<u>CFDA#</u>	Community Development		Block Grant	14.228	Home Investment Partnership		Grant	14.239	United States Department of		Agriculture Grant	10.760	Title XIX Medicaid Assistance		Program	93.778
<u>Program</u>	<u>CFDA#</u>																			
Community Development																				
Block Grant	14.228																			
Home Investment Partnership																				
Grant	14.239																			
United States Department of																				
Agriculture Grant	10.760																			
Title XIX Medicaid Assistance																				
Program	93.778																			
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others																		
(d)(1)(ix)	Low Risk Auditee?	No																		

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding Number	2007-001
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During 2007, the County recorded an entry to transfer monies out of the enterprise funds to the County capital improvement fund for the repayment of General Obligation Debt in relation to the construction of the new county home facility. Ohio Revised Code Section 5705.15 prohibits such a transfer out of an enterprise fund. The County should classify debt associated with these funds as enterprise debt thereby eliminating the need for such an entry.

*Management Response:*

*The budgetary accounting area will change the debt so the activity will come out of the enterprise fund.*

**3. FINDINGS RELATED TO THE COUNTY'S FEDERAL AWARDS**

Finding Number	2007-002
CFDA Title and Number	Applicable to All Federal Programs. See the Schedule of Federal Awards Expenditures.
Federal Award Year	Applicable to All Federal Programs. See the Schedule of Federal Awards Expenditures.
Federal Agency	Applicable to All Federal Programs. See the Schedule of Federal Awards Expenditures.
Pass-Through Agency	Applicable to All Federal Programs. See the Schedule of Federal Awards Expenditures.

Noncompliance and Significant Deficiency – Completion of the Federal Expenditures Schedule:

Office of Management and Budget (OMB) Circular A-133.300(a) requires each recipient to “identify”, in its accounts, all federal awards received and expended and the federal programs under which they were received, including, as applicable, the CFDA title and number, the award number and year, the name of the federal agency and the pass-through entity.” According to OMB Circular A-133.205(a), “the determination of when an award is expended is based on when the activity related to the award occurs. Generally, the activity pertains to events that require the non-federal entity to comply with laws, regulations, and the provisions of contracts or grant agreements, such as expenditures/expense transactions associated with grants, cost reimbursements contracts, cooperative agreements, and direct appropriations; the disbursements of funds passed through to subrecipients; the use of loan proceeds under loan and loan guarantee programs; the receipt of property; the receipt of surplus property; the receipt or use of program income; the distribution or consumption of food commodities; the disbursements of amounts entitling the non-Federal entity to an interest subsidy; and, the period when insurance is in force.”

The County reporting inaccurate or incomplete grant information in the Schedule of Expenditures of Federal Awards may jeopardize future grant funding and/or require the County to return funding to the grantor agency. The County should utilize due care in preparing the annual schedule to ensure completeness and accuracy of all information reported. This effort will require all departments carefully

review grant documents and accounting records to ensure the correct amounts and program information is provided to the responsible official to prepare the annual schedule. The final schedule should be reviewed after completion and agreed to underlying cash accounting records of the County.

*Management Response:*

*Each year the County works diligently attempting to make certain what grants have been received and the CFDA title and number. The County will continue to work hard to make certain there are no omissions regarding this matter.*

Finding Number	2007-003
CFDA Title and Number	Community Development Block Grant, CFDA #14.228 Home Investment Partnership Grant, CFDA #14.239
Federal Award Year	2007
Federal Agency	U.S. Department of Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation – Cash Management:

The *OHCP Financial Management Handbook, Section 3(f)*, states “The grantee must develop a cash management system to ensure compliance with the Fifteen Day Rule relating the prompt disbursement of funds”. This rule states that funds drawn should be limited to a balance of less than \$5,000. We noted that County’s CDBG Grant Program and Home Investment Partnership grant drawdowns were not always expended to below the \$5,000 threshold within 15 days of receipt. This problem was also noted in the last three audits. The County and its consultants should attempt to more accurately forecast cash requirements to eliminate this problem.

*Management Response:*

*Our consultant in the area of federal awards has been contacted for this citation and is being addressed.*

Finding Number	2007-004
CFDA Title and Number	Community Development Block Grant, CFDA #14.228 Home Investment Partnership Grant, CFDA #14.239
Federal Award Year	2007
Federal Agency	U.S. Department of Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation – Reporting:

Status reports for the 2007 CHIP and 2006 Formula Grant programs were not filed by the date specified by ODOD. The Final Performance reports were not filed by the date specified by ODOD, after an extension, for the 2005 CHIP and Home Improvement Partnership grant. Although the County has assigned the preparation of grants reports to CDC of Ohio (CHIP), the County is responsible for assuring timely filing, and thus should more closely monitor to assure that reports are filed when due. This is a repeat of a citation in the previous audit.

*Management Response:*

*Our consultant in the area of federal awards has been contacted for this citation and is being addressed.*

Finding Number	2007-005
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As evidenced by the noncompliance citations (findings 2007-003 and 2007-004) related to the Community Development Block Grant program and the Home Investment Partnership Grant, the County's controls for monitoring compliance with requirements of this program are not as effective as they should be. The County should implement sufficient monitoring controls which ensure program requirements are adhered to, including those aspects of the grant which are administered by the outside consulting company.

*Management Response:*

*The County will continue to work towards establishing procedures to ensure compliance grant requirements.*

**Logan County**  
Schedule of Prior Audit Findings  
OMB Circular A-133 § .505  
December 31, 2007

Finding Number	Finding Summary	Fully Corrected	Not corrected; partially corrected; significantly different corrective action taken; or finding no longer valid. <b>Explain:</b>
2006-005	CDBG Fifteen Day Rule	No	Not Corrected – See Current Year Finding 2007-003
2006-006	CDBG Timely Reporting	No	Not Corrected – See Current Year Finding 2007-004
2006-007	Not reporting voting machines paid by the state in behalf of the County	Yes	The County made adjustments to include in the general accounting documents and reports.
2006-008	Lack of properly amending contracts for federally funded project to account for changes	Yes	Although the contract was not formally amended, the funds were used towards the completion of the project initially stated in the grant application. The project was completed during 2007.
2006-009	Controls over County's billing process for Medicaid funding	Yes	The County hired a new health care billing company to process their Medicaid billings and no indication of control weaknesses with the new billing company.
2006-010	Implementation of More Effective Controls over CDBG and Help America Vote Program Grants.	No	Not Corrected – The County did not receive additional monies from the HAVA grant. See Current Year Finding 2007-005 for CDBG program.



**Mary Taylor, CPA**  
Auditor of State

**FINANCIAL CONDITION**

**LOGAN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 16, 2008**