



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2008**



**Mary Taylor, CPA**  
Auditor of State



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 43113-9448

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Logan Elm Local School District, Pickaway County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Logan Elm Local School District, Pickaway County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General 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 February 16, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule is 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. We subjected the Federal Awards Receipts and Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

**Mary Taylor, CPA**  
Auditor of State

February 16, 2009

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

The management's discussion and analysis of the Logan Elm Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2008 are as follows:

- In total, net assets of governmental activities increased \$2,201,626 which represents a 28.26% increase from 2007.
- General revenues accounted for \$18,667,027 in revenue or 84.72% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,365,916 or 15.28% of total revenues of \$22,032,943.
- The District had \$19,831,317 in expenses related to governmental activities; only \$3,365,916 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$18,667,027 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$19,452,655 in revenues and \$17,730,575 in expenditures. During fiscal year 2008, the general fund's fund balance increased \$1,722,080 from \$3,930,187 to \$5,652,267.

**Using these Basic Financial Statements**

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 District as a financial whole, 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 whole District, presenting both an aggregate view of the District'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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

**Reporting the District as a Whole**

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

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

On the statement of net assets and in the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13-14 of this report.

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

***Fund Financial Statements***

The analysis of the District's major governmental fund begins on page 9. Fund financial reports provide detailed information about the District's major and other governmental funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported on the statement of net assets and in the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for health and dental self-insurance. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 23 and 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-57 of this report.

**The District as a Whole**

The table below provides a summary of the District's net assets for 2008 and 2007.

	<b>Net Assets</b>	
	Governmental Activities 2008	Governmental Activities 2007
<b><u>Assets</u></b>		
Current and other assets	\$ 16,101,574	\$ 14,235,943
Capital assets	<u>3,802,799</u>	<u>4,096,648</u>
Total assets	<u>19,904,373</u>	<u>18,332,591</u>
<b><u>Liabilities</u></b>		
Current liabilities	8,697,098	9,396,993
Long-term liabilities	<u>1,214,111</u>	<u>1,144,060</u>
Total liabilities	<u>9,911,209</u>	<u>10,541,053</u>
<b><u>Net assets</u></b>		
Invested in capital assets	3,802,799	4,096,648
Restricted	464,487	529,813
Unrestricted	<u>5,725,878</u>	<u>3,165,077</u>
Total net assets	<u>\$ 9,993,164</u>	<u>\$ 7,791,538</u>

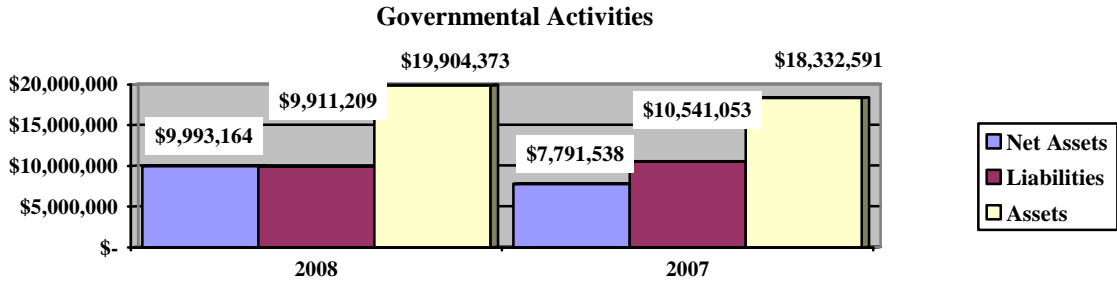
Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$9,993,164. Of this total, \$5,725,878 is unrestricted in use. This is a welcomed improvement from prior year net assets of \$7,791,538, of which only \$3,165,077 was unrestricted. Growth in current and other assets of \$1,865,631 drove this improvement.

At year-end, capital assets represented 19.11% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets at June 30, 2008, were \$3,802,799. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the District's net assets at June 30, 2008, \$464,487, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is \$5,725,878.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**



The table below shows the change in net assets for fiscal year 2008 and 2007.

	<b>Change in Net Assets</b>	
	Governmental Activities 2008	Governmental Activities 2007
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 1,302,980	\$ 1,365,428
Operating grants and contributions	2,062,936	2,059,058
Capital grants and contributions	-	18,450
General revenues:		
Property taxes	7,194,818	7,604,943
Income taxes	2,368,586	2,143,827
Grants and entitlements	8,791,531	8,532,996
Investment earnings	253,917	231,150
Other	58,175	40,503
<b>Total revenues</b>	<b>\$ 22,032,943</b>	<b>\$ 21,996,355</b>

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**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

	<b>Change in Net Assets (Continued)</b>	
	Governmental Activities	Governmental Activities
	<u>2008</u>	<u>2007</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 8,899,168	\$ 9,183,375
Special	1,908,111	1,952,545
Vocational	17,368	9,990
Other	171,777	127,599
Support services:		
Pupil	847,506	842,744
Instructional staff	973,684	986,683
Board of education	109,719	90,605
Administration	1,368,757	1,369,453
Fiscal	491,490	470,761
Business	1,642	1,790
Operations and maintenance	2,009,782	1,751,411
Pupil transportation	1,536,224	1,401,673
Central	203,863	188,519
Food service operations	766,024	842,639
Extracurricular activities	<u>526,202</u>	<u>539,182</u>
Total expenses	<u>19,831,317</u>	<u>19,758,969</u>
Change in net assets	2,201,626	2,237,386
Net assets at beginning of year (restated)	<u>7,791,538</u>	<u>5,554,152</u>
Net assets at end of year	<u>\$ 9,993,164</u>	<u>\$ 7,791,538</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$2,201,626. Total governmental expenses of \$19,831,317 were offset by program revenues of \$3,365,916 and general revenues of \$18,667,027. Program revenues supported 16.97% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property and income taxes, and unrestricted grants and entitlements. These revenue sources represent 83.31% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$10,996,424 or 55.45% of total governmental expenses for fiscal year 2008.

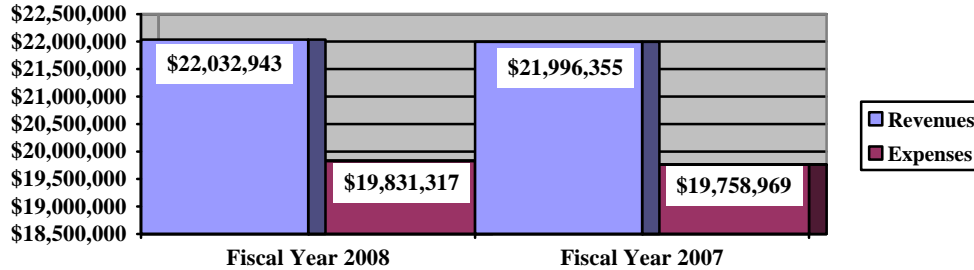
Increasing net assets is a trend that began in 2006, when net assets increased \$1,469,845. This was due to substantial budget cuts and levying of a 1% income tax. The increase in net assets for fiscal year 2008 is due to the District's continued efforts to keep expenses in line with the lower budgeted amounts.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2008 and 2007.

**Governmental Activities - Revenues and Expenses**



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

**Governmental Activities**

	Total Cost of Services 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
<b>Program expenses</b>				
Instruction:				
Regular	\$ 8,899,168	\$ 8,216,337	\$ 9,183,375	\$ 8,455,107
Special	1,908,111	851,315	1,952,545	831,812
Vocational	17,368	12,626	9,990	8,348
Other	171,777	2,877	127,599	8,646
Support services:				
Pupil	847,506	783,010	842,744	799,344
Instructional staff	973,684	765,541	986,683	806,283
Board of education	109,719	109,719	90,605	90,605
Administration	1,368,757	1,319,987	1,369,453	1,365,379
Fiscal	491,490	491,490	470,761	470,761
Business	1,642	1,642	1,790	1,790
Operations and maintenance	2,009,782	2,008,219	1,751,411	1,704,499
Pupil transportation	1,536,224	1,509,298	1,401,673	1,352,894
Central	203,863	168,132	188,519	158,036
Food service operations	766,024	(44,636)	842,639	15,679
Extracurricular activities	526,202	269,844	539,182	246,850
<b>Total expenses</b>	<b>\$ 19,831,317</b>	<b>\$ 16,465,401</b>	<b>\$ 19,758,969</b>	<b>\$ 16,316,033</b>

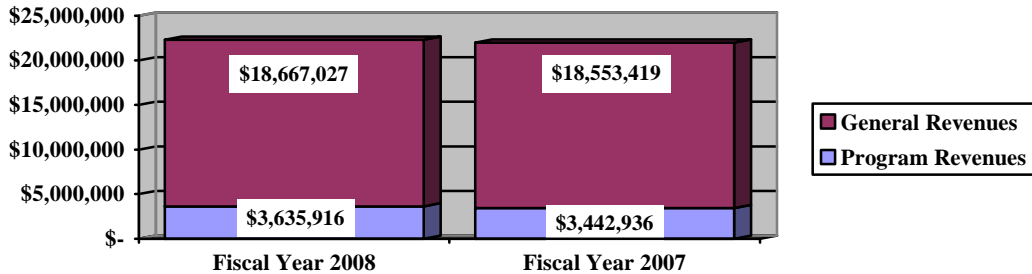
The dependence upon tax and other general revenues for governmental activities is apparent; 82.60% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.03%. The District's taxpayers, as a whole, are by far the primary support for District's students.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

The graph below presents the District's governmental activities revenue for fiscal years 2008 and 2007.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on page 15) reported a combined fund balance of \$5,956,980, which is higher than last year's total of \$4,287,463. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2008 and 2007.

	Fund Balance June 30, 2008	Fund Balance June 30, 2007	Increase (Decrease)
General	\$ 5,652,267	\$ 3,930,187	\$ 1,722,080
Other governmental	304,713	357,276	(52,563)
<b>Total</b>	<b>\$ 5,956,980</b>	<b>\$ 4,287,463</b>	<b>\$ 1,669,517</b>

**General Fund**

The District's general fund balance increased \$1,722,080. The following table summarizes changes in general fund financial activity in 2008 and 2007. Taxes and intergovernmental revenue make up in excess of 95% of total District revenue. Taxes decreased slightly \$202,421 or 2.13%. Intergovernmental revenue increased \$264,187 or 2.93%. This is due to hold harmless payments from the State for the legislated phase-out of the tangible personal property tax, as opposed to general increases in State funding. Tuition revenue increases are due to greater participation in our open enrollment program and earnings on investments increased due to larger cash balances.

Overall, general fund expenditures increased by 6.28%. This is primarily due to inflation and general wages and benefits increases. The District also hired two additional teachers during the fiscal year, which contributed to the increased expenditures.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

	<u>2008 Amount</u>	<u>2007 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 9,300,669	\$ 9,503,090	\$ (202,421)	(2.13) %
Tuition	453,902	413,031	40,871	9.90 %
Earnings on investments	253,917	231,150	22,767	9.85 %
Intergovernmental	9,280,616	9,016,429	264,187	2.93 %
Other revenues	<u>163,551</u>	<u>183,503</u>	<u>(19,952)</u>	(10.87) %
Total	<u>\$ 19,452,655</u>	<u>\$ 19,347,203</u>	<u>\$ 105,452</u>	0.55 %
<b><u>Expenditures</u></b>				
Instruction	\$ 10,515,096	\$ 9,986,517	528,579	5.29 %
Support services	6,961,400	6,463,047	498,353	7.71 %
Extracurricular activities	<u>254,079</u>	<u>233,401</u>	<u>20,678</u>	8.86 %
Total	<u>\$ 17,730,575</u>	<u>\$ 16,682,965</u>	<u>\$ 1,047,610</u>	6.28 %

***General Fund Budgeting Highlights***

The District'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 fiscal year 2008, the District amended its general fund budget several times. For the general fund, original and final budgeted revenues and other financing sources were \$19,100,000. Actual revenues and other financing sources for the fiscal year were \$19,779,353.

General fund original appropriations (expenditures plus other financing uses) of \$18,023,605 were increased to \$18,544,406 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2008 totaled \$18,370,753, which were \$173,653 lower than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2008, the District had \$3,802,799 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. See Note 7 to the basic financial statements for detail.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

The following table shows fiscal year 2008 balances compared to 2007 balances as detailed in Note 7:

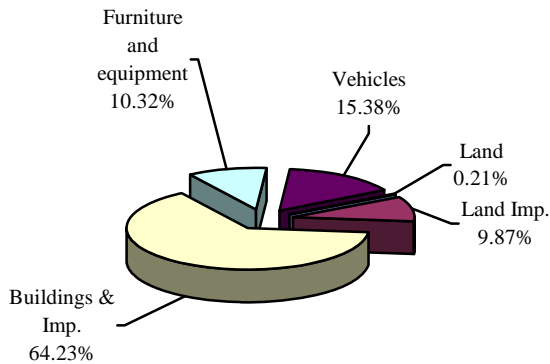
**Capital Assets at June 30  
(Net of Depreciation)**

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Land	\$ 8,024	\$ 8,024
Land improvements	375,221	394,026
Building and improvements	2,442,418	2,474,732
Furniture and equipment	392,341	530,749
Vehicles	584,795	689,117
<b>Total</b>	<b>\$ 3,802,799</b>	<b>\$ 4,096,648</b>

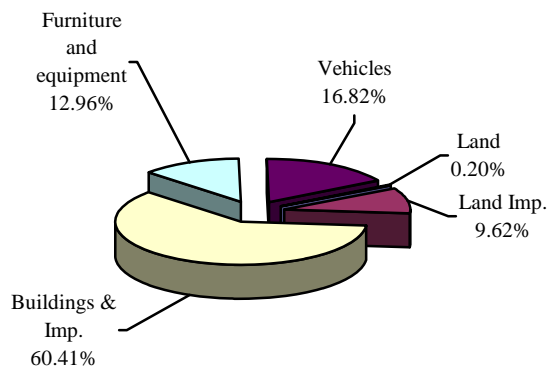
The overall decrease in capital assets of \$293,849 is due to depreciation expense of \$351,328 exceeding capital outlays of \$57,479 during fiscal year 2008.

The graphs below present the District's capital assets for fiscal years 2008 and 2007.

**Capital Assets - Governmental Activities  
2008**



**Capital Assets - Governmental Activities  
2007**



**Debt Administration**

At June 30, 2008, the District had no debt obligations outstanding.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(UNAUDITED)**

**Current Financial Related Activities**

The Board of Education and District Administration continues in its commitment to carefully manage its general fund budgets in order to optimize the dollars available for educating the students it serves, and to minimize the need for additional tax revenue. Even though the 1% income tax passed in November 2006, most of the spending cuts implemented for the 2005-06 school year continued into the 2007-08 school year. This is to assure that the District's general fund balance will remain positive through the 5-year term of the 1% income tax.

Outside influences will substantially influence the financial health of the District beyond five years. The Board of Education and District Administration is most concerned about the General Assembly's continuing response or lack thereof to the Ohio Supreme Court's ruling that the State of Ohio was operating an unconstitutional educational system, the legislated elimination of personal tangible property taxes and the extent of hold harmless funding, and the ever-increasing expectations of the No Child Left Behind Act. In summary, the District will be largely at the General Assembly's mercy for the revenue necessary to make sufficient investments towards excellent student achievement.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Steve McAfee, Treasurer, Logan Elm Local School District, 9579 Tarlton Road, Circleville, Ohio 43113-9448.



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF NET ASSETS  
JUNE 30, 2008**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 3,844,270
Investments . . . . .	3,099,019
Cash with fiscal agent. . . . .	775,306
Receivables:	
Taxes . . . . .	8,184,387
Accounts . . . . .	3,073
Intergovernmental . . . . .	180,267
Accrued interest . . . . .	3,479
Materials and supplies inventory . . . . .	11,773
Capital assets:	
Land . . . . .	8,024
Depreciable capital assets, net . . . . .	3,794,775
Total capital assets . . . . .	3,802,799
 Total assets . . . . .	 19,904,373
 <b>Liabilities:</b>	
Accounts payable. . . . .	132,874
Accrued wages and benefits . . . . .	1,836,241
Pension obligation payable. . . . .	428,488
Intergovernmental payable . . . . .	14,863
Unearned revenue. . . . .	6,066,311
Claims payable . . . . .	218,321
Long-term liabilities:	
Due within one year. . . . .	108,812
Due in more than one year . . . . .	1,105,299
 Total liabilities . . . . .	 9,911,209
 <b>Net Assets:</b>	
Invested in capital assets . . . . .	3,802,799
Restricted for:	
Capital projects . . . . .	55,631
Perpetual care:	
Expendable . . . . .	10,267
Nonexpendable . . . . .	104,300
Locally funded programs . . . . .	25,941
State funded programs . . . . .	10,089
Federally funded programs . . . . .	57
Student activities . . . . .	87,579
Other purposes . . . . .	170,623
Unrestricted. . . . .	5,725,878
 Total net assets . . . . .	 \$ 9,993,164

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

		<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 8,899,168	\$ 539,545	\$ 143,286	\$ (8,216,337)
Special . . . . .	1,908,111	-	1,056,796	(851,315)
Vocational . . . . .	17,368	-	4,742	(12,626)
Other . . . . .	171,777	-	168,900	(2,877)
Support services:				
Pupil . . . . .	847,506	18,397	46,099	(783,010)
Instructional staff . . . . .	973,684	6,986	201,157	(765,541)
Board of education . . . . .	109,719	-	-	(109,719)
Administration . . . . .	1,368,757	-	48,770	(1,319,987)
Fiscal . . . . .	491,490	-	-	(491,490)
Business . . . . .	1,642	-	-	(1,642)
Operations and maintenance . . . . .	2,009,782	-	1,563	(2,008,219)
Pupil transportation . . . . .	1,536,224	4,720	22,206	(1,509,298)
Central . . . . .	203,863	10,183	25,548	(168,132)
Food service operations . . . . .	766,024	494,828	315,832	44,636
Extracurricular activities . . . . .	526,202	228,321	28,037	(269,844)
	<b>\$ 19,831,317</b>	<b>\$ 1,302,980</b>	<b>\$ 2,062,936</b>	<b>(16,465,401)</b>
<b>Totals . . . . .</b>				
<b>General revenues:</b>				
Property taxes levied for:				
				7,003,613
				191,205
				2,368,586
				8,791,531
				253,917
				58,175
				<b>18,667,027</b>
				2,201,626
				<b>7,791,538</b>
				<b>\$ 9,993,164</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash			
and cash equivalents . . . . .	\$ 2,834,530	\$ 319,345	\$ 3,153,875
Investments . . . . .	2,994,719	104,300	3,099,019
Receivables:			
Taxes . . . . .	7,982,718	201,669	8,184,387
Accounts . . . . .	2,883	190	3,073
Intergovernmental . . . . .	28,616	146,594	175,210
Accrued interest . . . . .	3,479	-	3,479
Materials and supplies inventory . . . . .	-	11,773	11,773
Restricted assets:			
Equity in pooled cash			
and cash equivalents . . . . .	170,623	-	170,623
<b>Total assets . . . . .</b>	<b>\$ 14,017,568</b>	<b>\$ 783,871</b>	<b>\$ 14,801,439</b>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 114,284	\$ 18,590	\$ 132,874
Accrued wages and benefits . . . . .	1,662,799	173,442	1,836,241
Pension obligation payable . . . . .	375,246	53,242	428,488
Intergovernmental payable. . . . .	13,625	1,238	14,863
Deferred revenue. . . . .	304,249	61,433	365,682
Unearned revenue. . . . .	5,895,098	171,213	6,066,311
<b>Total liabilities. . . . .</b>	<b>8,365,301</b>	<b>479,158</b>	<b>8,844,459</b>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	467,270	29,098	496,368
Reserved for materials and supplies inventory . . . . .	-	11,773	11,773
Reserved for future appropriation . . . . .	810,592	21,836	832,428
Reserved for budget stabilization. . . . .	170,623	-	170,623
Reserved for library purposes. . . . .	-	104,300	104,300
Unreserved, undesignated, reported in:			
General fund. . . . .	4,203,782	-	4,203,782
Special revenue funds . . . . .	-	102,338	102,338
Capital projects funds . . . . .	-	25,175	25,175
Permanent fund . . . . .	-	10,193	10,193
<b>Total fund balances. . . . .</b>	<b>5,652,267</b>	<b>304,713</b>	<b>5,956,980</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 14,017,568</b>	<b>\$ 783,871</b>	<b>\$ 14,801,439</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2008**

<b>Total governmental fund balances</b>		\$ 5,956,980
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,802,799
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 312,869	
Grants	<u>52,813</u>	
Total		365,682
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,081,814
Long-term liabilities, such as compensated absences, are not due and payable in the current period and are therefore not reported in the funds.		<u>(1,214,111)</u>
<b>Net assets of governmental activities</b>		<u><u>\$ 9,993,164</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ 9,300,669	\$ 189,005	\$ 9,489,674
Tuition. . . . .	453,902	-	453,902
Charges for services . . . . .	-	494,828	494,828
Transportation fees. . . . .	4,720	-	4,720
Earnings on investments. . . . .	253,917	6,598	260,515
Extracurricular. . . . .	42,615	248,874	291,489
Classroom materials and fees . . . . .	58,041	-	58,041
Other local revenues. . . . .	58,175	40,377	98,552
Intergovernmental - state . . . . .	9,257,885	164,491	9,422,376
Intergovernmental - federal. . . . .	22,731	1,355,652	1,378,383
	<hr/>	<hr/>	<hr/>
Total revenues . . . . .	19,452,655	2,499,825	21,952,480
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	9,077,839	180,614	9,258,453
Special. . . . .	1,423,503	557,691	1,981,194
Vocational. . . . .	13,754	-	13,754
Other . . . . .	-	171,777	171,777
Support Services:			
Pupil. . . . .	785,046	75,237	860,283
Instructional staff . . . . .	778,117	213,212	991,329
Board of education . . . . .	109,719	-	109,719
Administration. . . . .	1,377,719	51,546	1,429,265
Fiscal . . . . .	495,668	5,079	500,747
Business . . . . .	1,642	-	1,642
Operations and maintenance. . . . .	1,773,468	249,185	2,022,653
Pupil transportation . . . . .	1,466,994	-	1,466,994
Central. . . . .	173,027	32,992	206,019
Food service operations . . . . .	-	799,161	799,161
Extracurricular activities. . . . .	254,079	215,894	469,973
	<hr/>	<hr/>	<hr/>
Total expenditures . . . . .	17,730,575	2,552,388	20,282,963
	<hr/>	<hr/>	<hr/>
Net change in fund balances . . . . .	1,722,080	(52,563)	1,669,517
	<hr/>	<hr/>	<hr/>
<b>Fund balances, July 1 . . . . .</b>	<b>3,930,187</b>	<b>357,276</b>	<b>4,287,463</b>
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<b>Fund balances, June 30 . . . . .</b>	<b>\$ 5,652,267</b>	<b>\$ 304,713</b>	<b>\$ 5,956,980</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Net change in fund balances - total governmental funds** **\$ 1,669,517**

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

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

Capital asset additions	\$ 57,479	
Current year depreciation	<u>(351,328)</u>	
Total		(293,849)

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

Taxes	73,730	
Intergovernmental revenue	<u>6,733</u>	
Total		80,463

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 governmental funds.

(70,051)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

815,546

**Change in net assets of governmental activities** **\$ 2,201,626**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 9,002,440	\$ 9,002,440	\$ 9,326,029	\$ 323,589
Tuition . . . . .	465,622	465,622	482,359	16,737
Transportation fees . . . . .	2,654	2,654	2,749	95
Earnings on investments . . . . .	242,314	242,314	251,024	8,710
Classroom materials and fees . . . . .	97,183	97,183	100,676	3,493
Other local revenue . . . . .	56,157	56,157	58,175	2,018
Intergovernmental - state . . . . .	8,928,236	8,928,236	9,249,158	320,922
Intergovernmental - federal . . . . .	21,942	21,942	22,731	789
<b>Total revenues . . . . .</b>	<b>18,816,548</b>	<b>18,816,548</b>	<b>19,492,901</b>	<b>676,353</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	9,190,451	9,143,300	9,055,860	87,440
Special . . . . .	1,464,418	1,452,431	1,442,159	10,272
Vocational . . . . .	10,000	13,755	13,754	1
Support services:				
Pupils . . . . .	816,629	798,095	796,025	2,070
Instructional staff . . . . .	768,043	775,478	762,439	13,039
Board of education . . . . .	101,521	117,023	113,417	3,606
Administration . . . . .	1,386,946	1,385,981	1,372,028	13,953
Fiscal . . . . .	507,035	497,465	497,578	(113)
Business . . . . .	2,780	2,780	1,642	1,138
Operations and maintenance . . . . .	1,752,475	1,792,862	1,780,445	12,417
Pupil transportation . . . . .	1,379,426	1,922,145	1,909,707	12,438
Central . . . . .	177,269	187,073	172,869	14,204
Extracurricular activities . . . . .	266,612	256,018	252,830	3,188
<b>Total expenditures . . . . .</b>	<b>17,823,605</b>	<b>18,344,406</b>	<b>18,170,753</b>	<b>173,653</b>
Excess of revenues over (under) expenditures . . . . .	992,943	472,142	1,322,148	850,006
<b>Other financing sources (uses):</b>				
Advances in . . . . .	200,000	200,000	200,000	-
Advances (out) . . . . .	(200,000)	(200,000)	(200,000)	-
Refund of prior year's expenditures . . . . .	83,452	83,452	86,452	3,000
<b>Total other financing sources (uses) . . . . .</b>	<b>83,452</b>	<b>83,452</b>	<b>86,452</b>	<b>3,000</b>
Net change in fund balance . . . . .	1,076,395	555,594	1,408,600	853,006
<b>Fund balance, July 1 . . . . .</b>	<b>4,057,711</b>	<b>4,057,711</b>	<b>4,057,711</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>55,714</b>	<b>55,714</b>	<b>55,714</b>	<b>-</b>
<b>Fund balance, June 30 . . . . .</b>	<b>\$ 5,189,820</b>	<b>\$ 4,669,019</b>	<b>\$ 5,522,025</b>	<b>\$ 853,006</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUND  
JUNE 30, 2008**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 519,772
Cash with fiscal agent . . . . .	775,306
Receivables:	
Intergovernmental . . . . .	5,057
Total assets . . . . .	1,300,135
<b>Liabilities:</b>	
Claims payable. . . . .	218,321
Total liabilities. . . . .	218,321
<b>Net assets:</b>	
Unrestricted . . . . .	1,081,814
Total net assets. . . . .	\$ 1,081,814

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 3,286,270
Total operating revenues . . . . .	3,286,270
<b>Operating expenses:</b>	
Claims expense . . . . .	2,470,724
Total operating expenses . . . . .	2,470,724
Change in net assets . . . . .	815,546
<b>Net assets, July 1 . . . . .</b>	<b>266,268</b>
<b>Net assets, June 30 . . . . .</b>	<b>\$ 1,081,814</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 3,286,270
Cash payments for claims. . . . .	(2,652,225)
Net cash provided by operating activities. . . . .	634,045
<b>Cash and cash equivalents, July 1 . . . . .</b>	<b>661,033</b>
<b>Cash and cash equivalents, June 30 . . . . .</b>	<b>\$ 1,295,078</b>
<b>Reconciliation of operating gain to net cash provided by operating activities:</b>	
Operating gain . . . . .	\$ 815,546
Changes in assets and liabilities:	
Decrease in intergovernmental receivable. . . . .	6,428
(Decrease) in claims payable. . . . .	(187,929)
Net cash provided by operating activities . . . . .	<b>\$ 634,045</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2008**

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 36,806	\$ 65,362
Investments . . . . .	14,500	-
Accounts receivable . . . . .	-	55
	<u>51,306</u>	<u>65,417</u>
Total assets . . . . .	<u>\$ 51,306</u>	<u>\$ 65,417</u>
<b>Liabilities:</b>		
Accounts payable . . . . .	\$ -	\$ 127
Due to students . . . . .	-	65,290
	<u>-</u>	<u>65,417</u>
Total liabilities . . . . .	<u>-</u>	<u>\$ 65,417</u>
<b>Net Assets:</b>		
Held in trust for scholarships . . . . .	51,306	
	<u>51,306</u>	
Total net assets . . . . .	<u>\$ 51,306</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 2,057
Gifts and contributions. . . . .	1,488
	<u>3,545</u>
<b>Deductions:</b>	
Scholarships awarded . . . . .	5,770
	<u>(2,225)</u>
<b>Net assets, July 1 . . . . .</b>	<b>53,531</b>
	<u>53,531</u>
<b>Net assets, June 30 . . . . .</b>	<b>\$ 51,306</b>
	<u>51,306</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Logan Elm Local School District (the "District") 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 District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District ranks as the 215<sup>th</sup> largest by enrollment among the 896 public and community school districts in the State. The District employs 112 non-certified and 155 certified employees to provide services to approximately 2,332 students and community groups. The District provides regular and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental type activity and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

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

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**A. Reporting Entity (Continued)**

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Metropolitan Education Council (MEC) - MEC is a not for profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The Governing Board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the Governing Board. MEC is its own fiscal agent. The District paid \$852 to MEC for services provided during fiscal 2008.

South Central Ohio Computer Association

The District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Jackson, Vinton, Pickaway, Gallia, Ross, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Governing Board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The District paid SCOCA \$110,174 for computer services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in central Ohio which comprise sixty percent of the Board, two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Development Disabilities, representatives of universities and students and persons with disabilities representations. COSERRC assists the District in complying with mandates of Public Law 99-456 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council.

Ross County School Employees Insurance Consortium

The District is a member of the Ross County School Employees Insurance Consortium (the "Consortium"), a claims servicing pool consisting of fourteen school districts within Ross County and its surrounding area. Medical/surgical insurance is administered through a third party administrator, Medical Mutual of Ohio. The Consortium's business and affairs are managed by a Council consisting of one representative for each participating school. The participating school districts pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to Ross-Pike County ESD, Erin Kirby, Treasurer, at 475 Western Ave., Suite E, Chillicothe, OH 45601.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**A. Reporting Entity (Continued)**

*PUBLIC ENTITY RISK POOL*

Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The District participates in the Ohio Association of School Business Officials (OASBO) / Sheakley UniService Workers' Compensation Group Rating Program (GRP). The GRP is sponsored by OASBO and administered by Sheakley UniService. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

The Executive Director of the OASBO, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. Refer to Note 10.C. for further information on this group rating plan.

**B. Fund Accounting**

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

*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 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 following is the District's major governmental fund:

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

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

*PROPRIETARY FUND*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**B. Fund Accounting (Continued)**

*PROPRIETARY FUND (Continued)*

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides health and dental benefits to employees.

*FIDUCIARY FUNDS*

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

**C. Basis of Presentation and Measurement Focus**

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

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



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Basis of Presentation and Measurement Focus (Continued)**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other 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 a 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, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund 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 District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for sales and services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

**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 on the fund financial statements. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Basis of Accounting (Continued)**

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 5). Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal 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 or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue.

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. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2008 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**E. Budgets (Continued)**

2. By no later than January 20, the board-adopted budget is filed with the Pickaway County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final amended certificate issued for fiscal year 2008.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the one-digit object level within each two-digit function for the general fund and the fund level of expenditures for all other funds, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year).

Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.

5. Any revisions that alter the appropriations at the one-digit object level within each two-digit function for the general fund and the fund level of expenditures for all other funds must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year.
8. Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.
9. 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 fiscal year and need not be reappropriated.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled, except for certificates of deposit in the Hitler fund to benefit the library and the Scholarship private purpose trust fund, and the governmental securities specific to the general fund. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2008, investments consisted of federal agency securities, a U.S. Government money market fund, U.S. Treasury bills, STAR Ohio and non-negotiable certificates of deposit. Except for certificates of deposit, investments are reported at fair value, which is based on quoted market prices.

The District has invested funds in STAR Ohio during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price, which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues credited to the general fund during fiscal year 2008 amounted to \$253,917, which includes \$39,092 assigned from other District funds.

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

An analysis of the District's investments at year-end is provided in Note 4.

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of donated food and purchased food.

**H. 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 governmental 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.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**H. Capital Assets (Continued)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,500. The District does not possess any infrastructure. 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 life are not. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	
Land improvements	20 years	
Buildings and improvements	7 - 134 years	
Furniture and equipment	5 - 20 years	
Vehicles		10-15 years

**I. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments 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 District and the employee.

In accordance with the provisions of GASB Statement No. 16, "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. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2008, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2008, 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.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**I. Compensated Absences (Continued)**

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. There were no fund liabilities for compensated absences at June 30, 2008.

**J. 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 the internal service fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**K. Fund Balance Reserves**

The District 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 fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of materials and supplies, future appropriation, budget stabilization and library purposes. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

**L. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for budget stabilization. See Note 15 for details.

**M. Estimates**

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2008, the District had no net assets restricted by enabling legislation.

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

**P. Interfund Activity**

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 12) have been modified to conform to the new reporting requirements.

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)**

**A. Change in Accounting Principles (Continued)**

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2008 included the following individual fund deficits:

<u>Nonmajor fund</u>	<u>Deficit</u>
Food service	\$ 20,334
Title VI-B	8,665
Title I	863
IDEA - handicapped children	336
Reducing class size	322

These funds complied with Ohio State law, which does not permit a cash basis deficit at year-end. The general fund is liable for these deficits and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

The General Fund had expenditures in excess of appropriations by \$113. The District plans to monitor budgets more closely to ensure actual expenditures stay within budgeted amounts.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

Interim deposits are deposits of interim monies. Interim 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.



**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

**A. Cash with Fiscal Agent**

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2008 was \$775,306.

**B. Deposits with Financial Institutions**

At June 30, 2008, the carrying amount of all District deposits was \$495,929. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$473,411 of the District's bank balance of \$602,213 was exposed to custodial risk as discussed below, while \$128,802 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments**

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>
FHLB	\$ 1,164,763	\$ -	\$ 568,513	\$ 596,250
FHLMC	293,370	-	293,370	-
FNMA	615,297	-	615,297	-
U.S. Treasury bills	921,289	921,289	-	-
STAR Ohio	3,460,574	3,460,574	-	-
U.S. Government money market	4,435	4,435	-	-
Certificates of deposit	118,800	118,800	-	-
	<u>\$ 6,578,528</u>	<u>\$ 4,505,098</u>	<u>\$ 1,477,180</u>	<u>\$ 596,250</u>

The weighted average of maturity of investments is .31 years.

The certificate of deposit is a nonnegotiable certificate of deposit which is matched to the nonmajor permanent fund which is to be used for library purposes.

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

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The District's investment in U.S. Government money market funds carries a rating of AAA by Standard & Poor's. The District's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and U.S. Treasury bills are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Investments (Continued)**

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB	\$ 1,164,763	17.74
FHLMC	293,370	4.47
FNMA	615,297	9.37
U.S. Treasury bills	921,289	14.04
STAR Ohio	3,460,574	52.72
U.S. Government money market	4,435	0.07
Certificates of deposit	<u>118,800</u>	<u>1.59</u>
 Total	 <u>\$ 6,578,528</u>	 <u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 495,929
Investments	6,578,528
Cash with fiscal agent	<u>775,306</u>
Total	<u>\$ 7,849,763</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 7,733,095
Private-purpose trust fund	51,306
Agency funds	<u>65,362</u>
Total	<u>\$ 7,849,763</u>

**NOTE 5 - TAXES**

**A. Property Taxes**

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 5 – TAXES (Continued)**

**A. Property Taxes (Continued)**

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by state law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property tax is being phased out. For 2007, tangible personal property was assessed at 12.50% for property, including inventory. This percentage was reduced to 6.25% for 2008 and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Pickaway and Hocking Counties. The County Auditor's periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor. There were no tax advances available to the District at June 30, 2008 or June 30, 2007.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 5 - TAXES - (Continued)**

**A. Property Taxes (Continued)**

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

The amount available as an advance at June 30, 2008 was \$810,592 in the general fund and \$21,836 in the capital projects fund. These amounts have been recorded as revenue. The amount that was available as an advance at June 30, 2007 was \$777,727 in the general fund and \$20,733 in the capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 246,631,370	82.65	\$ 258,899,310	87.79
Public utility personal	18,859,540	6.32	16,384,400	5.56
Tangible personal property	<u>32,900,632</u>	<u>11.03</u>	<u>19,610,118</u>	<u>6.65</u>
Total	<u>\$ 298,391,542</u>	<u>100.00</u>	<u>\$ 294,893,828</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$40.10		\$40.05	

**B. Income Tax**

The District levies a voted tax of 1.00 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2006, and is a five-year tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

Property taxes	\$ 8,184,387
Accounts	3,073
Intergovernmental	180,267
Accrued interest	<u>3,479</u>
<b>Total</b>	<b><u>\$ 8,371,206</u></b>

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within one year.

**NOTE 7 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008 was as follows:

	Balance 06/30/07	Additions	Disposals	Balance 06/30/08
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 8,024	\$ -	\$ -	\$ 8,024
<b>Total capital assets, not being depreciated</b>	<b>8,024</b>	<b>-</b>	<b>-</b>	<b>8,024</b>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,163,515	17,879	-	1,181,394
Buildings and improvements	4,900,765	26,565	-	4,927,330
Furniture and equipment	2,418,660	13,035	(39,611)	2,392,084
Vehicles	1,791,735	-	-	1,791,735
<b>Total capital assets, being depreciated</b>	<b>10,274,675</b>	<b>57,479</b>	<b>(39,611)</b>	<b>10,292,543</b>
<i>Less: accumulated depreciation:</i>				
Land improvements	(769,489)	(36,684)	-	(806,173)
Buildings and improvements	(2,426,033)	(58,879)	-	(2,484,912)
Furniture and equipment	(1,887,911)	(151,443)	39,611	(1,999,743)
Vehicles	(1,102,618)	(104,322)	-	(1,206,940)
<b>Total accumulated depreciation</b>	<b>(6,186,051)</b>	<b>(351,328)</b>	<b>39,611</b>	<b>(6,497,768)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 4,096,648</b>	<b>\$ (293,849)</b>	<b>\$ -</b>	<b>\$ 3,802,799</b>

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 7 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 87,150
Special	12,735
Vocational	3,614
 <u>Support services:</u>	
Pupil	437
Instructional staff	47,571
Administration	5,508
Fiscal	1,644
Operations and maintenance	10,476
Pupil transportation	111,187
Central	4,533
Extracurricular activities	58,445
Food service operations	<u>8,028</u>
 Total depreciation expense	 <u>\$ 351,328</u>

**NOTE 8 - LONG-TERM OBLIGATIONS**

A. The District's long-term obligations during the year consist of the following:

	Balance at			Balance at	Amounts
	<u>6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/08</u>	<u>Due in</u>
					<u>One Year</u>
<b>Governmental activities:</b>					
Compensated absences	<u>\$ 1,144,060</u>	<u>\$ 230,186</u>	<u>\$ (160,135)</u>	<u>\$ 1,214,111</u>	<u>\$ 108,812</u>

Compensated absences will be paid from the fund which the employee's salaries are paid.

**B. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$24,710,665 and an unvoted debt margin of \$274,563.



**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 9 - COMPENSATED ABSENCES**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Administrators and classified staff earn ten to thirty days of vacation per year, depending upon length of service and position. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

**NOTE 10 - RISK MANAGEMENT**

**A. General Risk**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2008, the District contracted with The Ohio School Plan for liability, property, fleet, crime, and inland marine coverage. The District also purchases faithful performance bonds from Travelers Casualty and Surety Company of America. Coverages provided at June 30, 2008 are as follows:

Building and Contents (\$1,000 deductible)	\$35,853,665
Inland Marine (\$1,000 deductible)	1,435,000
Automobile Liability (\$500 deductible)	4,000,000
Crime (\$1,000 deductible)	
Employee Theft	50,000
Forgery or Alteration	50,000
Inside the Premises – Theft of Money and Securities	25,000
Outside the Premises – Theft of Money and Securities	25,000
Computer Fraud	50,000
General Liability	
Aggregate	3,000,000
Per Occurrence	1,000,000
Fire Damage Limit (any one fire)	500,000
Medical Expense Limit (any one person)	10,000
Employee Benefits Liability	
Aggregate	3,000,000
Each Offense	1,000,000
Employer's Liability – Stop Gap Coverage Endorsement	
Bodily Injury by Accident	1,000,000
Bodily Injury by Disease	1,000,000
Educational Legal Liability (\$2,500 deductible)	
Aggregate	3,000,000
Each Injury	1,000,000
Excess Liability Coverage	
Aggregate	3,000,000
Per Occurrence	3,000,000
Public Official Bonds	
Treasurer	50,000
Superintendent / Board President (each)	20,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 10 - RISK MANAGEMENT - (Continued)**

**B. Health/Medical and Dental Insurance**

Health and dental insurance is offered to employees through self-insurance internal service funds. Medical Mutual of Ohio is the third party administrator for health insurance. Professional Risk Management, Inc. is the third party administrator for dental insurance. In regards to health/ medical insurance, the District participates as a member of the Ross County School Employees Insurance Consortium (RCSEIC). RCSEIC currently includes 14 member school districts. Health/ medical insurance premiums are determined by the RCSEIC board of directors and are remitted monthly to the consortium's fiscal agent, who then pays all incurred claims. Dental insurance premiums are determined by the District Board of Education, which then pays all incurred claims. Medical Mutual of Ohio services all health/medical claims submitted by employees.

RCSEIC has obtained a stop-loss coverage insurance policy covering individual claims in excess of \$150,000 with a maximum limit of reimbursement liability of \$1,000,000, and aggregate stop-loss coverage of \$22,569,067. Professional Risk Management, Inc., a third party administrator, services all dental claims submitted by employees.

Changes in claim activity for the last two fiscal years are as follows:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Claims liabilities at beginning of fiscal year	\$ 406,250	\$ 242,400
Incurred claims	2,464,296	3,088,076
Claims paid	<u>(2,652,225)</u>	<u>(2,924,226)</u>
Claims liabilities at end of fiscal year	<u>\$ 218,321</u>	<u>\$ 406,250</u>

The District also provides life insurance for all full-time employees based on negotiated agreements, Board policy, and individual contracts.

**C. Workers' Compensation**

The District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. Participants in the GRP are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the state based on the rate for its GRP tier rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control and actuarial services to the GRP.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 11 - PENSION PLANS**

**A. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$228,474, \$233,190 and \$210,589, respectively; 45.82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System of Ohio**

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

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 11 - PENSION PLANS - (Continued)**

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007 and 2006 were \$1,085,052, \$1,040,783 and \$1,037,483, respectively; 82.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$20,492 made by the District and \$33,588 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2008, three members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 12 - POSTEMPLOYMENT BENEFITS - (Continued)**

**A. School Employees Retirement System (Continued)**

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$139,488, \$112,647 and \$108,665, respectively; 45.82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$16,462, \$15,857 and \$16,761, respectively; 45.82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System of Ohio**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$83,466, \$80,060 and \$79,806, respectively; 82.69 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**NOTE 13 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund 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);

**LOGAN ELM LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 13 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 1,408,600
Net adjustment for revenue accruals	(40,246)
Net adjustment for expenditure accruals	(38,257)
Net adjustment for other sources/uses	(86,452)
Adjustment for encumbrances	478,435
GAAP basis	<u>\$ 1,722,080</u>

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2008.

**B. Litigation**

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008  
(Continued)**

**NOTE 15 - STATUTORY RESERVES**

The District is required by State law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	<u>Textbooks</u>	<u>Capital Maintenance</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2007	\$ 8,821	\$ -	\$ 170,623
Current year set-aside requirement	335,447	335,447	-
Current year offsets	-	(232,080)	-
Qualifying disbursements	<u>(358,390)</u>	<u>(621,794)</u>	<u>-</u>
Total	<u>\$ (14,122)</u>	<u>\$ (518,427)</u>	<u>\$ 170,623</u>
Balance carried forward to FY 2009	<u>\$ (14,122)</u>	<u>\$ -</u>	<u>\$ 170,623</u>

The District had qualifying disbursements during the year that reduced the set-aside amount below zero for the textbooks reserve; this extra amount may be used to reduce the set-aside requirement for future years. The negative amount is therefore presented as being carried forward to the next fiscal year.

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the governmental fund restricted assets at June 30, 2008 follows:

Amount restricted for budget stabilization	<u>\$ 170,623</u>
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LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
School Breakfast Program	2008	10.553	\$38,542	\$0	\$38,542	\$0
National School Lunch Program	2008	10.555	272,306	29,543	272,306	29,543
<i>Total Nutrition Cluster</i>			<u>310,848</u>	<u>29,543</u>	<u>310,848</u>	<u>29,543</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>310,848</b>	<b>29,543</b>	<b>310,848</b>	<b>29,543</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	2007	84.010	47,940	0	52,502	0
Title I Grants to Local Educational Agencies	2008	84.010	290,254	0	284,705	0
<i>Total Title I Grants to Local Educational Agencies</i>			<u>338,194</u>	<u>0</u>	<u>337,207</u>	<u>0</u>
Special Education Cluster:						
Special Education Grants to States	2007	84.027	43,731	0	63,504	0
Special Education Grants to States	2008	84.027	552,573	0	533,593	0
<i>Total Special Education Grants to States</i>			<u>596,304</u>	<u>0</u>	<u>597,097</u>	<u>0</u>
Special Education - Preschool Grants	2007	84.173	1,291	0	2,077	0
Special Education - Preschool Grants	2008	84.173	9,499	0	9,100	0
<i>Total Special Education - Preschool Grants</i>			<u>10,790</u>	<u>0</u>	<u>11,177</u>	<u>0</u>
<i>Total Special Education Cluster</i>			<u>607,094</u>	<u>0</u>	<u>608,274</u>	<u>0</u>
Safe and Drug-Free Schools and Communities State Grants						
Safe and Drug-Free Schools and Communities State Grants	2007	84.186	1,596	0	2,143	0
Safe and Drug-Free Schools and Communities State Grants	2008	84.186	10,168	0	10,168	0
<i>Total Safe and Drug-Free Schools and Communities State Grants</i>			<u>11,764</u>	<u>0</u>	<u>12,311</u>	<u>0</u>
State Grants for Innovative Programs						
State Grants for Innovative Programs	2007	84.298	0	0	905	0
State Grants for Innovative Programs	2008	84.298	2,855	0	2,940	0
<i>Total State Grants for Innovative Programs</i>			<u>2,855</u>	<u>0</u>	<u>3,845</u>	<u>0</u>
Education Technology State Grants						
Education Technology State Grants	2008	84.318	5,977	0	6,692	0
<i>Total Education Technology State Grants</i>			<u>5,977</u>	<u>0</u>	<u>6,692</u>	<u>0</u>
Improving Teacher Quality State Grants						
Improving Teacher Quality State Grants	2007	84.367	21,667	0	23,439	0
Improving Teacher Quality State Grants	2008	84.367	112,377	0	107,563	0
<i>Total Improving Teacher Quality State Grants</i>			<u>134,044</u>	<u>0</u>	<u>131,002</u>	<u>0</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>1,099,928</b>	<b>0</b>	<b>1,099,331</b>	<b>0</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program		93.778	22,731	0	0	0
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>22,731</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTALS</b>			<b>\$1,433,507</b>	<b>\$29,543</b>	<b>\$1,410,179</b>	<b>\$29,543</b>

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

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

**NOTE D – TRANSFERS**

The District generally must spend Federal assistance within 15 months of receipt (funds must be obligated by June 30<sup>th</sup> and spent by September 30<sup>th</sup>). However, with ODE's approval, the District can transfer unspent Federal assistance to the succeeding year, thus allowing the District a total of 27 months to spend the assistance. During fiscal year 2008, the Ohio Department of Education (ODE) authorized the following transfers from fiscal year 2007 grants to fiscal year 2008 grants:

<b>CFDA</b>		
<b><u>Number</u></b>	<b><u>Program Title</u></b>	<b><u>Amount</u></b>
84.027	Special Education Grants to States	\$16,269
84.010	Title I Grants to Local Education Agencies	9,098
84.298	State Grants for Innovative Educational Program Strategies	491
84.186	Safe and Drug Free Schools	768
84.173	Early Childhood Special Education	1,100
84.367	Improving Teacher Quality State Grants	583
84.318	Education Technology State Grants	715



# Mary Taylor, CPA

Auditor of State

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

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 43113

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Logan Elm Local School District, Pickaway County, Ohio (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the District's management in a separate letter dated February 16, 2009.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

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

**Mary Taylor, CPA**  
Auditor of State

February 16, 2009



# Mary Taylor, CPA

Auditor of State

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

Logan Elm Local School District  
Pickaway County  
9579 Tarlton Road  
Circleville, Ohio 43113

To the Board of Education:

### Compliance

We have audited the compliance of Logan Elm Local School District, Pickaway County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Logan Elm Local School District, Pickaway County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2008.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of 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 District's internal control over compliance.

88 E. Broad St. / Tenth Floor / Columbus, OH 43215-3506  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

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



**Mary Taylor, CPA**  
Auditor of State

February 16, 2009

**LOGAN ELM LOCAL SCHOOL DISTRICT  
PICKAWAY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Title I Grants to States (CFDA # 84.010) Improving Teacher Quality State Grants (CFDA #84.367)
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.







**Mary Taylor, CPA**  
Auditor of State

**LOGAN ELM LOCAL SCHOOL DISTRICT**  
**PICKAWAY 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**  
**MARCH 12, 2009**