

Logan County Financial Condition

Single Audit

For the Year Ended December 31, 2006



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of Logan County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 7, 2011

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Logan County Financial Condition

FOR THE YEAR ENDED DECEMBER 31, 2006

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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of RTC Industries, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of RTC Industries, Inc. were audited by other auditors in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General fund, Auto and Gas Fund, Job and Family Services fund, Board of MRDD fund, and the Children Services fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Clark, Schaeffer Hackett & Co

Springfield, Ohio
February 28, 2008

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

The discussion and analysis of Logan County's financial performance provides an overall view of the County's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review notes to the basic financial statements, and the financial statements themselves, to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- ❑ The County's net assets increased \$5,899,096 as a result of this year's operations. Net assets of our business-type activities increased \$2,003,950 or 14.4 percent, and net assets of our governmental activities increased \$3,895,146 or 5.1 percent.
- ❑ Business-Type activities had expenses \$2.03 million less than the \$9,092,284 in program revenues generated for such expenses.

Using this Annual Financial Report

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

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

Reporting the County as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

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

Reporting the County's Most Significant Funds

Fund Financial Statements

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

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

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

The County as a Whole

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

Table 1
Net Assets

	Governmental Activities 2006	Business-Type Activities 2006	Total 2006	Restated Total 2005
Asset				
Current and Other Assets	\$ 30,666,064	\$ 4,163,642	\$ 34,829,706	\$ 38,426,581
Capital Assets, Net	<u>75,507,148</u>	<u>20,017,003</u>	<u>95,524,151</u>	<u>86,301,269</u>
Total Assets	<u>106,173,212</u>	<u>24,180,645</u>	<u>130,353,857</u>	<u>124,727,850</u>

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

Liabilities				
Other Liabilities	8,352,372	873,015	9,225,387	9,172,527
Long-Term Liabilities	<u>18,024,088</u>	<u>7,392,879</u>	<u>25,416,967</u>	<u>25,742,916</u>
Total Liabilities	<u>26,376,460</u>	<u>8,265,894</u>	<u>34,642,354</u>	<u>34,915,443</u>
Net Assets				
Invested in Capital				
Assets Net of Debt	58,857,148	12,811,720	71,498,916	61,994,093
Restricted	1,799,793	-	1,799,793	4,857,225
Unrestricted (Deficit)	<u>19,139,811</u>	<u>3,103,031</u>	<u>22,412,794</u>	<u>22,961,089</u>
Total Net Assets	<u>\$ 79,796,752</u>	<u>\$ 15,914,751</u>	<u>\$ 95, 711,503</u>	<u>\$ 89,812,407</u>

Table 2 shows comparative numbers for the changes in net assets for the years 2006 and 2005.

Governmental Activities

Table 2
 Changes in Net Assets

	Governmental Activities 2006	Business-Type Activities 2006	Total 2006	Restated Total 2005
	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2005</u>
Revenue				
Program Revenues:				
Charges for Services	\$ 4,585,719	\$ 5,450,599	\$ 10,036,318	\$ 11,240,287
Operating Grants	14,257,065	3,641,685	17,898,750	15,812,341
Capital Grants	406,201	-	406,201	52,500
General Revenue:				
Property & Sales Taxes	14,366,412	-	14,366,412	11,859,438
Grants and Entitlements	4,210,815	-	4,210,815	3,664,947
Other	<u>3,248,740</u>	<u>307,080</u>	<u>3,555,820</u>	<u>2,507,327</u>
Total Revenues	<u>41,074,952</u>	<u>9,399,364</u>	<u>50,474,316</u>	<u>45,136,840</u>

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

Table 2 (Continued)

Program Expenses

General Government – Legislative and Executive	4,919,699	-	4,919,699	5,428,807
General Government – Judicial	2,985,165	-	2,985,165	2,284,494
Public Safety	6,669,876	-	6,669,876	6,499,641
Public Works	6,267,671	-	6,267,671	6,982,094
Health	2,012,848	-	2,012,848	1,473,064
Human Service	13,006,536	-	13,006,536	11,244,220
Conservation and Recreation	366,736	-	366,736	412,937
Economic Development and Assistance	209,585	-	209,585	190,967
Urban Redevelopment and housing	324,351	-	324,351	376,316
Interest and Fiscal Charges	417,339	-	417,339	862,468
Wastewater Pollution Control Fund	-	1,982,478	1,982,478	1,846,937
Logan Acres County Home Fund	-	5,412,936	5,412,936	5,052,210
Total Expenses	37,179,806	7,395,414	44,575,220	42,654,155
Increase (Decrease) in Net Assets	\$ 3,895,146	\$ 2,003,950	\$ 5,899,096	\$ 2,482,685

While the budget is tight, no reductions were put into place during 2006, however the 2006 general fund reflects a flat or “no growth” plan.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons are made to 2005.

Table 3
 Governmental Activities

	Total Cost of Services 2006	Net Cost of Services 2006	Restated Total Cost of Services 2005	Restated Net Cost of Services 2005
General Government - Legislative	\$ 4,919,699	\$ 3,145,265	\$ 5,428,807	\$ 3,914,057
General Government - Judicial	2,985,165	1,754,115	2,284,494	887,690
Public Safety	6,669,876	4,974,504	6,499,641	4,451,969
Public Works	6,267,671	(221,520)	6,982,094	368,542
Health	2,012,848	1,965,603	1,473,064	1,440,220
Human Services	13,006,536	5,025,639	11,244,220	4,365,316
Conservation and Recreation	366,736	366,736	412,937	412,937
Economic Development and Assistance	209,585	178,789	190,967	(104,688)
Urban Redevelopment and Housing	324,351	324,351	376,316	(162,824)
Interest and Fiscal Charges	417,339	417,339	862,468	862,468
Total Expenses	37,179,806	17,930,821	35,755,008	16,435,687

The Net Cost of Services is the amount after program revenue is applied to Total Costs. Only Economic Development and Assistance and Urban Redevelopment and Housing had program revenue exceeding program costs. The dependence upon tax revenues for governmental activities is apparent. Only 51.7 percent of expenses are supported through program revenues while the remaining balance is supported by taxes and other general revenues.

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

Business-Type Activities

Business-type activities include the Water Pollution Control Fund and Logan Acres County Home Fund. These programs had revenues of \$9,399,364 and expenses of \$7,395,414 for the year 2006. Business activities receive no support from tax revenues.

The County's Funds

Information about the County's major funds starts on page 11. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$54,001,374 and expenditures of \$56,783,771. The net change in fund balance for the year was most significant in the Capital Improvement Fund, a decrease of \$4,205,245. The capital outlay expenditures of \$3,940,933 contributed significantly to the net decrease because of construction of the new County Home.

General Fund Budgeting Highlights

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

During the course of the year 2006 the County amended its General Fund budget numerous times. The County uses department based budgeting and the budgeting systems are designed to tightly control total department budgets but provide flexibility for site management.

For the General Fund, final budget revenue was \$15,134,500 and actual revenue was \$15,572,309 resulting in a positive variance of \$437,809. Expenditures also had a positive variance for the year of \$114,073.

The County's 2006 ending unobligated General Fund cash balance was \$1,602,496 that was \$484,860 greater than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2006 the County had \$95,524,151 invested in land, buildings, equipment, vehicles, and infrastructure, of which \$75,507,148 was in governmental activities. Table 4 shows the 2006 balances.

Table 4
 Capital Assets at December 31

	Governmental Activities 2006	Business-Type Activities 2006	Total 2006	Total 2005
Land	\$ 4,104,446	\$ 205,526	\$ 4,309,972	\$ 4,309,972
Land Improvements	401,011	175,593	576,604	421,312
Buildings and Improvements	14,420,965	743,281	15,164,246	15,586,000
Machinery, Equip., Vehicles	6,368,703	688,486	7,057,189	5,450,825
Infrastructure	40,869,828	13,914,086	54,783,914	54,007,094
Construction in Progress	9,342,195	4,290,031	13,632,226	6,526,066
Totals	<u>\$ 75,507,148</u>	<u>\$ 20,017,003</u>	<u>\$ 95,524,151</u>	<u>\$ 86,301,269</u>

The primary increase occurred in construction in progress that was for the new county home.

Logan County
Management's Discussion and Analysis
For the Year Ended December 31, 2006
(Unaudited)

Debt

As of December 31, 2006 the County had \$23,855,283 in bonds and notes outstanding, \$6,175,051 due within one year. Table 5 summarizes bonds and notes outstanding.

Table 5
 Outstanding Debt, at Year End

	Governmental Activities 2006	Business- Type Activities 2006	Governmental Activities 2005	Business- Type Activities 2005
Various Purpose Bonds, Series 2	\$ 7,150,000	\$ -	\$ 7,540,000	\$ -
Capital Facilities Note	-	-	9,500,000	-
County Home Revenue Bonds	3,000,000	-	-	-
County Home Construction Bonds	6,500,000	-	-	-
Sewer System Refunding Bonds	-	815,000	-	1,220,000
Sewer Special Assessment Bonds	-	-	-	155,000
O.W.D.A. Loan	-	925,283	-	1,042,177
Sewer System Improvement Notes	-	5,465,000	-	4,850,000
Total	\$ 16,650,000	\$ 7,205,283	\$ 17,040,000	\$ 7,267,177

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

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

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

For the Future

As we begin 2007, the sales tax seems to be improving over last year's numbers and we trust this improvement to continue. If it does, then the County will have another successful year financially.

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

Contacting the County's Financial Management

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

Logan County
Statement of Net Assets
December 31, 2006

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$16,508,620	\$ 2,711,099	\$ 19,219,719	\$ -
Cash and Investments:				
With Fiscal Agents	-	33,303	33,303	781,591
Receivables:				
Taxes	7,807,609	-	7,807,609	-
Accounts	280,863	601,038	881,901	196,358
Special Assessments	144,043	496,938	640,981	-
Accrued Interest	219,119	-	219,119	-
Intergovernmental	4,940,579	224,911	5,165,490	-
Prepaid Items	277,293	72,202	349,495	-
Material and Supplies Inventory	487,938	24,151	512,089	-
Capital assets, No Depreciation	13,446,641	4,495,557	17,942,198	-
Capital assets, net of depreciation	62,060,507	15,521,446	77,581,953	78,864
Total Assets	106,173,212	24,180,645	130,353,857	1,056,813
<u>Liabilities</u>				
Accounts Payable	977,623	320,911	1,298,534	45,354
Contracts Payable	-	219,236	219,236	-
Accrued Wages	613,241	144,240	757,481	13,129
Due to Other Governments	571,849	125,635	697,484	9,335
Deferred Revenue	6,115,090	-	6,115,090	-
Deposits Held and due to Others	-	33,203	33,203	-
Accrued Interest Payable	74,569	29,790	104,359	-
Long-Term Liabilities:				
Due within one year	1,511,770	5,786,972	7,298,742	2,082
Due in more than one year	16,512,318	1,605,907	18,118,225	-
Total Liabilities	26,376,460	8,265,894	34,642,354	69,900
<u>Net Assets</u>				
Invested in capital assets, net of related debt	58,857,148	12,811,720	71,668,868	87,299
Restricted for:				
Other Purposes	1,799,793	-	1,799,793	-
Unrestricted (deficit)	19,139,811	3,103,031	22,242,842	899,614
Total Net Assets	\$79,796,752	\$15,914,751	\$ 95,711,503	\$ 986,913

See accompanying notes to the basic financial statements.

Logan County
Statement of Activities
For the Year Ended December 31, 2006

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services and Sales	Operating	Capital	Primary Government		Total	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-Type Activities		
Primary government:								
Governmental Activities:								
General Government:								
Legislative and Executive	\$ 4,919,699	\$ 1,364,085	\$ 4,148	\$ 406,201	\$ (3,145,265)		\$ (3,145,265)	
Judicial	2,985,165	513,014	718,036	-	(1,754,115)		(1,754,115)	
Public Safety	6,669,876	862,449	832,923	-	(4,974,504)		(4,974,504)	
Public Works	6,267,671	1,477,331	5,011,860	-	221,520		221,520	
Health	2,012,848	47,245	-	-	(1,965,603)		(1,965,603)	
Human Service	13,006,536	321,595	7,659,302	-	(5,025,639)		(5,025,639)	
Conservation and Recreation	366,736	-	-	-	(366,736)		(366,736)	
Economic Development and Assistance	209,585	-	30,796	-	(178,789)		(178,789)	
Urban Redevelopment and Housing	324,351	-	-	-	(324,351)		(324,351)	
Interest and Fiscal Charges	417,339	-	-	-	(417,339)		(417,339)	
Total Governmental Activities	<u>37,179,806</u>	<u>4,585,719</u>	<u>14,257,065</u>	<u>406,201</u>	<u>(17,930,821)</u>		<u>(17,930,821)</u>	
Business-Type activities:								
Water Pollution Control Fund	1,982,478	2,059,967	1,313,382	-		1,390,871	1,390,871	
Logan Acres County Home Fund	5,412,936	3,390,632	2,328,303	-		305,999	305,999	
Total Business-Type activities	<u>7,395,414</u>	<u>5,450,599</u>	<u>3,641,685</u>	<u>-</u>	<u>-</u>	<u>1,696,870</u>	<u>1,696,870</u>	
Total Primary Government	<u>\$ 44,575,220</u>	<u>\$ 10,036,318</u>	<u>\$ 17,898,750</u>	<u>\$ 406,201</u>	<u>(17,930,821)</u>	<u>1,696,870</u>	<u>(16,233,951)</u>	
Component Unit:								
RTC Industries, Inc.	\$ 699,283	\$ 848,161	\$ -	\$ -				\$ 148,878
Total Component Unit	<u>\$ 699,283</u>	<u>\$ 848,161</u>	<u>\$ -</u>	<u>\$ -</u>				<u>148,878</u>
General revenues:								
Taxes:								
Property and sales taxes for general purposes					14,366,412	-	14,366,412	-
Fines & Forfeitures					268,604	-	268,604	-
Grants & Contributions not restricted to specific programs					4,210,815	-	4,210,815	-
Unrestricted Investment earnings					1,418,607	74,368	1,492,975	78,647
Miscellaneous					1,576,084	218,157	1,794,241	
Transfers					(14,555)	14,555	-	-
Total general revenues					<u>21,825,967</u>	<u>307,080</u>	<u>22,133,047</u>	<u>78,647</u>
Change in net assets					3,895,146	2,003,950	5,899,096	227,525
Net Assets - January 1, 2006 (As Restated)					<u>75,901,606</u>	<u>13,910,801</u>	<u>89,812,407</u>	<u>759,388</u>
Net Assets - December 31, 2006					<u>\$ 79,796,752</u>	<u>\$ 15,914,751</u>	<u>\$ 95,711,503</u>	<u>\$ 986,913</u>

See accompanying notes to the basic financial statements.

Logan County
Balance Sheet
Governmental Funds
December 31, 2006

	General	Auto and Gas	Job & Family Services	Board of MRDD
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,988,518	\$ 1,072,723	\$ 552,891	\$ 2,573,208
Receivables:				
Taxes	3,217,484	-	-	3,623,727
Accounts	128,463	4,786	-	8,542
Special Assessments	-	-	-	-
Accrued Interest	219,119	-	-	-
Intergovernmental	1,134,932	2,373,434	-	451,683
Prepaid Items	111,877	26,956	19,547	76,019
Material and Supply Inventory	43,088	412,463	-	12,366
Advances to Other Funds	61,172	-	-	-
	<u>\$ 6,904,653</u>	<u>\$ 3,890,362</u>	<u>\$ 572,438</u>	<u>\$ 6,745,545</u>
Total Assets				
	<u>\$ 6,904,653</u>	<u>\$ 3,890,362</u>	<u>\$ 572,438</u>	<u>\$ 6,745,545</u>
<u>Liabilities</u>				
Accounts Payable	\$ 207,306	\$ 92,138	\$ 108,511	\$ 39,731
Accrued Wages	239,110	55,563	61,918	124,159
Due to Other Governments	236,827	52,464	57,811	108,650
Deferred Revenue	3,694,392	2,252,842	-	3,941,233
Advances from Other Funds	-	-	-	-
	<u>4,377,635</u>	<u>2,453,007</u>	<u>228,240</u>	<u>4,213,773</u>
Total Liabilities				
	<u>4,377,635</u>	<u>2,453,007</u>	<u>228,240</u>	<u>4,213,773</u>
<u>Fund Balances:</u>				
Reserved for Encumbrances	206,530	22,018	110,888	7,823
Reserved for Inventory	43,088	412,463	-	12,366
Reserved for Advances	61,172	-	-	-
Unreserved	2,216,228	-	-	-
Unreserved , Reported in:				
Special Revenue Funds	-	1,002,874	233,310	2,511,583
Capital Projects Funds	-	-	-	-
	<u>2,527,018</u>	<u>1,437,355</u>	<u>344,198</u>	<u>2,531,772</u>
Total Fund Balances				
	<u>2,527,018</u>	<u>1,437,355</u>	<u>344,198</u>	<u>2,531,772</u>
Total Liabilities and Fund Balances	<u>\$ 6,904,653</u>	<u>\$ 3,890,362</u>	<u>\$ 572,438</u>	<u>\$ 6,745,545</u>

See accompanying notes to the basis financial statements.

<u>Children Services</u>	<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,411,692	\$ 104,645	\$ 7,804,943	\$ 16,508,620
966,398	-	-	7,807,609
7,542	-	131,530	280,863
-	-	144,043	144,043
-	-	-	219,119
413,462	-	567,068	4,940,579
15,092	-	27,802	277,293
7,551	-	12,470	487,938
-	-	108,641	169,813
<u>\$ 3,821,737</u>	<u>\$ 104,645</u>	<u>\$ 8,796,497</u>	<u>\$ 30,835,877</u>
\$ 84,784	\$ 700	\$ 444,453	\$ 977,623
43,113	-	89,378	613,241
38,379	-	77,718	571,849
1,371,233	-	686,635	11,946,335
-	-	169,813	169,813
<u>1,537,509</u>	<u>700</u>	<u>1,467,997</u>	<u>14,278,861</u>
25,006	87,891	681,886	1,142,042
7,551	-	12,470	487,938
-	-	108,641	169,813
-	-	55,399	2,271,627
2,251,671	-	6,251,727	12,251,165
-	16,054	218,377	234,431
<u>2,284,228</u>	<u>103,945</u>	<u>7,328,500</u>	<u>16,557,016</u>
<u>\$ 3,821,737</u>	<u>\$ 104,645</u>	<u>\$ 8,796,497</u>	<u>\$ 30,835,877</u>

Logan County
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2006

Total Governmental Fund Balances	\$ 16,557,016
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	75,507,148
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Taxes	\$ 1,190,800	
Grants	4,424,113	
Accounts Receivable	27,297	
Accrued Interest On Investments	189,035	5,831,245

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

Accrued Interest Payable	\$ (74,569)	
Bonds & Notes	(16,650,000)	
Compensated Absences Payable	(1,374,088)	(18,098,657)

Net Assets of Governmental Activities

Net Assets of Governmental Activities	<u>\$ 79,796,752</u>
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See accompanying notes to the basis financial statements.

Logan County
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Auto and Gas	Job & Family Services	Board of MRDD
Revenues:				
Taxes	\$ 7,988,764	\$ -	\$ -	\$ 4,314,222
Intergovernmental	3,845,352	3,728,368	4,153,781	1,938,908
Investment Income	1,121,421	31,925	-	-
Licenses and Permits	93,057	-	-	-
Fines and Forfeitures	183,075	43,092	-	-
Special Assessments	-	-	-	-
Charges for Services	2,297,011	205,849	-	144,830
Miscellaneous	272,087	2,200	181,792	494,371
Total Revenue	15,800,767	4,011,434	4,335,573	6,892,331
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,292,859	-	-	-
Judicial	1,854,847	-	-	-
Public Safety	5,656,653	-	-	-
Public Works	130,718	3,758,640	-	-
Health	153,667	-	-	-
Human Service	301,989	-	4,136,300	5,304,055
Conservation and Recreation	329,900	-	-	-
Economic Development and Assistance	-	-	-	-
Urban Redevelopment and Housing	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	12,720,633	3,758,640	4,136,300	5,304,055
Excess of Revenues Over (Under) Expenditures	3,080,134	252,794	199,273	1,588,276
Other Financing Sources (Uses):				
Proceeds from Bonds	-	-	-	-
Transfers In	-	-	101,295	-
Transfers Out	(3,378,460)	-	-	-
Total Other Sources (Uses)	(3,378,460)	-	101,295	-
Net Change in Fund Balance	(298,326)	252,794	300,568	1,588,276
Fund Balances (Deficit) at Beginning of Year - As Restated	2,822,139	1,238,619	43,630	940,446
Increase (Decrease) in Reserve for Inventory	3,205	(54,058)	-	3,050
Fund Balances (Deficits) End of Year	\$ 2,527,018	\$ 1,437,355	\$ 344,198	\$ 2,531,772

See accompanying notes to the basic financial statements.

Children Services	Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$ 1,104,328	\$ -	\$ 617,069	\$ 14,024,383
1,323,651	-	4,530,576	19,520,636
-	115,688	19,695	1,288,729
-	-	60,033	153,090
-	-	47,061	273,228
-	-	45,425	45,425
3,352	-	1,742,661	4,393,703
11,971	-	460,573	1,422,994
<u>2,443,302</u>	<u>115,688</u>	<u>7,523,093</u>	<u>41,122,188</u>
-	-	891,702	5,184,561
-	-	1,148,746	3,003,593
-	-	745,544	6,402,197
-	-	3,001,506	6,890,864
-	-	1,817,720	1,971,387
2,283,898	3,940,933	1,905,005	17,872,180
-	-	27,449	357,349
-	-	209,526	209,526
-	-	324,351	324,351
-	9,500,000	390,000	9,890,000
-	380,000	310,223	690,223
<u>2,283,898</u>	<u>13,820,933</u>	<u>10,771,772</u>	<u>52,796,231</u>
<u>159,404</u>	<u>(13,705,245)</u>	<u>(3,248,679)</u>	<u>(11,674,043)</u>
-	9,500,000	-	9,500,000
-	-	3,277,891	3,379,186
-	-	(15,281)	(3,393,741)
<u>-</u>	<u>9,500,000</u>	<u>3,262,610</u>	<u>9,485,445</u>
159,404	(4,205,245)	13,931	(2,188,598)
2,124,824	4,309,190	7,303,174	18,782,022
-	-	11,395	(36,408)
<u>\$ 2,284,228</u>	<u>\$ 103,945</u>	<u>\$ 7,328,500</u>	<u>\$ 16,557,016</u>

Logan County
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2006

Net Change in Fund Balances - Total Governmental Funds \$ (2,188,598)

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

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

Capital Outlay	\$ 8,220,395	
Depreciation	<u>(2,622,761)</u>	5,597,634

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

Property Taxes	\$ 342,029	
Charges for Services	6,056	
Fines and Forfeitures	(4,624)	
Intergovernmental Grants	(652,106)	
Special Assessments	144,043	
Interest Income	129,878	
Miscellaneous Income	<u>2,043</u>	(32,681)

Proceeds from debt principal is a revenue in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.

Proceeds of Notes	\$ (9,500,000)	
Principial Payments	<u>9,890,000</u>	390,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 272,884

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

Reserve for Inventory	\$ (36,408)	
Compensated Absences	<u>(107,685)</u>	(144,093)

Change in Net Assets of Governmental Activities \$ 3,895,146

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
General Fund
December 31, 2006

	Budgeted Amounts			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,622,705	\$ 2,622,705	\$ 2,558,810	\$ (63,895)
Intergovernmental	9,157,500	9,157,500	9,012,810	(144,690)
Investment Income	765,000	765,000	1,114,133	349,133
Licenses and Permits	131,070	131,070	93,057	(38,013)
Fines and Forfeitures	170,000	170,000	184,194	14,194
Charges for Services	2,125,300	2,125,300	2,299,264	173,964
Miscellaneous	162,925	162,925	310,041	147,116
Total Revenue	<u>15,134,500</u>	<u>15,134,500</u>	<u>15,572,309</u>	<u>437,809</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive	4,507,543	4,164,771	4,178,568	(13,797)
Judicial	1,782,964	1,824,965	1,799,248	25,717
Public Safety	5,131,893	5,624,454	5,640,370	(15,916)
Public Works	239,050	127,820	127,648	172
Health	166,831	150,031	152,402	(2,371)
Human Service	481,237	431,081	310,813	120,268
Conservation and Recreation	329,391	329,900	329,900	-
Total Expenditures	<u>12,638,909</u>	<u>12,653,022</u>	<u>12,538,949</u>	<u>114,073</u>
Excess of Revenues Over (Under) Expenditures	2,495,591	2,481,478	3,033,360	551,882
Other Financing Sources (Uses)				
Advances In	43,000	43,000	15,881	(27,119)
Advance Out	0	(40,040)	(40,040)	-
Transfers In	40,000	40,000	-	(40,000)
Transfers Out	(3,189,220)	(3,378,557)	(3,378,460)	97
Total Other Financing Sources	<u>(3,106,220)</u>	<u>(3,335,597)</u>	<u>(3,402,619)</u>	<u>(67,022)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(610,629)	(854,119)	(369,259)	484,860
Fund Balances at Beginning of Year	1,309,463	1,309,463	1,309,463	-
Prior Year Encumbrances Appropriated	662,292	662,292	662,292	-
Fund Balances (Deficit) at End of Year	<u>\$ 1,361,126</u>	<u>\$ 1,117,636</u>	<u>\$ 1,602,496</u>	<u>\$ 484,860</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Auto and Gas Fund
December 31, 2006

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,640,000	\$ 3,640,000	\$ 3,910,904	\$ 270,904
Investment Income	25,000	25,000	31,925	6,925
Fines and Forfeitures	50,000	50,000	41,235	(8,765)
Charges for Services	102,000	102,000	205,849	103,849
Miscellaneous	70,000	70,000	2,200	(67,800)
Total Revenue	<u>3,887,000</u>	<u>3,887,000</u>	<u>4,192,113</u>	<u>305,113</u>
Expenditures:				
Current:				
Public Works	4,389,200	4,389,200	3,936,796	452,404
Total Expenditures	<u>4,389,200</u>	<u>4,389,200</u>	<u>3,936,796</u>	<u>452,404</u>
Excess of Revenues Over (Under) Expenditures	(502,200)	(502,200)	255,317	757,517
Fund Balances at Beginning of Year	518,639	518,639	518,639	-
Prior Year Encumbrances Appropriated	184,611	184,611	184,611	-
Fund Balances (Deficit) at End of Year	<u>\$ 201,050</u>	<u>\$ 201,050</u>	<u>\$ 958,567</u>	<u>\$ 757,517</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Job and Family Services Fund
December 31, 2006

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,355,411	\$ 3,880,411	\$ 4,153,781	\$ 273,370
Miscellaneous	252,500	252,500	181,792	(70,708)
Total Revenue	3,607,911	4,132,911	4,335,573	202,662
Expenditures:				
Current:				
Human Service	3,810,500	4,383,751	4,346,919	36,832
Total Expenditures	3,810,500	4,383,751	4,346,919	36,832
Excess of Revenues Over (Under) Expenditures	(202,589)	(250,840)	(11,346)	239,494
Other Financing Sources (Uses)				
Transfers In	202,589	202,589	101,295	(101,294)
Total Other Financing Sources	202,589	202,589	101,295	(101,294)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	(48,251)	89,949	138,200
Fund Balances at Beginning of Year	91,636	91,636	91,636	-
Prior Year Encumbrances Appropriated	154,455	154,455	154,455	-
Fund Balances (Deficit) at End of Year	<u>\$ 246,091</u>	<u>\$ 197,840</u>	<u>\$ 336,040</u>	<u>\$ 138,200</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Board of MRDD Fund
December 31, 2006

	Budgeted Amounts			Variance Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 4,155,000	\$ 4,155,000	\$ 4,306,276	\$ 151,276
Intergovernmental	1,049,178	1,195,112	1,938,699	743,587
Charges for Services	400,936	145,000	171,851	26,851
Miscellaneous	195,000	430,936	494,371	63,435
Total Revenue	<u>5,800,114</u>	<u>5,926,048</u>	<u>6,911,197</u>	<u>985,149</u>
Expenditures:				
Current:				
Human Service	6,724,881	6,724,881	5,372,048	1,352,833
Total Expenditures	<u>6,724,881</u>	<u>6,724,881</u>	<u>5,372,048</u>	<u>1,352,833</u>
Excess of Revenues Over (Under) Expenditures	(924,767)	(798,833)	1,539,149	2,337,982
Fund Balances at Beginning of Year	909,266	909,266	909,266	-
Prior Year Encumbrances Appropriated	79,463	79,463	79,463	-
Fund Balances (Deficit) at End of Year	<u>\$ 63,962</u>	<u>\$ 189,896</u>	<u>\$ 2,527,878</u>	<u>\$ 2,337,982</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP) and Actual
Children Services Fund
December 31, 2006

	Budgeted Amounts		Actual	Variance Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,125,000	\$ 1,125,000	\$ 1,123,439	\$ (1,561)
Intergovernmental	865,000	1,040,000	1,345,130	305,130
Charges for Services	176,000	1,000	750	(250)
Miscellaneous	13,000	13,000	12,263	(737)
Total Revenue	2,179,000	2,179,000	2,481,582	302,582
Expenditures:				
Current:				
Human Service	2,309,000	2,414,000	2,377,431	36,569
Total Expenditures	2,309,000	2,414,000	2,377,431	36,569
Excess of Revenues Over (Under) Expenditures	(130,000)	(235,000)	104,151	339,151
Fund Balances at Beginning of Year	2,123,403	2,123,403	2,123,403	-
Prior Year Encumbrances Appropriated	74,346	74,346	74,346	-
Fund Balances (Deficit) at End of Year	\$ 2,067,749	\$ 1,962,749	\$ 2,301,900	\$ 339,151

See accompanying notes to the basic financial statements.

Logan County
Statement of Net Assets
Proprietary Funds
December 31, 2006

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 2,090,423	\$ 620,676	\$ 2,711,099
Cash and Cash Equivalents:			
With Fiscal Agents	15,005	18,298	33,303
Receivables:			
Accounts	223,849	377,189	601,038
Special Assessments	496,938	-	496,938
Due from Other Governments	-	224,911	224,911
Prepaid Items	14,227	57,975	72,202
Material and Supplies Inventory	-	24,151	24,151
Total Current Assets	<u>2,840,442</u>	<u>1,323,200</u>	<u>4,163,642</u>
Capital Asset, No Depreciation	3,517,496	978,061	4,495,557
Capital Assets, (Net of Accumulated Depreciation)	<u>14,955,143</u>	<u>566,303</u>	<u>15,521,446</u>
Total Assets	<u>\$ 21,313,081</u>	<u>\$ 2,867,564</u>	<u>\$ 24,180,645</u>
<u>Liabilities</u>			
Current Liabilities:			
Accounts Payable	\$ 169,985	\$ 150,926	\$ 320,911
Contracts Payable	-	219,236	219,236
Accrued Wages	23,165	121,075	144,240
Compensated Absences Payable	40,481	123,440	163,921
Due to Other Governments	18,633	107,002	125,635
Deposits Held and Due to Others	14,905	18,298	33,203
Accrued Interest Payable	29,790	-	29,790
Bonds & Notes Payable	<u>5,623,051</u>	<u>-</u>	<u>5,623,051</u>
Total Current Liabilities	5,920,010	739,977	6,659,987
Long-Term Liabilities:			
Compensated Absences Payable	9,886	13,789	23,675
Revenue Bonds Payable	780,000	-	780,000
OWDA Loan Payable	<u>802,232</u>	<u>-</u>	<u>802,232</u>
Total Long-Term Liabilities	<u>1,592,118</u>	<u>13,789</u>	<u>1,605,907</u>
Total Liabilities	7,512,128	753,766	8,265,894
<u>Net Assets</u>			
Invested in capital assets, net of related debt	11,267,356	1,544,364	12,811,720
Unrestricted	<u>2,533,597</u>	<u>569,434</u>	<u>3,103,031</u>
Total Net Assets	<u>\$ 13,800,953</u>	<u>\$ 2,113,798</u>	<u>\$ 15,914,751</u>

See accompanying notes to the basis financial statements.

Logan County
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2006

	Business-Type Activities - Enterprise Funds		
	Water Pollution Control	Logan Acres Home	Totals
Operating Revenues:			
Charges for Services	\$ 1,805,265	\$ 3,390,632	\$ 5,195,897
Special Assessment	254,702	-	254,702
Intergovernmental Revenue	1,313,382	2,328,303	3,641,685
Other Operating Revenues	54,266	36,263	90,529
Total Operating Revenues	<u>3,427,615</u>	<u>5,755,198</u>	<u>9,182,813</u>
Operating Expenses:			
Personal Services	689,933	3,873,727	4,563,660
Contractual Services	597,572	795,136	1,392,708
Materials and Supplies	101,432	630,163	731,595
Other Operating Expense	17,274	84,812	102,086
Depreciation	326,607	29,098	355,705
Total Operating Expenses	<u>1,732,818</u>	<u>5,412,936</u>	<u>7,145,754</u>
Operating Income (Loss)	<u>1,694,797</u>	<u>342,262</u>	<u>2,037,059</u>
Non-Operating Revenues (Expenses):			
Tap-In Fees	127,628	-	127,628
Interest Income	74,368	-	74,368
Interest and Fiscal Charges	(249,660)	-	(249,660)
Total Non-Operating Revenues (Expenses)	<u>(47,664)</u>	<u>-</u>	<u>(47,664)</u>
Income (Loss) before transfers	1,647,133	342,262	1,989,395
Transfers in	53,555	-	53,555
Transfers out	(39,000)	-	(39,000)
Change in Net Assets	1,661,688	342,262	2,003,950
Total Net Assets at Beginning of Year	<u>12,139,265</u>	<u>1,771,536</u>	<u>13,910,801</u>
Total Net Assets at End of Year	<u>\$ 13,800,953</u>	<u>\$ 2,113,798</u>	<u>\$ 15,914,751</u>

See accompanying notes to the basic financial statements.

Logan County
Statement of Cash Flows-Proprietary Funds
For the Year Ended December 31, 2006

	Business-Type Activities - Enterprise Fund		
	Water Pollution Control	Logan Acres Home	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received for Services	\$ 2,257,962	\$ 3,230,107	\$5,488,069
Cash Received from Other Governments	1,313,382	2,320,276	3,633,658
Cash Received from Other Operating Sources	57,480	36,263	93,743
Net Change in Deposits	(917)	(4,987)	(5,904)
Cash Payments to Suppliers for Goods and Services	(708,745)	(1,470,481)	(2,179,226)
Cash Payments to Employees for Services	(668,295)	(3,849,194)	(4,517,489)
Cash Payment for Other Services	(16,534)	(83,876)	(100,410)
Net Cash Provided by (Used in) Operating Activities	<u>2,234,333</u>	<u>178,108</u>	<u>2,412,441</u>
Cash Flows from Noncapital Financing Activities:			
Tap-In Fees	129,613	-	129,613
Transfers In	783,058	-	783,058
Transfers Out	(729,503)	-	(729,503)
Net Cash Provided by Noncapital Financing Activities	<u>183,168</u>	<u>-</u>	<u>183,168</u>
Cash Flows from Capital & Related Financing Activities:			
Proceeds of Notes	5,465,000	-	5,465,000
Principal Payments - Bonds	(5,565,893)	-	(5,565,893)
Payments for Capital Acquisitions	(3,746,943)	(139,014)	(3,885,957)
Interest Paid	(320,990)	-	(320,990)
Net Cash Provided by Capital and Related Financing Activities	<u>(4,168,826)</u>	<u>(139,014)</u>	<u>(4,307,840)</u>
Cash Flows from Investing Activities:			
Interest Income	74,368	-	74,368
Net Cash Provided by Investing Activities	<u>74,368</u>	<u>-</u>	<u>74,368</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,676,957)	39,094	(1,637,863)
Cash and Cash Equivalents Beginning of Year	3,782,385	599,880	4,382,265
Cash and Cash Equivalents End of Year	<u>\$ 2,105,428</u>	<u>\$ 638,974</u>	<u>\$ 2,744,402</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ 1,694,797	\$ 342,262	\$ 2,037,059
Adjustments:			
Net Cash from Operating Activities:			
Depreciation Expense	326,607	29,098	355,705
Tap-In Fees	(1,985)	-	(1,985)
(Increase) Decrease in Assets:			
Accounts Receivable	(11,537)	(160,525)	(172,062)
Special Assessments Receivable	214,731	-	214,731
Due from Other Governments	-	(8,027)	(8,027)
Materials and Supplies Inventory	-	(3,997)	(3,997)
Prepaid Items	(13,781)	(42,777)	(56,558)
Increase (Decrease) in Liabilities:			
Accounts Payable	(120,311)	4,483	(115,828)
Accounts Payable from Capital Assets	125,091	(851)	124,240
Accrued Wages and Benefits	5,098	(24,233)	(19,135)
Compensated Absences Payable	9,668	8,591	18,259
Due to Other Governments	6,872	39,071	45,943
Deposits Held for Others	(917)	(4,987)	(5,904)
Total Adjustments	<u>539,536</u>	<u>(164,154)</u>	<u>375,382</u>
Net Cash Provided by Operating Activities	<u>\$ 2,234,333</u>	<u>\$ 178,108</u>	<u>\$ 2,412,441</u>

Note: The county capitalized \$219,236 of construction-in-progress acquisition in which the whole amount is contracts payable. Therefore, it is a non-cash transaction and will not effect cash flows statement above.

See accompanying notes to the basic financial statements.

Logan County
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2006

	Private Purpose Trust	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$ 180,825	\$ 4,262,744
Cash and Cash Equivalents:		
With Fiscal Agents	-	431,636
Receivables:		
Taxes	-	42,478,568
Accounts	-	5,333
Special Assessments	-	281,966
Accrued Interest	818	-
Intergovernmental	-	2,424,580
Total Assets	181,643	49,884,827
 <u>Liabilities:</u>		
Accounts Payable	-	85,016
Due to Other Governments	-	3,515,624
Undistributed Monies	-	46,284,187
Claims & Judgements Payable	87,347	-
Total Liabilities	87,347	49,884,827
 <u>Net Assets</u>		
Restricted for:		
Reserved for Veterans	70,787	-
Unrestricted:		
Undesignated	23,509	-
Total Net Assets	\$ 94,296	\$ -

See accompanying notes to the basic financial statements.

Logan County
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended December 31, 2006

	<u>Private Trust</u>
Additions:	
Investment Income	\$ 2,853
Total Additions	<u>2,853</u>
Deductions:	
Other Operating Expense	<u>896</u>
Total Deductions	<u>896</u>
Change in Net Assets	1,957
Total Net Assets at Beginning of Year	<u>92,339</u>
Total Net Assets at End of Year	<u><u>\$ 94,296</u></u>

See accompanying notes to the basic financial statements.

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 1 -- DESCRIPTION OF THE ENTITY AND REPORTING ENTITY

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

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT

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

JOINTLY GOVERNED ORGANIZATIONS

County Risk Sharing Authority, Inc. (CORSA) - CORSA is jointly governed by forty-one counties in Ohio. CORSA was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA Insurance/Self-Insurance Program, a group primary and excess insurance/self-insurance and risk management program. Member counties agree to jointly participate in coverage of losses and pay all

Logan County
Notes to the Financial Statements
December 31, 2006

contributions necessary for the specified insurance coverage provided by CORSA. This coverage includes comprehensive general liability, automobile liability, certain property insurance and public officials' errors and omissions liability insurance.

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

RELATED ORGANIZATIONS

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

EXCLUDED POTENTIAL COMPONENT UNITS

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

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

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

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

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

NOTE 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. BASIS OF PRESENTATION

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

Logan County
Notes to the Financial Statements
December 31, 2006

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. FUND ACCOUNTING

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

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

Governmental Funds

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

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

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

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

Logan County
Notes to the Financial Statements
December 31, 2006

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

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

Capital Improvement Fund – The Capital Improvement Fund is used to account for the revenues and expenditures necessary in the acquisition or construction of the County’s major capital assets.

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

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service. Presently, there are no internal service funds.

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

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

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

Internal Service Funds - Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds

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

C. MEASUREMENT FOCUS

Government Wide Financial Statements

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

Logan County
Notes to the Financial Statements
December 31, 2006

Fund Financial Statements

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

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

D. BASIS OF ACCOUNTING

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

Deferred revenues, as reported on the balance sheet, arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods,

Logan County
Notes to the Financial Statements
December 31, 2006

when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes that are measurable as of December 31, 2006, but are intended to finance 2007 operations, and delinquent property taxes, whose availability is indeterminate, have been recorded as deferred revenue. Also non-exchange receivables have been deferred, such as, gasoline taxes, motor vehicle license fees, homestead and rollback, permissive license taxes, local government funds and CDBG, MRDD, VOCA, and other small grants. Revenue sources not susceptible to accrual include dog and vendor licenses, donations and some fines and forfeitures.

Expenses/Expenditures

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

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

E. BUDGET

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

Estimated Resources:

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County Auditor by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2006.

Appropriations:

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

Logan County
Notes to the Financial Statements
December 31, 2006

figures, which appear in the statement of budgetary comparisons, present the original and final appropriation amounts including all amendments and modifications.

Encumbrances:

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

Lapsing of Appropriations:

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

F. CASH AND INVESTMENTS

For GASB reporting purposes the County considers "Equity in Pooled Cash and Investments" to be cash on hand, demand deposits, and all investments held by the County Treasurer; and "Cash and Cash Equivalent with Fiscal Agents" to be all cash, deposits, and investments not held by the County Treasurer or in the County's investment pool. The County Treasurer, by statute, invests all short-term cash surpluses. The residual investments are reported on the balance sheet as "Equity in Pooled Cash and Investments". Interest income was credited to the General, Ludlow Center Regional Planning, Capital Improvement, Water Pollution Control, and the Chase Stewart Expendable Trust Funds. Interest income earned by these funds in 2006 totaled \$1,495,828. Investments are reported at fair value (See Note 4). All coupon-bearing instruments include the cost of accrued interest paid until such time as the first coupon comes due. Premiums paid for coupon bearing investments are amortized using the straight-line method; discounts are not amortized.

G. INVENTORIES

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

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

H. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed.

I. CAPITAL ASSETS

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

Logan County
Notes to the Financial Statements
December 31, 2006

and in the respective funds.

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

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

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

J. INTERFUND BALANCES

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

K. COMPENSATED ABSENCES

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

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

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

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

Logan County
Notes to the Financial Statements
December 31, 2006

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

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

M. FUND BALANCE RESERVES

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

N. NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The majority of net assets reported as restricted include auto and gas tax, MRDD, Children services, job and family services, and other programs.

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

O. OPERATING REVENUES AND EXPENSE

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

P. CONTRIBUTION OF CAPITAL

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

Logan County
Notes to the Financial Statements
December 31, 2006

Q. INTERFUND ACTIVITY

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

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

R. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of Council and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2006.

S. ESTIMATES

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

NOTE 3 -- BUDGET BASIS OF ACCOUNTING

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

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

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

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

	Net Change in Fund Balances			
	General	Auto and Gas	MRDD	Children Services
	Fund	Fund	Fund	Fund
	Fund	Fund	Fund	Fund
Budget Basis	\$ (369,259)	\$ 255,317	\$ 1,539,149	\$ 104,151
Adjustments				
Revenue Accruals:				
Accrued 2005				
Received in Cash 2006	(856,800)	(306,057)	(161,585)	(54,449)
Accrued 2006				
Not yet Received in Cash	679,057	125,378	142,719	16,169
Expenditure Accruals:				
Accrued 2006				
Not yet Paid in Cash	526,240	237,209	219,184	134,925
Accrued 2005				
Paid in Cash 2006	(687,745)	(173,209)	(196,521)	(151,184)
Encumbrances	386,022	114,156	45,330	109,792
Advances In	(15,881)	-	-	-
Transfer Out	40,040	-	-	-
GAAP Basis	\$ (298,326)	\$ 252,794	\$ 1,588,276	\$ 159,404

NOTE 4 -- DEPOSITS AND INVESTMENTS

Deposits

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

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

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

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

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

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

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

A. Cash on Hand

At year-end, the County Treasurer had \$8,000 in undeposited drawer and petty cash funds that is included in the financial statements as "Equity in Pooled Cash and Investments. Cash on hand in undeposited drawer and petty cash fund in county departments was \$1,650 that is included in "Cash With Fiscal Agents".

B. Deposits with Financial Institutions

At year-end, the carrying amount of the County's deposits was \$20,577,901. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2006, \$1,202,685 of the County's bank balance of \$21,431,699 was covered by the Federal Deposit Insurance Corporation, while \$20,229,014 was exposed to custodial risk as discussed below.

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

C. Investments

As of June 30, 2006, the District had the following investment and maturities:

Investment Type	Balance at Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 months and over
Repurchase Agreement - Huntington Banking	\$ 58,967	\$ 58,967	\$ -	\$ -	\$ -
Federal Home Loan Bank	1,919,445	499,690	670,925	748,830	-
Federal National Mortgage Association	1,407,106	-	496,250	499,690	411,166
Government National Mortgage Association	155,158	-	-	-	155,158
	<u>\$ 3,540,676</u>	<u>\$ 558,657</u>	<u>\$ 1,167,175</u>	<u>\$ 1,248,520</u>	<u>\$ 566,324</u>

The weighted average maturity of investments is 1.88 years.

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

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

Concentration of Credit Risk: The County places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the County at December 31, 2006:

Investment Type	Fair Value	% of Total
Repurchase Agreement - Huntington Bank	\$ 58,967	1.67
Federal Agency Securities	3,326,551	93.95
Governmental Agency Securities	155,158	4.38
	<u>\$ 3,540,676</u>	<u>100.00</u>

Logan County
Notes to the Financial Statements
December 31, 2006

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

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2006:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$20,577,901
Investments	3,540,676
Cash on Hand	<u>9,650</u>
Total	<u>\$24,128,227</u>
<u>Cash and Investments per Statement of Net Assets</u>	
Governmental and Business-Type Activities	19,253,022
Private-purpose trust funds	180,825
Agency funds	<u>4,694,380</u>
Total	<u>\$24,128,227</u>

NOTE 5 -- INTERFUND TRANSACTIONS

A. The following is a summarized breakdown of the County's operating transfers for 2006.

<u>Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$3,378,460
Job and Family Services	101,295	-
Other Governmental Funds	<u>3,277,891</u>	<u>15,281</u>
Total Governmental Funds	3,379,186	3,393,741
Proprietary Funds:		
Indian Lake Water Pollution Control	<u>53,555</u>	<u>39,000</u>
Totals	<u>\$3,432,741</u>	<u>\$3,432,741</u>

NOTE 6 -- ADVANCES

A. The following interfund payables and receivables are due at December 31, 2006:

<u>Funds:</u>	<u>Advances To</u>	<u>Advances From</u>
General Fund	\$ 61,172	\$ -
Other governmental Funds	<u>108,641</u>	<u>169,813</u>
Total Governmental Funds	<u>\$ 169,813</u>	<u>\$ 169,813</u>

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 7 -- RECEIVABLES

Receivables at December 31, 2006, consisted primarily of sales taxes, property and other taxes, intergovernmental receivables arising from entitlements, shared revenues, special assessments, accrued interest on investments, and accounts receivable. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are currently 25% of true value. The assessed value upon which the 2006 taxes were collected was \$743,171,590. The full tax rate for all County operations applied to real property for the year ended December 31, 2006, was \$2.50 per \$1,000 of assessed valuation.

Real property taxes for tax year 2006 are payable annually or semi-annually. If paid annually, payment is due February 10, 2006. If paid semi-annually, the first payment is due February 10, 2006 and the remainder payable by July 20, 2006. Under certain circumstances, state statute permits earlier or later payment dates to be established.

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

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

"Real and Other Taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of the last settlement (net of allowances for estimated uncollectible) and real and public utility taxes which were measurable as of the year end. Since the current levy is not intended to finance 2006 operations, the receivable is offset by a credit to "Deferred Revenue". The delinquent real, public utility and tangible personal property taxes that will become available to the County within the first 30 days of 2006 are shown as 2006 revenue; the remainder are shown as "Deferred Revenue".

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

Logan County
Notes to the Financial Statements
December 31, 2006

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Local Government and Local Government	
Revenue Assistance	\$ 525,780
Gasoline and Excise Tax	1,275,654
Auto Registration Fees	1,097,780
Homestead and Rollback	626,706
CDBG Formula Grants	32,110
Title XX	20,674
Early Childhood Special Education, IDEA	41,593
Special Education, Part B-IDEA Grant	69,911
Children Services	322,828
VOCA and SVAA Grants	43,457
Community Correction Grant	22,489
Overtime Grant	20,773
CHIP Grant	385,021
Homeland Security Grant	58,064
Logan County Health District	356,250
Other	41,489
Total Governmental Activities	\$ 4,940,579
 Business-Type Activities	
Logan Acres - State Aid	\$ 224,911
 Fiduciary Activities	
Local Government and Local Government	
Revenue Assistance	\$ 948,627
Homestead and Rollback	57,632
Gasoline and Excise Tax	1,011,958
Undivided Auto Licenses	209,092
Hotel-Motel Tax	13,437
PH Infrastructure Grant	70,011
Women Infants Children Admin Grant	113,823
Total Fiduciary Activities	\$ 2,424,580

NOTE 8 -- INSURANCE

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

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

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

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 9 -- CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006:

	Balance 12/31/2005	Additions	Retirements	Balance 12/31/2006
Governmental Activities:				
Land	\$ 4,104,446	\$ -	\$ -	\$ 4,104,446
Construction In Progress	5,771,767	3,570,428		9,342,195
Land Improvements	409,958	166,501	-	576,459
Buildings and Improvements	18,892,221	11,465	-	18,903,686
Equipment and Machinery	9,732,375	1,850,003	2,395	11,579,983
Vehicles	4,520,965	348,961	197,417	4,672,509
Infrastructure-Road and Bridges	50,740,483	2,273,037	-	53,013,520
Total Capital Assets	<u>94,172,215</u>	<u>8,220,395</u>	<u>199,812</u>	<u>102,192,798</u>
Less Accumulated Depreciation:				
Land Improvements	(167,986)	(7,462)	-	(175,448)
Buildings and Improvements	(4,141,680)	(341,041)	-	(4,482,721)
Equipment and Machinery	(6,520,656)	(299,195)	(2,395)	(6,817,456)
Vehicles	(2,917,828)	(345,922)	(197,417)	(3,066,333)
Infrastructure-Road and Bridges	(10,514,551)	(1,629,141)	-	(12,143,692)
Totals Accumulated Depreciation	<u>(24,262,701)</u>	<u>(2,622,761) *</u>	<u>(199,812)</u>	<u>(26,685,650)</u>
Governmental Activities-Assets, Net	<u>\$ 69,909,514</u>	<u>\$ 5,597,634</u>	<u>\$ -</u>	<u>\$ 75,507,148</u>
Business-Type Activities:				
Water Pollution Control Capital Assets:				
Land	\$ 201,000	\$ -	\$ -	\$ 201,000
Land Improvements	191,917	-	-	191,917
Construction In Progress	-	3,316,496		3,316,496
Buildings and Improvements	4,746,707	-	-	4,746,707
Equipment and Machinery	3,525,805	-	-	3,525,805
Vehicles	346,827	-	-	346,827
Infrastructure	16,539,612	305,356	-	16,844,968
Total Capital Assets	<u>25,551,868</u>	<u>3,621,852</u>	<u>-</u>	<u>29,173,720</u>
Less Accumulated Depreciation:				
Land Improvements	(12,577)	(3,747)	-	(16,324)
Buildings and Improvements	(4,132,042)	(91,946)	-	(4,223,988)
Equipment and Machinery	(3,124,578)	(58,482)	-	(3,183,060)
Vehicles	(346,827)	-	-	(346,827)
Infrastructure-Sewer Systems	(2,758,450)	(172,432)	-	(2,930,882)
Totals Accumulated Depreciation	<u>(10,374,474)</u>	<u>(326,607)</u>	<u>-</u>	<u>(10,701,081)</u>
Water Pollution Control Capital Assets, Net	<u>\$ 15,177,394</u>	<u>\$ 3,295,245</u>	<u>\$ -</u>	<u>\$ 18,472,639</u>

Logan County
Notes to the Financial Statements
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Logan Acres County Home Capital Assets:

Land	\$ 4,526	\$ -	\$ -	\$ 4,526
Buildings and Improvements	1,106,997	-	-	1,106,997
Equipment and Machinery	524,392	108,365	-	632,757
Vehicles	42,248	31,500	24,642	49,106
Construction in Progress	754,299	219,236	-	973,535
Total Capital Assets	<u>2,432,462</u>	<u>359,101</u>	<u>24,642</u>	<u>2,766,921</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(886,203)	(232)	-	(886,435)
Equipment and Machinery	(289,650)	(18,081)	-	(307,731)
Vehicles	<u>(42,248)</u>	<u>(10,785)</u>	<u>(24,642)</u>	<u>(28,391)</u>
Totals Accumulated Depreciation	<u>(1,218,101)</u>	<u>(29,098)</u>	<u>(24,642)</u>	<u>(1,222,557)</u>
Logan Acres County Home				
Capital Assets, Net	<u>\$ 1,214,361</u>	<u>\$ 330,003</u>	<u>\$ -</u>	<u>\$ 1,544,364</u>

* Depreciation expense was charged to governmental functions as follows:

General Government:

Legislative and Executive	\$ 147,852
Judicial	22,893
Conversation and Recreation	9,387
Public Works	1,837,101
Public Saftey	326,796
Human Services	201,372
Health	<u>77,360</u>
Total Depreciation Expense	<u>\$ 2,622,761</u>

NOTE 10 -- COMPENSATED ABSENCES

Vacation and sick leave accumulated by governmental fund type employees has been recorded in the Government Wide Basic Financial Statements. Upon termination of County service, a fully vested employee is entitled to 25% of their accumulated sick leave not to exceed 30 days, plus all accumulated vacation and overtime. At December 31, 2006 vested vacation and sick leave benefits for governmental activity type and business type activity employees totaled \$1,374,088 and \$187,596, respectively.

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 11 -- DEBT OBLIGATIONS

	<u>Principal Balance 12/31/05</u>	<u>Additions</u>	<u>Retirements</u>	<u>Principal Balance 12/31/06</u>	<u>Amounts Due in One Year</u>
Governmental Activities:					
Various Purpose Bonds, Series 2 Issued 11/01/02, 1.7% to 4.75%	\$ 7,540,000	\$ -	\$ 390,000	\$ 7,150,000	\$ 400,000
Capital Facilities Note, 4% Issued 03/01/05, Matures 09/01/06	9,500,000	-	9,500,000	-	-
County Home Revenue Bonds, 4.5% Issued 8/11/2006, Matures 08/11/06		3,000,000	-	3,000,000	48,000
County Home Construction Bonds, 4% Issued 8/11/06, Matures 8/1/36		6,500,000		6,500,000	104,000
Compensated Absences Payable	<u>1,266,403</u>	<u>107,685</u>	<u>-</u>	<u>1,374,088</u>	<u>959,770</u>
Total Governmental Type Activities Debt	<u>\$18,306,403</u>	<u>\$ 9,607,685</u>	<u>\$ 9,890,000</u>	<u>\$18,024,088</u>	<u>\$ 1,511,770</u>
Business-Type Activities:					
Sewer System Refunding Bonds Issued 11/13/2002, 1.7% to 3%	\$ 1,220,000	\$ -	\$ 405,000	\$ 815,000	\$ 35,000
Sewer Special Assessment Bonds Issued 06/01/1986, 7.75%	155,000	-	155,000	-	-
O.W.D.A. Loan 07/23/1992, 5.2%	1,042,176	-	116,893	925,283	123,051
Sewer System Improvement Note Issued 07/07/05, 4.00%	4,850,000	4,850,000	4,850,000	4,850,000	4,850,000
Sewer System Improvement Note Issued 02/09/06, 4.21%	-	615,000		615,000	615,000
Compensated Absences Payable	<u>169,337</u>	<u>18,259</u>	<u>-</u>	<u>187,596</u>	<u>163,921</u>
Total Business-Type Debt	<u>\$ 7,436,513</u>	<u>\$ 5,483,259</u>	<u>\$ 5,526,893</u>	<u>\$ 7,392,879</u>	<u>\$ 5,786,972</u>

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

Logan County
Notes to the Financial Statements
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In February 2006, the County issued Sewer Improvement Notes in the amount of \$615,000 for various infrastructure projects.

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

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

Various Purpose Bonds			
	Principal	Interest	Total
2007	\$ 400,000	\$ 308,103	\$ 708,103
2008	415,000	295,503	710,503
2009	420,000	282,015	702,015
2010	445,000	267,735	712,735
2011	455,000	251,715	706,715
2012-2016	2,240,000	981,889	3,221,889
2017-2021	2,255,000	462,922	2,717,922
2022-2027	520,000	24,700	544,700
Total	\$ 7,150,000	\$ 2,874,582	\$ 10,024,582

County Home Revenue Bonds			
	Principal	Interest	Total
2007	\$ 48,000	\$ 131,301	\$ 179,301
2008	51,000	133,204	184,204
2009	54,000	130,545	184,545
2010	56,000	128,115	184,115
2011	59,000	125,595	184,595
2012-2016	335,000	586,542	921,542
2017-2021	417,000	503,726	920,726
2022-2027	521,000	400,990	921,990
2028-2032	650,000	272,505	922,505
2033-2037	809,000	112,487	921,487
Total	\$ 3,000,000	\$ 2,525,010	\$ 5,525,010

County Home Construction Bonds			
	Principal	Interest	Total
2007	\$ 104,000	\$ 284,486	\$ 388,486
2008	111,000	288,609	399,609
2009	117,000	282,825	399,825
2010	122,000	277,560	399,560
2011	127,000	272,070	399,070
2012-2016	726,000	1,270,750	1,996,750
2017-2021	906,000	1,091,016	1,997,016
2022-2027	1,128,000	867,986	1,995,986
2028-2032	1,406,000	590,218	1,996,218
2033-2037	1,753,000	243,893	1,996,893
Total	\$ 6,500,000	\$ 5,469,413	\$ 11,969,413

Logan County
Notes to the Financial Statements
December 31, 2006

Sewer System Refunding Bonds				
		Principal	Interest	Total
2007	\$	35,000	\$ 36,118	\$ 71,118
2008		40,000	35,015	75,015
2009		40,000	33,715	73,715
2010		40,000	32,355	72,355
2011		45,000	30,915	75,915
2012-2016		240,000	127,354	367,354
2017-2021		305,000	62,301	367,301
2022-2027		70,000	3,326	73,326
Total	\$	815,000	\$ 361,099	\$ 1,176,099

OWDA Loan				
		Principal	Interest	Total
2007	\$	123,051	\$ 46,535	\$ 169,586
2008		129,533	40,054	169,587
2009		136,356	33,230	169,586
2010		143,538	26,048	169,586
2011		151,099	18,487	169,586
2012-2016		241,706	12,674	254,380
Total	\$	925,283	\$ 177,028	\$ 1,102,311

Sewer System Improvement Note				
		Principal	Interest	Total
2007	\$	5,465,000	\$ 176,704	\$ 5,641,704

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

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

NOTE 12-- DEFINED BENEFIT PENSION PLANS

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

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

Logan County
Notes to the Financial Statements
December 31, 2006

of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

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

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2006 member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The 2006 member contribution rates were 9.0% for members in state, local, and public safety classifications. Members in law enforcement classification, which consists generally of sheriffs, deputy sheriffs and township police, contributed 10.1%. The 2006 rate for state employers was 13.54% of covered payroll. For local government employer contribution rate was 13.70% of covered payroll. For both the law enforcement and public safety divisions, the employer contribution rate for 2006 was 16.93%. The County's contributions for pension obligations to OPERS for the years ended December 31, 2006, 2005, and 2004 were \$2,767,180, \$2,638,611, and \$2,682,869; respectively; 87.99% representing the paid contribution for 2006 and 100% for 2005 and 2004. \$335,975 representing the unpaid contribution for 2006 is recorded as an expenditure to the individual funds that incurred the costs.

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

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

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

Logan County
Notes to the Financial Statements
December 31, 2006

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

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

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

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

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

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

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

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

For the fiscal year June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. The County 's required contribution for pension obligations for the year December 31, 2006, 2005 and 2004 was \$126,819, \$118,491, and \$115,711; 96.1 percent was contributed for the year December 31, 2006 and 100 percent was made for the years 2005 and 2004. \$4,917 represents the unpaid contribution for fiscal year 2006. The balance outstanding is reflected as an intergovernmental payable.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio 2006 Comprehensive Annual Financial Report will be available after January 1, 2006. Additional information or copies of STRS Ohio's 2006 Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Board St., Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 13-- POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

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

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

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2006, state employers contributed at a rate of 13.54% of covered payroll of active members. In 2005, state employers contributed at a rate of 13.43% of covered payroll, local government employer units contributed 13.70% of covered payroll, and public safety and law enforcement employer units contributed at 16.93%. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for state and local employer units, and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2006, the employer contribution allocated to the health care plan was 4.5% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The County's contribution to fund post employment benefits was \$918,990.

The health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, will be effective January 1, 2007. OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

Logan County
Notes to the Financial Statements
December 31, 2006

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

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

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year June 30, 2006, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. The balance in the Health Care Stabilization Fund was \$3.3 billion as of June 30, 2005. For the County, this amount equaled \$117,761 for the year ended December 31, 2006.

For the fiscal year ended June 30, 2005 (the latest information available) net health care costs paid by STRS Ohio were \$254,780,000. There were 115,395 eligible benefit recipients.

NOTE 14-- DEFERRED COMPENSATION PLAN

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

NOTE 15-- RELATED PARTY TRANSACTIONS

RTC Industries, Inc. - RTC Industries Inc., a discretely presented component unit of Logan County, received contributions from the County for facilities, certain equipment, transportation and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as operating revenues and expenses at cost or fair market value as applicable, in the financial statements of the corporation. In 2006, these contributions were \$94,538.

NOTE 16-- CONTINGENT LIABILITIES

Federal and State Grants

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

Pending Litigation

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

Logan County
Notes to the Financial Statements
December 31, 2006

NOTE 17-- RESTATEMENT OF PRIOR YEAR

The County overbooked contracts payable in the December 31, 2005 financial statements by \$65,191 in the capital improvement fund. This was not material to prior year financial statements, however, the activity in this fund during 2006 caused materiality to be lower. In return, the overstatement in prior year is material to capital improvement fund (major fund) in the December 31, 2006 financial statements causing a \$65,191 prior year adjusting entry.

In addition to the adjustment noted above, the County had recorded investment income during 2006 that was earned in December of 2005. This overstatement of investment income is material to the capital improvement fund (major fund) in the December 31, 2006 financial statements causing a \$19,398 prior year adjusting entry.



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

REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the financial statements of the governmental activities, business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County), as of and for the year ended December 31, 2006, and have issued our report thereon dated February 28, 2008. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Clark, Schaefer Hackett & Co.

Springfield, Ohio
February 28, 2008
(except for Note 4, as to
which the date is December 30, 2010)

Logan County Financial Condition
Schedule of Expenditures of Federal Awards (Restated)
For the Fiscal Year Ended December 31, 2006

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Award Receipts</u>	<u>Award Disbursements</u>
<u>U.S. DEPARTMENT OF GENERAL SERVICES ADMINISTRATION</u>				
<i>Passed Through Ohio Secretary of State</i>				
Help America Vote Act	E06-0041-45	90.401	406,201	406,201
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Water and Waste Disposal Systems for Rural Communities	(1)	10.760	1,431,000	821,045
Direct Loans for Water and Waste Disposal Systems	(1)	10.760	<u>2,410,000</u>	<u>2,088,180</u>
			3,841,000	2,909,225
Community Facilities Loans and Grants	(1)	10.766	9,500,000	9,500,000
<i>Passed Through Ohio Department of Education</i>				
Nutritional Cluster:				
National School Breakfast Program	PU-05	10.553	9,932	9,932
National School Lunch Program	LLP4-05	10.555	<u>18,466</u>	<u>18,466</u>
Total Nutrition Cluster			28,398	28,398
Total U.S. Department of Agriculture			<u>13,369,398</u>	<u>12,437,623</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<i>Pass through the Ohio Department of Development</i>				
Community Development Block Grant				
Formula Grant	B-F-042-1	14.228	154,000	214,000
Community Housing Improvement Program	B-C-042-1	14.228	205,235	205,235
Microenterprise Grant	B-M-042-1	14.228	10,753	10,753
Home Investment Partnership	B-C-042-2	14.239	<u>81,434</u>	<u>81,434</u>
Total Community Development Block Grant			<u>451,422</u>	<u>511,422</u>
Total U.S. Department of Housing and Urban Development			<u>451,422</u>	<u>511,422</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
<i>Passed through the Ohio Department of Job & Family Services and Area 7 Workforce Investment Board</i>				
Workforce Investment Act Cluster (1)				
Workforce Investment Act - Adult		17.258	279,546	279,546
Workforce Investment Act - Youth		17.259	84,701	84,701
Workforce Investment Act - Dislocated Worker		17.260	329,107	329,107
Workforce Investment Act - Unemployment Insurance		17.225	<u>1,982</u>	<u>1,982</u>
Total Workforce Investment Act Cluster			695,336	695,336
Total U.S. Department of Labor			<u>695,336</u>	<u>695,336</u>
<u>U.S. Environmental Protection Agency</u>				
<i>Passed through the Ohio Department of Public Safety</i>				
Law Enforcement Overtime Grant	(1)	20.600	7,970	7,970
Hazardous Material Emergency Preparedness Grant	(1)	20.703	<u>1,343</u>	<u>1,343</u>
Total U.S. Environmental Protection Agency			<u>9,313</u>	<u>9,313</u>
<u>U.S. Department of Justice</u>				
<i>Passed through the Ohio Attorney General's Office</i>				
Crime Victim Assistance	(1)	16.575	61,554	61,554
<i>Passed through the Ohio Department of Youth Services</i>				
Byrne Memorial Justice Assistance Grant	(1)	16.579	4,148	1,054
Juvenile Accountability Incentive Block Grant	(1)	16.523	<u>3,025</u>	<u>3,542</u>
Total U.S. Department of Justice			<u>68,727</u>	<u>66,150</u>

(Continued)

See accompanying notes to the Schedule of Expenditures of Federal Awards.

Logan County Financial Condition
Schedule of Expenditures of Federal Awards (Restated)
For the Fiscal Year Ended December 31, 2006

Federal Grantor/Program Title	Pass Through Entity Number	Federal CFDA Number	Award Receipts	Award Disbursements
Department of Homeland Security				
<i>Passed through the Ohio Department of Public Safety</i>				
<i>Homeland Security Grant Cluster</i>				
FY2006 Emergency Management Performance Grant	2006-EME60042	97.042	28,396	28,396
FY2004 Citizen Corps Program	2004-GC-T4-0025	97.053	7,544	7,544
FY2005 Citizen Corps Program	2005-GC-T5-0001		<u>1,150</u>	<u>1,150</u>
			8,694	8,694
2004 State Homeland Security Grant	2004-GE-T4-0025	97.004	46,307	46,307
2005 State Homeland Security Grant	2004-GE-T4-0025	97.073	<u>109,324</u>	<u>109,324</u>
			155,631	155,631
Interagency Hazardous Materials Public Sector	2006-GE-T6-0051	97.073	<u>1,343</u>	<u>1,343</u>
Total Homeland Security Grant Cluster			194,064	194,064
FEMA	(1)	97.036	6,979	6,979
Total Department of Homeland Security			<u>201,043</u>	<u>201,043</u>
U.S DEPARTMENT OF EDUCATION				
<i>Passed through the Ohio Department of Education</i>				
<i>Special Education Cluster:</i>				
Special Education Grants to States	6BSF-2006	84.027	68,703	68,703
	6BSF-2007		<u>7,768</u>	<u>7,768</u>
Total Special Education Grants to States			76,471	76,471
Special Education Preschool Grants	PGS1-2006	84.173	4,621	4,621
	PGS1-2007		<u>52,402</u>	<u>52,402</u>
Total Special Education Preschool Grants			57,023	57,023
Total Special Education Cluster			133,494	133,494
Title V	C2S1-2006	84.298	434	434
	C2S1-2007		<u>26</u>	<u>26</u>
Total Title V			460	460
Total U.S. Department of Education			<u>133,954</u>	<u>133,954</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed through the Ohio Department of Health via the Columbus Health Department</i>				
<i>Public Infrastructure Grant (RMRS Regional Exerise)</i>				
	PHI-461012BI06	93.283	101,943	101,943
	PHI-461012BI07		<u>35,000</u>	<u>32,005</u>
Total Public Infrastructure Grant (RMRS Regional Exerise)			136,943	133,948
<i>Passed through the State Department of MRDD</i>				
Title XIX - Medicaid Assistance Program - CAFS	N/A	93.778	574,941	574,941
Title XIX - Medicaid Assistance Program - TCM			<u>229,031</u>	<u>229,031</u>
Total Title XIX - Medicaid Assistance Program			803,972	803,972
Social Services Block Grant - Title XX	N/A	93.667	36,546	36,546
<i>Passed through the Ohio Secretary of State</i>				
Voting Access for Individuals with Disabilities Grants to States	06-SOS-HHHS-46	93.617	1,652	1,652
Total U.S. Department of Health and Human Services			<u>979,113</u>	<u>976,118</u>
TOTAL FEDERAL AWARD EXPENDITURES			\$ <u>16,314,507</u>	<u>15,437,160</u>

(1) Pass through number not available or multiple.
See accompanying notes to the Schedule of Expenditures of Federal Awards.

Logan County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

1. Basis of Presentation

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

2. Community Development Block Grant (CDBG)

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

3. Matching Requirements

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

4. Subsequently Discovered Facts - Restatement

In November 2010, the County was informed by the Department of Agriculture that certain loan programs under the Community Facilities Loans and Grants Program (CFDA #10.760 and 10.766) were not properly included in the County's schedule of expenditures of federal awards for the year ended December 31, 2006. If these programs had been originally included in the federal schedule dated February 28, 2008, the Community Facilities Loans and Grants Program (CFDA #10.766) would have been classified as, and tested as, a major federal program. As a result, the schedule of expenditures of federal awards has been restated to include the expenditures associated with the above noted Loan Program and testing of the Community Facilities Loan and Grants Program (CFDA #10.766) was completed. In addition, the results of our additional testing resulted in the issuance of Finding 2006-011 as disclosed in the schedule of findings and questioned costs.



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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of Logan County, Ohio (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 28, 2008. We did not audit the financial statements of RTC Industries, Inc., the County's only discretely presented component unit. Those financial statements were audited by other auditors, following *Governmental Auditing Standards*, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs, as items 2006-001, 2006-002, 2006-003, and 2006-004 to be significant deficiencies in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider item 2006-001 to be a material weakness.

Compliance and Other Matters

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

We noted certain additional matters that we reported to management of the County in a separate letter dated February 28, 2008.

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

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



Springfield, Ohio
February 28, 2008



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

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

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

Compliance

We have audited the compliance of Logan County, Ohio (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

As described in items 2006-005, 2006-006, and 2006-007 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Cash Management and Reporting that are applicable to its Community Development Block Grant and Help America Vote Act. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program. In addition, item 2006-011 notes the County did not comply with requirements regarding the preparation and completion of the Schedule of Expenditures of Federal Awards.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2006-008, 2006-009, 2006-010, and 2006-011 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider item 2006-010 to be a material weakness.

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

As discussed in Note 4 to the schedule of expenditures of federal awards, certain federal programs were not included in the County's previously reported schedule. The restated schedule of expenditures and federal awards and the restated schedule of findings and questioned costs include the changes from the previously issued report.

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

Clark, Schaefer Hinkett & Co.

Springfield, Ohio
February 28, 2008
(except for Note 4, as to
which the date is December 30, 2010)

Logan County
Schedule of Findings and Questioned Costs (Restated)
OMB Circular A-133 § .505
December 31, 2006

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified												
(d)(1)(ii)	Was there any material weaknesses reported at the financial statement level (GAGAS)?	Yes												
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	Yes												
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No												
(d)(1)(iv)	Was there any material weaknesses reported for major federal programs?	Yes												
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	Yes												
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified												
(d)(1)(vi)	Are there any reportable findings under §.510?	Yes												
(d)(1)(vii)	Major Programs (list):	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Program</u></th> <th style="text-align: right;"><u>CFDA#</u></th> </tr> </thead> <tbody> <tr> <td>Community Development Block Grant</td> <td style="text-align: right;">14.228</td> </tr> <tr> <td>Water and Waste Disposal Systems Grant/Loan</td> <td style="text-align: right;">10.760</td> </tr> <tr> <td>Community Facilities Loans And Grants</td> <td style="text-align: right;">10.766</td> </tr> <tr> <td>Title XIX Medicaid Assistance Program</td> <td style="text-align: right;">93.778</td> </tr> <tr> <td>Help America Vote Act</td> <td style="text-align: right;">90.401</td> </tr> </tbody> </table>	<u>Program</u>	<u>CFDA#</u>	Community Development Block Grant	14.228	Water and Waste Disposal Systems Grant/Loan	10.760	Community Facilities Loans And Grants	10.766	Title XIX Medicaid Assistance Program	93.778	Help America Vote Act	90.401
<u>Program</u>	<u>CFDA#</u>													
Community Development Block Grant	14.228													
Water and Waste Disposal Systems Grant/Loan	10.760													
Community Facilities Loans And Grants	10.766													
Title XIX Medicaid Assistance Program	93.778													
Help America Vote Act	90.401													
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: All others												
(d)(1)(ix)	Low Risk Auditee?	No												

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>
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Finding Number	2006-001
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The County should maintain effective management controls over tracking and reporting its fixed assets throughout all departments. During the audit, the County could not provide a comprehensive listing of fixed assets being reported on the financial statements. A computerized fixed asset inventory system was available for use by the County; however, the asset listing was not complete. The transition to a computerized fixed asset system during fiscal year 2005 caused a significant quantity and value of assets to not be recorded in the comprehensive listing of fixed assets leaving the County the inability to provide adequate substantiation for the fixed asset amounts reported in the financial statements. In correlation, the County was unable to provide documentation for the accumulated depreciation and book values of such fixed assets not recorded in the comprehensive listing of fixed assets.

We recommend the County proceed with a correction plan and review their current and prior years fixed asset reports to insure all historical cost and net book values are included in their comprehensive listing of fixed assets to substantiate the accuracy of the assets being reported in the financial statements.

In addition to providing assurance that fixed assets amounts are properly reported on the financial statements, an accurate and complete comprehensive listing of fixed assets will provide the County with the following benefits:

- Adequate management information to County officials regarding assets currently owned by the County when capital acquisition decisions are being discussed.
- Adequate supporting documentation if an insurance claim must be filed regarding the loss of a fixed asset.
- A management control to monitor and protect assets from misappropriation or misuse.

Lastly, the County failed to report voting equipment purchased by the state of Ohio, on behalf of the County, in the financial statements and accounting records. The County should review the capitalization policy and procedures to ensure items purchased, or purchased on behalf of the County, over their capitalization threshold are properly reported in the County's financial records.

Management Response:

We will continue our efforts to make the relatively new system work for the County. Due to the complexity in identifying and valuing/depreciating capital assets in a county, we have had difficulties getting the system to balance.

Finding Number	2006-002
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The County properly identified the major funds for reporting in the fund statements. However, the County failed to report one major fund in the draft basic financial statements issued to the State Auditor's office of Ohio. The County should maintain effective management controls over tracking and reporting of major funds.

Management Response:

The County's GAAP conversion work was done by a CPA firm in which has been aware of the situation and corrected it accordingly.

Finding Number	2006-003
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During 2006, the County recorded an entry to transfer monies out of the enterprise funds to the County debt service fund for the repayment of General Obligation Debt. Ohio Revised Code Section 5705.15 prohibits such a transfer out of an enterprise fund. The County should classify debt associated with these funds as enterprise debt thereby eliminating the need for such an entry.

Management Response:

The County changed this practice on the advice of our accountant and will make necessary changes to correct the problem.

Finding Number	2006-004
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To correct the 2006 financial statement, prior period adjustments were required to correct issues noted with the prior year. As stated in Statement of Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, adjustments necessary to correct the financial activity reported in a prior year is at least a significant deficiency and is a strong indicator of a material weakness in internal control over financial reporting. The prior period adjustment affected the County's Capital Improvement Fund, which is a major governmental fund.

The County should ensure all information processed and reported in its annual statements are complete and accurate which would eliminate the need for prior period adjustments.

Management Response:

The County is aware of the bookkeeping error and it has been fixed.

3. FINDINGS RELATED TO THE COUNTY'S FEDERAL AWARDS
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Finding Number	2006-005
CFDA Title and Number	Community Development Block Grant, CFDA #14.228
Federal Award Year	2006
Federal Agency	U.S. Department of Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation – Cash Management:

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

Management Response:

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

Finding Number	2006-006
CFDA Title and Number	Community Development Block Grant, CFDA #14.228
Federal Award Year	2006
Federal Agency	U.S. Department of Development
Pass-Through Agency	Ohio Department of Development

Noncompliance Citation – Reporting:

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

Management Response:

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

Finding Number	2006-007
CFDA Title and Number	Help America Vote Act, CFDA #90.401
Federal Award Year	2006
Federal Agency	U.S. Department of General Services Administration
Pass-Through Agency	Ohio Secretary of State

Noncompliance Citation – Reporting:

41 CFR 105-71.132 (formerly known as the A-102 Common Rule) states that equipment shall be used in the program for which it was acquired or, when appropriate, other Federal programs. Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained.

The County received voting equipment from the Help America Vote Grant. Although the County has a control system used to safeguard the equipment and is properly maintained, the County did not properly record the grant in their accounting records. In addition the County did not prepare any equipment records as required above causing the voting machines to not be capitalized as required.

Management Response:

The County auditor was unaware of receiving the voting machines and concurs with the audit adjustment.

Finding Number	2006-008
CFDA Title and Number	Water and Waste Disposal Systems for Rural Communities, CFDA #10.760
Federal Award Year	2006
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	N/A

The County's Indian Lake Water Pollution Control District had an engineering contract with a Firm for the Huntsville Area Sanitary Sewer Project with an original budget amount of \$559,500. During the completion of the contract, certain phases of the project were not completed by the Firm however the County was invoiced for the total contract amount of \$559,500. While the Firm acknowledges it did not

perform certain phases of the project contained within the original contract, it invoiced the full amount due to cost overruns in the phase it did complete. The County did not revise or make amendments to the engineering contract as the level of services were anticipated to change which increases the risk that federal funds will be improperly paid on contracts.

Although the grant monies had been spent in accordance with the agreement and the budget, all changes in work to be performed under contract should be documented with properly authorized change orders which state the nature of the change in service and the applicable change in the total cost of the contract.

Management Response:

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

Finding Number	2006-009
CFDA Title and Number	Title XIX Medicaid Assistance Program, CFDA #93.778
Federal Award Year	2006
Federal Agency	U.S. Department of Health and Human Services
Pass-Through Agency	Ohio Department of MRDD

The County contracted with the Health Care Billing Services, Inc. (HBS) for their Medicaid billing and collection services for the fiscal year ended December 31, 2006. The SAS 70 report provided to us regarding the third party administrator included several exceptions as follows:

Of a sample of 60 claims that included school districts and counties, 16 were not recorded. Of these 16, 14 were ultimately billed but they were unable to determine if they were entered into HBS' billing system in a timely manner due to the tracking sheets not being retained for these claims. Of the remaining two, one of these HBS failed to note the entered date on the tracking sheet and the other was determined that it should not be billed due to insufficient time to generate a billable unit.

The County did not have alternative procedures in place which address the control weaknesses noted in the service provider's SAS 70 report and as such it is difficult to determine whether the County's billing was processed properly or completely. Subsequent to the end of the year, the County has changed third party administrators used for the Medicaid billing and collection.

Management Response:

The County's Medicaid third party administrator has been replaced and this citation is fixed.

Finding Number	2006-010
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As evidenced by the noncompliance citations (findings 2006-005, 2006-006, and 2006-007) related to the Community Development Block Grant program and Help America Vote Act, the County's controls for monitoring compliance with requirements of these programs are not as effective as they should be. The County should implement sufficient monitoring controls which ensure program requirements are adhered to, including those aspects of the grant which are administered by the outside consulting company.

Management Response:

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

Finding Number	2006-011
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Noncompliance and Significant Deficiency – Completion of the Federal Expenditures Schedule:

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

As noted in Note 4 to the schedule of expenditures of federal awards, the County did not properly identify, or report, the loan proceeds received through the U.S. Department Agriculture Rural Development Community Facilities Loan and Grant Programs, CFDA numbers 10.760 and 10.766, respectively. As a result, the schedule of expenditure of federal awards for the year ended December 31, 2006 required revisions to properly include those two loan programs. The inaccurate or incomplete reporting of award programs in the schedule of expenditures of federal awards may jeopardize future grant funding and/or require the County to return funding to the grantor agency.

The County should utilize due care in preparing the annual schedule to ensure completeness and accuracy of all information reported. This effort will require all departments to carefully review grant documents and accounting records to ensure the correct amounts and program information is provided to the responsible official to prepare the annual schedule. The final schedule should be reviewed after completion and agreed to underlying cash accounting records of the County.

Management Response:

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

Logan County
Schedule of Prior Audit Findings
OMB Circular A-133 § .505
December 31, 2006

Finding Number	Finding Summary	Fully Corrected	Not corrected; partially corrected; significantly different corrective action taken; or finding no longer valid. Explain:
2005-001	CDBG Fifteen Day Rule	No	Not Corrected – See Current Year Finding 2006-005
2005-002	CDBG Matching	N/A	The County completed the FY04 grant requirements and was not renewed in subsequent years. Therefore, finding is no longer valid.
2005-003	CDBG Timely Reporting	No	Not Corrected – See Current Year Finding 2006-006
2005-004	Implementation of More Effective Controls over CDBG Grants	No	Not Corrected – See Current Year Finding 2006-010

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Dave Yost • Auditor of State

LOGAN COUNTY FINANCIAL CONDITION

LOGAN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 17, 2011