



Dave Yost • Auditor of State



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Benjamin Logan Local School District, Logan County, Ohio (the District), as of and for the fiscal year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Benjamin Logan Local School District, Logan County, Ohio, as of June 30, 2014 and the respective changes in cash financial position and the budgetary comparison for the General Fund thereof for the fiscal year then ended in accordance with the accounting basis described in Note 2.

***Accounting Basis***

Ohio Administrative Code § 117-2-03 (B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis applied to these statements, which is a basis other than generally accepted accounting principles. We did not modify our opinion regarding this matter.

***Other Matters***

*Supplemental and Other Information*

We audited to opine on the District's financial statements that collectively comprise its basic financial statements.

*Management's Discussion & Analysis* includes tables of net position, changes in net position, governmental activities, fund cash balances, general fund cash receipts, general fund cash disbursements, and long-term debt. This information provides additional analysis and is not a required part of the basic financial statements.

The Schedule of Federal Award Receipts and Expenditures (the Schedule) also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

These tables and the Schedule are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables and the Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables and the Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables and the Schedule are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 22, 2014

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**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

The management's discussion and analysis of the Benjamin Logan Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the year ended June 30, 2014, within the limitations of the District's cash basis of accounting. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the cash-basis financial statements and the notes to the financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2014 are as follows:

- The total net cash position of the District increased \$1,983,363 or 37.36% from fiscal year 2013.
- General cash receipts accounted for \$18,113,371 or 83.01% of total governmental activities cash receipts. Program specific cash receipts accounted for \$3,708,455 or 16.99% of total governmental activities cash receipts.
- The District had \$19,838,463 in cash disbursements related to governmental activities; \$3,708,455 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes) of \$18,113,371 were adequate to provide for these programs.
- The District's major funds are the general fund and the permanent improvement fund. The general fund had cash receipts of \$17,623,717 in 2014. The cash disbursements and other financing uses of the general fund, totaled \$16,998,735 in 2014. The general fund's fund cash balance increased \$624,982 from a balance of \$4,608,532 to \$5,233,514.
- The permanent improvement fund had \$2,503,733 in cash receipts and other financing sources and \$1,179,711 in cash disbursements. During fiscal year 2014, the permanent improvement fund's fund balance increased \$1,324,022 from \$375,158 to \$1,699,180.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

The statement of net position - cash basis and statement of activities - cash basis provide information about the activities of the whole District, presenting an aggregate view of the District's cash basis finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, there are two major governmental funds.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2014?" These statements include *only net cash assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

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

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position - cash basis and the statement of activities - cash basis, the governmental activities include District's programs and services including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The statement of net position - cash basis and the statement of activities - cash basis can be found on pages 13-14 of this report.

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

***Fund Financial Statements***

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

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the permanent improvement fund. The analysis of the District's major governmental funds begins on page 10.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than GAAP. The governmental fund statements provide a detailed view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various District programs. Since the District is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements. The governmental fund statements can be found on pages 15-16 of this report.

The District's budgetary process accounts for certain transactions on a cash basis. The budgetary statement for the general fund is presented to demonstrate the District's compliance with annually adopted budgets. The budgetary statement can be found on page 17 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's only fiduciary funds are agency funds. Only the cash held at year end for these funds is reported on page 18.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-38 of this report.

**Government-Wide Financial Analysis**

Recall that the statement of net position - cash basis provides the perspective of the District as a whole.

The table below provides a summary of the District's net position for 2014 and 2013.

	<b>Net Position</b>	
	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents	\$7,289,264	\$5,305,986
Cash in segregated accounts	3,190	3,105
Total assets	<u>7,292,454</u>	<u>5,309,091</u>
<b>Net Position:</b>		
Restricted	2,058,940	700,559
Unrestricted	5,233,514	4,608,532
Total net position	<u>\$7,292,454</u>	<u>\$5,309,091</u>

The total net position of the District increased \$1,983,363, which represents a 37.36% increase over fiscal year 2013.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

The balance of government-wide unrestricted net position of \$5,233,514 may be used to meet the government's ongoing obligations to citizens and creditors.

The table below shows the changes in net cash position for fiscal year 2014 and 2013.

<b>Change in Net Position</b>		
	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
<b>Cash Receipts:</b>		
Program cash receipts:		
Charges for services	\$2,095,325	\$2,159,577
Operating grants, contributions and interest	1,613,130	1,463,978
Total program cash receipts	3,708,455	3,623,555
<b>General cash receipts:</b>		
Property and other taxes	7,857,694	7,443,174
Unrestricted grants	7,930,111	7,575,851
Sale of bonds	1,925,000	
Premium on bonds	97,328	
Investment earnings	21,054	21,604
Other	282,184	191,947
Total general cash receipts	18,113,371	15,232,576
Total cash receipts	21,821,826	18,856,131
<b>Cash Disbursements:</b>		
<b>Instruction:</b>		
Regular	6,927,977	6,953,685
Special	2,435,935	1,973,159
Vocational	448,921	529,990
Other	1,273,970	1,312,120
<b>Support services:</b>		
Pupil	803,288	777,248
Instructional staff	400,920	692,772
Board of education	57,419	50,270
Administration	1,442,756	1,402,922
Fiscal	503,789	483,369
Operations and maintenance	2,699,371	1,853,828
Pupil transportation	1,256,703	1,638,489
Central	257,693	330,523
<b>Operation of non-instructional services:</b>		
Other non-instructional services	29,176	10,131
Food service operations	676,757	741,400
Extracurricular	497,178	504,301
Facilities acquisition and construction	53,922	3,895
<b>Debt service:</b>		
Interest and fiscal charges	72,688	
Total cash disbursements	\$19,838,463	\$19,258,102

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

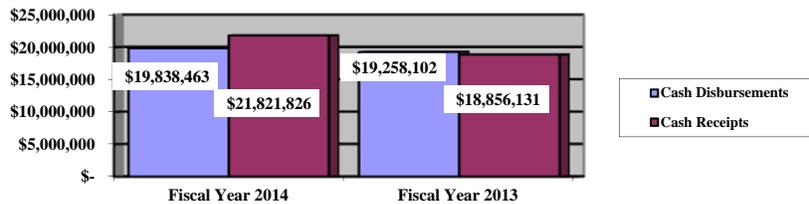
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

**Governmental Activities**

Governmental assets increased by \$1,983,363 in 2014 from 2013. Total governmental disbursements of \$19,838,463 were offset by program receipts of \$3,708,455 and general receipts of \$18,113,371. Program receipts supported 18.69% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes, and grants and entitlements. These receipt sources represent 72.35% of total governmental receipts. Real estate property is reappraised every six years.

**Governmental Activities - Total Cash Receipts vs. Total Cash Disbursements**



**Governmental Activities**

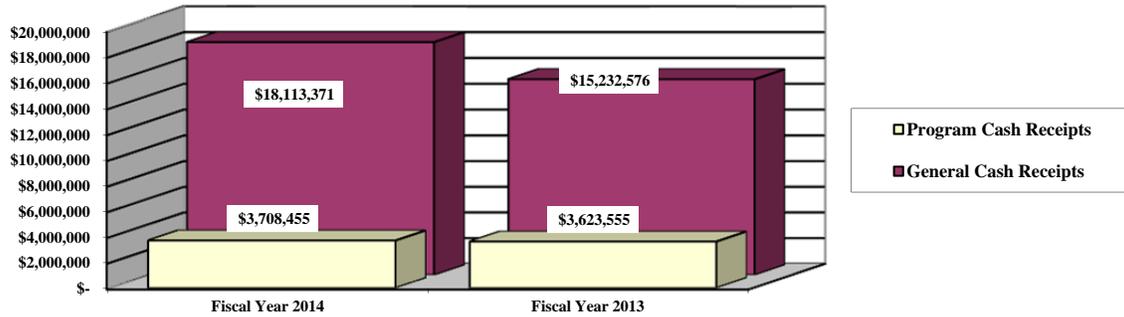
	<b>Total Cost of Services 2014</b>	<b>Net Cost of Services 2014</b>	<b>Total Cost of Services 2013</b>	<b>Net Cost of Services 2013</b>
<b>Cash disbursements:</b>				
<b>Instruction:</b>				
Regular	\$6,927,977	\$5,455,415	\$6,953,685	\$5,534,533
Special	2,435,935	1,398,852	1,973,159	1,050,361
Vocational	448,921	375,556	529,990	450,606
Other	1,273,970	1,273,970	1,312,120	1,312,120
<b>Support services:</b>				
Pupil	803,288	613,534	777,248	590,103
Instructional staff	400,920	367,110	692,772	570,109
Board of education	57,419	55,620	50,270	50,270
Administration	1,442,756	1,381,708	1,402,922	1,373,581
Fiscal	503,789	503,789	483,369	483,369
Operations and maintenance	2,699,371	2,699,371	1,853,828	1,853,287
Pupil transportation	1,256,703	1,248,018	1,638,489	1,631,057
Central	257,693	252,293	330,523	325,123
<b>Operation of non-instructional services:</b>				
Other non-instructional services	29,176	17,464	10,131	(943)
Food service operations	676,757	(14,214)	741,400	25,405
Extracurricular	497,178	374,912	504,301	381,671
Facilities acquisition and construction	53,922	53,922	3,895	3,895
<b>Debt service:</b>				
Interest and fiscal charges	72,688	72,688		
<b>Total</b>	<b>\$19,838,463</b>	<b>\$16,130,008</b>	<b>\$19,258,102</b>	<b>\$15,634,547</b>

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

The dependence upon general cash receipts for governmental activities is apparent; with 81.31% of cash disbursements supported through taxes and other general cash receipts during 2014.

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The District's governmental funds are accounted for using the cash basis of accounting.

The District's governmental funds reported a combined fund cash balance of \$7,292,454, which is \$1,983,363 above last year's total balance of \$5,309,091. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2014 and June 30, 2013, for all major and non-major governmental funds.

	<b>Fund Balance June 30, 2014</b>	<b>Fund Balance June 30, 2013</b>	<b>Increase</b>
<b>Major funds:</b>			
General	\$5,233,514	\$4,608,532	\$624,982
Permanent improvement	1,699,180	375,158	1,324,022
Other non-major governmental funds	359,760	325,401	34,359
<b>Total</b>	<b>\$7,292,454</b>	<b>\$5,309,091</b>	<b>\$1,983,363</b>

**General Fund**

The general fund had cash receipts of \$17,623,717 in 2014. The cash disbursements and other financing uses of the general fund, totaled \$16,998,735 in 2014. The general fund's cash balance increased \$624,982 from a balance of \$4,608,532 to \$5,233,514.

**Permanent Improvement Fund**

The permanent improvement fund had cash receipts and other financing sources of \$2,503,733 in 2014. The cash disbursements of the permanent improvement fund, totaled \$1,179,711 in 2014. The permanent improvement fund's cash balance increased \$1,324,022 from a balance of \$375,158 to \$1,699,180.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

The table that follows assists in illustrating the cash receipts of the general fund.

	<b>2014 Amount</b>	<b>2013 Amount</b>	<b>Percentage Change</b>	
<b>Cash Receipts:</b>				
Taxes	\$7,337,917	\$6,918,393	6.06	%
Tuition	1,281,947	1,315,998	(2.59)	%
Transportation fees	22,795	14,281	59.62	%
Earnings on investments	21,054	21,604	(2.55)	%
Other local revenues	558,577	473,419	17.99	%
Intergovernmental - State	<u>8,401,427</u>	<u>7,951,037</u>	5.66	%
<b>Total</b>	<b><u>\$17,623,717</u></b>	<b><u>\$16,694,732</u></b>	5.56	%

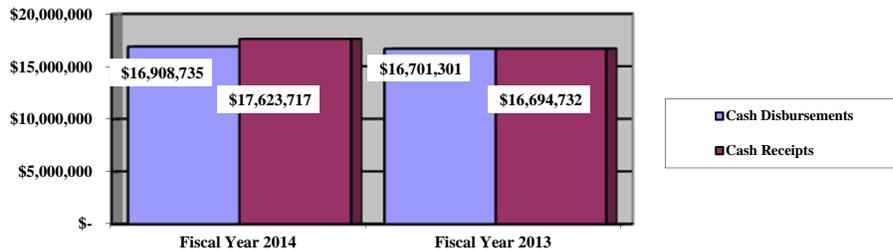
The District had fewer students from other districts apply for open enrollment, which resulted in a decrease in tuition receipts. The interest rates have also fallen, which accounts for the decrease in earnings on investments.

The table that follows assists in illustrating the disbursements of the general fund.

	<b>2014 Amount</b>	<b>2013 Amount</b>	<b>Percentage Change</b>	
<b>Cash Disbursements</b>				
Instruction	\$10,394,869	\$10,099,324	2.93	%
Support services	6,147,826	6,222,250	(1.20)	%
Extracurricular	366,040	375,832	(2.61)	%
Facilities acquisition and construction		3,895	(100.00)	%
<b>Total</b>	<b><u>\$16,908,735</u></b>	<b><u>\$16,701,301</u></b>	1.24	%

Facilities acquisition and construction disbursements decreased as a result of less general fund capital projects during the year. All other cash disbursements remained comparable to 2013. Overall, cash disbursements increased \$207,434 from 2013.

General Fund - Total Cash Receipts vs. Total Cash Disbursements



**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)  
(Continued)**

***Budgeting Highlights - General Fund***

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

For the general fund, final budget basis receipts and other financing sources did not change from the original budget estimates of \$14,406,225. Actual cash receipts of \$15,644,947 were more than final budget estimates by \$1,238,722. The final budget basis disbursements and other financing uses were \$16,082,350, which were \$68,864 more than the original budget basis disbursements and other financing uses of \$16,013,486. The actual budgetary basis disbursements and other financing uses of \$15,490,397 were \$591,953 less than the final budget estimates.

**Capital Assets and Debt Administration**

***Capital Assets***

The District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements.

***Debt Administration***

The District had the following long-term obligations outstanding at June 30, 2014 and 2013:

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
<b>Capital Improvement Bonds, Series 2014:</b>		
Various Purpose - HB 264	\$1,605,000	
Air Conditioning	320,000	
Total long-term obligations	<u>\$1,925,000</u>	<u>\$0</u>

**Current Financial Related Activities**

The challenge for all school districts is to provide a quality education with limited revenue growth. This is even more challenging for a rural district such as Benjamin Logan Local Schools. With mainly one industry, whose Tangible Personal Property tax is being replaced with the House Bill 66 approved Commercial Activity Tax (CAT) that flows through the State, the District must rely on local taxes and State support even further for future revenue growth. The five-year forecast is predicting a slight deficit for fiscal year 2015.

The District has been an effective school district over the last five years, which is among the top 15% of schools statewide. This academic success has been achieved by staff and administration dedication to improvement, an increase in professional development, and community support.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Robert Kuehnle, Treasurer, Benjamin Logan Local School District, 4740 County Road 26, Bellefontaine, Ohio 43311-9532.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2014**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$7,289,264
Cash in segregated accounts . . . . .	3,190
Total assets . . . . .	7,292,454
 <b>Net cash position:</b>	
Restricted for:	
Capital projects . . . . .	1,699,180
Debt service. . . . .	24,640
State funded programs. . . . .	17,040
Federally funded programs . . . . .	27,578
Student activities . . . . .	15,496
Other purposes . . . . .	275,006
Unrestricted . . . . .	5,233,514
Total net cash position . . . . .	\$7,292,454

See accompanying notes to the basis financial statements

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Program Cash Receipts</u>			<u>Net Revenue (Expense)</u>
	<u>Cash</u>		<u>Operating Grants, Contributions and Interest</u>	<u>Governmental Activities</u>
	<u>Disbursements</u>	<u>Charges for Services and Sales</u>		
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$6,927,977	\$1,328,083	\$144,479	(\$5,455,415)
Special . . . . .	2,435,935	71,412	965,671	(1,398,852)
Vocational . . . . .	448,921	-	73,365	(375,556)
Other . . . . .	1,273,970	-	-	(1,273,970)
Support services:				
Pupil . . . . .	803,288	133,992	55,762	(613,534)
Instructional staff . . . . .	400,920	-	33,810	(367,110)
Board of education . . . . .	57,419	-	1,799	(55,620)
Administration . . . . .	1,442,756	-	61,048	(1,381,708)
Fiscal . . . . .	503,789	-	-	(503,789)
Operations and maintenance . . . . .	2,699,371	-	-	(2,699,371)
Pupil transportation . . . . .	1,256,703	-	8,685	(1,248,018)
Central . . . . .	257,693	-	5,400	(252,293)
Operation of non-instructional services:				
Other non-instructional services . . . . .	29,176	9,223	2,489	(17,464)
Food service operations . . . . .	676,757	441,843	249,128	14,214
Extracurricular activities . . . . .	497,178	110,772	11,494	(374,912)
Facilities acquisition and construction . . . . .	53,922	-	-	(53,922)
Interest and fiscal charges . . . . .	72,688	-	-	(72,688)
<b>Total governmental activities . . . . .</b>	<b>\$19,838,463</b>	<b>\$2,095,325</b>	<b>\$1,613,130</b>	<b>(\$16,130,008)</b>
<b>General cash receipts:</b>				
Property taxes levied for:				
General purposes . . . . .				6,030,952
Capital outlay . . . . .				519,777
Emergency levy . . . . .				1,306,965
Grants and entitlements not restricted to specific programs . . . . .				7,930,111
Proceeds of bonds . . . . .				1,925,000
Premium on bonds . . . . .				97,328
Investment earnings . . . . .				21,054
Miscellaneous . . . . .				282,184
<b>Total general receipts . . . . .</b>				<b>18,113,371</b>
Change in net cash position . . . . .				1,983,363
<b>Net cash position at beginning of year . . . . .</b>				<b>5,309,091</b>
<b>Net cash position at end of year . . . . .</b>				<b>\$7,292,454</b>

See accompanying notes to the basic financial statements

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF ASSETS AND FUND BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$5,233,514	\$1,699,180	\$356,570	\$7,289,264
Cash in segregated accounts . . . . .	-	-	3,190	3,190
<b>Total assets . . . . .</b>	<u>5,233,514</u>	<u>1,699,180</u>	<u>359,760</u>	<u>7,292,454</u>
<b>Fund cash balances:</b>				
Restricted:				
Debt service . . . . .	-	-	24,640	24,640
Capital improvements . . . . .	-	1,699,180	-	1,699,180
Food service operations . . . . .	-	-	24,887	24,887
Special education . . . . .	-	-	12,200	12,200
Targeted academic assistance . . . . .	-	-	10,714	10,714
Other purposes. . . . .	-	-	271,823	271,823
Extracurricular . . . . .	-	-	15,496	15,496
Committed:				
Student instruction . . . . .	6,839	-	-	6,839
Student and staff support . . . . .	6,831	-	-	6,831
Assigned:				
Student instruction . . . . .	29,612	-	-	29,612
Student and staff support. . . . .	116,414	-	-	116,414
Other purposes. . . . .	2,270	-	-	2,270
Unassigned . . . . .	5,071,548	-	-	5,071,548
<b>Total fund cash balances. . . . .</b>	<u>\$5,233,514</u>	<u>\$1,699,180</u>	<u>\$359,760</u>	<u>\$7,292,454</u>

See accompanying notes to the financial statements

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES  
IN FUND BALANCES - CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Cash receipts:</b>				
From local sources:				
Property and other taxes . . . . .	\$7,337,917	\$519,777		\$7,857,694
Tuition . . . . .	1,281,947	-	-	1,281,947
Transportation fees . . . . .	22,795	-	-	22,795
Earnings on investments . . . . .	21,054	-	\$430	21,484
Charges for services . . . . .	-	-	441,843	441,843
Extracurricular activities . . . . .	133,992	-	112,083	246,075
Classroom materials and fees . . . . .	93,442	-	-	93,442
Contributions and donations . . . . .	55,762	-	1,773	57,535
Other local revenues . . . . .	275,381	-	26,913	302,294
Intergovernmental - State . . . . .	8,401,427	58,956	22,765	8,483,148
Intergovernmental - Federal . . . . .	-	-	991,241	991,241
Total revenues . . . . .	<u>17,623,717</u>	<u>578,733</u>	<u>1,597,048</u>	<u>19,799,498</u>
<b>Cash disbursements:</b>				
Current:				
Instruction:				
Regular . . . . .	6,772,424	11,026	144,527	6,927,977
Special . . . . .	1,912,054	-	523,881	2,435,935
Vocational . . . . .	436,421	-	12,500	448,921
Other . . . . .	1,273,970	-	-	1,273,970
Support services:				
Pupils . . . . .	755,738	-	47,550	803,288
Instructional staff . . . . .	367,800	-	33,120	400,920
Board of education . . . . .	57,419	-	-	57,419
Administration . . . . .	1,377,745	-	65,011	1,442,756
Fiscal . . . . .	489,256	14,533	-	503,789
Operations and maintenance . . . . .	1,621,511	1,077,860	-	2,699,371
Pupil transportation . . . . .	1,256,703	-	-	1,256,703
Central . . . . .	221,654	4,448	31,591	257,693
Operation of non-instructional services:				
Other operation of non-instructional . . . . .	-	17,922	11,254	29,176
Food service operations . . . . .	-	-	676,757	676,757
Extracurricular activities . . . . .	366,040	-	131,138	497,178
Facilities acquisition and construction . . . . .	-	53,922	-	53,922
Debt service:				
Bond issuance costs . . . . .	-	-	72,688	72,688
Total expenditures . . . . .	<u>16,908,735</u>	<u>1,179,711</u>	<u>1,750,017</u>	<u>19,838,463</u>
Excess (deficiency) of cash receipts over (under) cash disbursements . . . . .	<u>714,982</u>	<u>(600,978)</u>	<u>(152,969)</u>	<u>(38,965)</u>
<b>Other financing sources (uses):</b>				
Premium on bonds sold . . . . .	-	-	97,328	97,328
Sale of bonds . . . . .	-	1,925,000	-	1,925,000
Transfers in . . . . .	-	-	90,000	90,000
Transfers (out) . . . . .	(90,000)	-	-	(90,000)
Total other financing sources (uses) . . . . .	<u>(90,000)</u>	<u>1,925,000</u>	<u>187,328</u>	<u>2,022,328</u>
Net change in fund cash balances . . . . .	624,982	1,324,022	34,359	1,983,363
<b>Fund cash balances at beginning of year . . . . .</b>	<u>4,608,532</u>	<u>375,158</u>	<u>325,401</u>	<u>5,309,091</u>
<b>Fund cash balances at end of year . . . . .</b>	<u>\$5,233,514</u>	<u>\$1,699,180</u>	<u>\$359,760</u>	<u>\$7,292,454</u>

See accompanying notes to the basic financial statements

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Budgetary basis receipts:</b>				
From local sources:				
Property and other local taxes . . . . .	\$5,400,000	\$5,400,000	\$6,030,952	\$630,952
Tuition. . . . .	1,385,000	1,385,000	1,281,947	(103,053)
Transportation fees. . . . .	19,000	19,000	22,795	3,795
Earnings on investments . . . . .	21,000	21,000	21,054	54
Classroom materials and fees . . . . .	91,000	91,000	93,412	2,412
Rental income . . . . .	5,000	5,000	-	(5,000)
Other local revenues . . . . .	65,100	65,100	73,160	8,060
Intergovernmental - state . . . . .	7,342,125	7,342,125	7,919,406	577,281
Total budgetary basis receipts . . . . .	<u>14,328,225</u>	<u>14,328,225</u>	<u>15,442,726</u>	<u>1,114,501</u>
<b>Budgetary basis disbursements:</b>				
Current:				
Instruction:				
Regular . . . . .	6,141,196	6,167,604	5,992,478	175,126
Special. . . . .	1,243,301	1,248,648	1,391,264	(142,616)
Vocational. . . . .	517,155	519,379	453,180	66,199
Other. . . . .	1,341,232	1,347,000	1,273,970	73,030
Support services:				
Pupil. . . . .	627,750	630,450	578,535	51,915
Instructional staff . . . . .	385,302	386,959	368,194	18,765
Board of education . . . . .	91,757	92,152	57,419	34,733
Administration. . . . .	1,358,222	1,364,063	1,297,245	66,818
Fiscal . . . . .	428,158	429,999	457,695	(27,696)
Operations and maintenance. . . . .	1,645,568	1,652,645	1,649,770	2,875
Pupil transportation . . . . .	1,377,770	1,383,695	1,286,663	97,032
Central. . . . .	264,911	266,050	227,944	38,106
Extracurricular activities. . . . .	456,742	458,706	366,040	92,666
Total budgetary basis disbursements . . . . .	<u>15,879,064</u>	<u>15,947,350</u>	<u>15,400,397</u>	<u>546,953</u>
Excess (deficiency) of budgetary basis receipts over (under) budgetary basis disbursements . . . . .	<u>(1,550,839)</u>	<u>(1,619,125)</u>	<u>42,329</u>	<u>1,661,454</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	75,000	75,000	73,817	(1,183)
Transfers (out). . . . .	(134,422)	(135,000)	(90,000)	45,000
Sale of capital assets. . . . .	3,000	3,000	128,404	125,404
Total other financing sources (uses) . . . . .	<u>(56,422)</u>	<u>(57,000)</u>	<u>112,221</u>	<u>169,221</u>
Net change in fund cash balance . . . . .	(1,607,261)	(1,676,125)	154,550	1,830,675
<b>Fund cash balance at beginning of year . . . . .</b>	<b>4,038,144</b>	<b>4,038,144</b>	<b>4,038,144</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>68,865</b>	<b>68,865</b>	<b>68,865</b>	<b>-</b>
<b>Fund cash balance at end of year . . . . .</b>	<b><u>\$2,499,748</u></b>	<b><u>\$2,430,884</u></b>	<b><u>\$4,261,559</u></b>	<b><u>\$1,830,675</u></b>

See accompany notes to the basic financial statements

BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY

STATEMENT OF FIDUCIARY NET POSITION - CASH BASIS  
FIDUCIARY FUNDS  
JUNE 30, 2014

	<u>Agency</u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	<u>\$140,902</u>
<b>Net cash position:</b>	
Held for student activities . . . . .	<u>\$140,902</u>

See accompanying notes to the basic financial statements

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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

Benjamin Logan Local School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1969 through the consolidation of existing land areas and school districts. The District serves an area of approximately 225 square miles, 201 square miles in Logan County, 18 square miles in Hardin County, and six square miles in Union County. It is located in Logan County and includes the Villages of Belle Center, Rushsylvania, Valley High, Middleburg, West Mansfield, Zanesfield, and East Liberty. The District is staffed by 90 non-certified employees and 127 certified full-time teaching personnel who provide services to 1,761 students and other community members. The District currently operates three instructional buildings and a garage building.

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

As discussed in Note 2.B., these financial statements are presented on the cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In cases where these cash basis statements contain items that are the same as, or similar to, those items in financial statements prepared in conformity with GAAP, similar informative disclosures are provided.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Western Ohio Computer Organization (WOCO)

The District is a participant in the Western Ohio Computer Organization (WOCO), which is a computer consortium. WOCO is an association of various public school districts within the boundaries of Auglaize, Champaign, Hardin, Logan, Shelby, and Miami Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions of member school districts. Each of the governments of these districts supports WOCO based upon a per pupil charge dependent on the software package utilized. In accordance with GASB Statement No. 14, the District does not have an equity interest in WOCO, as the residual interest in net resources of the joint venture upon dissolution is not equivalent to an equity interest. WOCO is governed by a board of directors consisting of the superintendents of the member school districts and the degree of control is limited to the representation on the board. Financial information can be obtained from Donn Walls, who serves as Director, at 129 East Court Street, Sidney, Ohio 45365.

Ohio Hi-Point Joint Vocational School

The Ohio Hi-Point Joint Vocational School District is a political subdivision of the State of Ohio, which possesses its own budgeting and taxing authority. The Vocational School is governed by a board of education that consists of a representative from each participating school district and its degree of control is limited to its representation on the board. To obtain financial information write to the Ohio Hi-Point Joint Vocational School, Eric Adelsberger, who serves as Treasurer, at 2280 State Route 540, Bellefontaine, Ohio 43311.

Logan County Education Foundation

The Logan County Education Foundation was established to secure and distribute contributions from individuals, corporations, and foundations for the benefit of students within the county. The Foundation promotes, sponsors, and encourages the pursuit of excellence in education for students. The Foundation is managed by a Board of Trustees composed of six trustees from each school district. These trustees are nominated by their local school boards including Bellefontaine City School District, Benjamin Logan Local School District, Indian Lake Local School District, and Riverside Local School District. The Executive Board is comprised of the Logan County Educational Service Center Superintendent representing the three local school districts and the Bellefontaine City School District Superintendent representing the city school district. Financial information can be obtained by contacting Sara Tracey, who serves as Financial Advisor, 121 S. Opera Street, Bellefontaine, Ohio 43311.

*INSURANCE PURCHASING POOLS*

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in a group-rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Program (the "Program") was established through the Ohio School Boards Association ("OSBA") as an insurance purchasing pool.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

The Program's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designees, serves as coordinator of the Program. Each year, the participants pay an enrollment fee to the Program to cover the costs of administering the Program.

Logan County School Benefit Plan Association

The District participates in the Logan County School Benefit Plan Association (the Plan); a public entity shared risk pool consisting of one educational service center, one joint vocational school district, and three local school districts. The District pays monthly premiums to the Plan for employee medical benefits. The Plan is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

*RELATED ORGANIZATION*

Belle Center Free Public Library

The Belle Center Free Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Belle Center Free Public Library, Judy Pockras, Fiscal Officer, at 103 South Elizabeth Street, PO Box 336, Belle Center, Ohio 44310.

**B. Basis of Accounting**

Although required by Ohio Administrative Code § 117-2-03(B) to prepare its annual financial report in accordance with GAAP, the District chooses to prepare its financial statements and notes on the cash basis of accounting. The cash basis of accounting is a comprehensive basis of accounting other than GAAP. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

Budgetary presentations report budgetary cash disbursements when a commitment is made (i.e. when an encumbrance is approved). The difference between disbursements reported in the fund and entity wide statements and disbursements reported in the budgetary statements are due to current year encumbrances being added to disbursements reported on the budgetary statements. These statements include adequate disclosure of material matters, in accordance with the basis of accounting described in the preceding paragraph.

**C. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

*GOVERNMENTAL FUNDS*

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants) and other non-exchange transactions as governmental funds. The following are the District's major governmental funds:

General fund -The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement fund -The permanent improvement fund is used to account for all transactions related to the acquiring, constructing and improving District assets.

Other governmental funds of the District are used to account for (a) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (b) financial resources that are restricted, committed or assigned to expenditures for principal and interest.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net cash assets and changes in net cash 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 cash assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District does not have any trust or private purpose trust funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The District's agency funds account for student activities.

**D. Basis of Presentation**

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The government-wide statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. These disbursements are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program receipts 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. Receipts which are not classified as program receipts are presented as general receipts of the District. The comparison of direct disbursements with program receipts identifies the extent to which each business segment or governmental function is self-financing on the cash basis or draws from the general receipts of the District.

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

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate.

The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of budgetary control selected by the Board is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Budgetary allocations below the legal level within all funds are made by the District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements. A portion of cash and cash equivalents held within the athletic department of the District is recorded as "cash in segregated accounts".

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

During fiscal year 2014, investments were limited to certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool, managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares prices, which is the price the investment could be sold for on June 30, 2014.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$21,054, which includes \$4,598 assigned from other funds.

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

**G. Equity Classifications**

**1. Government - wide Statements**

Equity is classified as Net Position, and displayed in separate components:

- a. Restricted Net Position - Consists of net position with constraints places on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation adopted by the school district. Net Position restricted for other purposes include resources restricted for food service operations, school supplies, and for student scholarships. As of June 30, 2014, the District had no net position restricted by enabling legislation.
- b. Unrestricted Net Position - All other net position that does not meet the definition of restricted".

**2. Fund Financial Statements**

Governmental fund Equity is classified as fund cash balance, and displayed in separate components:

The District reports classifications of fund cash balance based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The following categories may be used:

Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally required to be maintained intact.

Restricted - amounts that have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

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

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, the Board of Education.

Assigned - amounts that are constrained by the District's intent to be used for specific purpose, but are neither restricted nor committed. Assigned amounts include those approved through the District's formal purchasing procedure by the Treasurer. Through the District's purchasing policy, the Board of Education has given the Treasurer the authority to constrain monies for intended purposes.

Unassigned - residual fund balance within the general fund that is in spendable form that is not restricted, committed, or assigned.

The District applies restricted resources first when a disbursement is incurred for purposes for which restricted and unrestricted fund cash balance is available. The District considers committed, assigned, and unassigned fund cash balances, respectively, to be spent when disbursements are incurred for purposes for which any of the unrestricted fund cash balance classifications could be used.

**H. Capital Assets**

Acquisition of property, plant, and equipment purchased are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements under the cash basis of accounting. Depreciation has not been reported for any capital assets.

**I. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting.

**J. Employer Contributions to Cost-Sharing Pension Plans**

The Districts recognizes disbursements for employer contributions to cost-sharing plans when they are paid. As described in Notes 9 and 10, employer contributions include portions for pension benefits and postretirement health care benefits.

**K. Long-Term Obligations**

Bonds and other long-term obligations are not recognized as a liability in the financial statements under the cash basis of accounting. These statements report proceeds of debt when cash is received, and debt service disbursements for debt principal payments.

**L. Interfund Activity**

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements 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 loans are reported as advances-in and advances-out. Advances are not reflected as assets and liabilities in the accompanying financial statements. Interfund transfers and advances are reported as other financing sources/uses in governmental funds.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

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

Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented on the basic financial statements. Interfund activity between governmental funds are eliminated on the statement of net position - cash basis and the statement of activities - cash basis.

**M. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2014.

**N. Receipts and Disbursements**

**Program Receipts**

In the statement of activities, receipts that are derived directly from each activity or from parties outside the District's taxpayers are reported as program receipts. The District has the following program receipts: charges for services and operating grants, contributions, and interest. All other governmental receipts are reported as general. All taxes are classified as general receipts even if restricted for a specific purpose.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Compliance**

Ohio Administrative Code, Section 117-2-03(B), requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepared its financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying financial statements omit assets, liabilities, net position / fund balances, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

**B. Change in Accounting Principles**

For fiscal year 2014, the District has implemented GASB Statement No. 67, "Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25", and GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 67 improves the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability. The implementation of GASB Statement No. 67 did not have an effect on the financial statements of the District. GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

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

8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies; and,
9. High grade commercial paper in an amount not to exceed 5 percent of the District's total average portfolio.

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

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

**A. Cash in Segregated Accounts**

At fiscal year end, \$3,190 was maintained in a checking account that the District established for funds related to athletics. This depository account is included in the total amount of "Deposits with Financial Institutions".

**B. Deposits with Financial Institutions**

At June 30, 2014, the carrying amount of all District deposits was \$6,102,071. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$3,167,236 of the District's bank balance of \$6,158,556 was exposed to custodial risk as discussed below, while \$2,991,320 was covered by the Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments.

**C. Investments**

As of June 30, 2014, the District had the following investments and maturities:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

<u>Investment type</u>	<u>Carrying Value</u>	<u>Investment Maturity</u>  6 months or less
STAR Ohio	\$ <u>1,331,285</u>	\$ <u>1,331,285</u>

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

*Credit Risk:* Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The District has no investment policy that would further limit its investment choices.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2014:

<u>Investment type</u>	<u>Carrying Value</u>	<u>% of Total</u>
STAR Ohio	\$ <u>1,331,285</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash as reported on the statement of net position as of June 30, 2014:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 6,102,071
Investments	<u>1,331,285</u>
Total	<u>\$ 7,433,356</u>
<u>Cash per statement of net position</u>	
Governmental activities	\$ 7,292,454
Agency funds	<u>140,902</u>
Total	<u>\$ 7,433,356</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended June 30, 2014, consisted of the following, as reported on the fund financial statements:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

**NOTE 5 - INTERFUND TRANSACTIONS (continued)**

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 90,000</u>

Transfers are used to move cash receipts from the fund that statute or budget required to collect them to the fund that statute or budget requires to disburse them and to use unrestricted cash receipts collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes.

Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Logan, Hardin and Union Counties. The County Auditors periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

The assessed values upon which the fiscal year 2014 taxes were collected are:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**NOTE 6 - PROPERTY TAXES (continued)**

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 292,712,050	96.35	\$ 313,733,220	96.59
Public utility personal	<u>11,080,780</u>	<u>3.65</u>	<u>11,070,930</u>	<u>3.41</u>
Total	<u>\$ 303,792,830</u>	<u>100.00</u>	<u>\$ 324,804,150</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$26.34		\$35.70	

**NOTE 7 - LONG-TERM OBLIGATIONS**

During the fiscal year 2014, the following changes occurred in the District's long-term obligations:

	Balance Outstanding <u>June 30, 2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance Outstanding <u>June 30, 2014</u>	Amounts Due in <u>One Year</u>
<b>Governmental activities:</b>					
Capital Improvement Bonds, Series 2014:					
Various Purpose - HB 264	\$ -	\$ 1,605,000	\$ -	\$ 1,605,000	\$ 160,000
Air Conditioning	<u>-</u>	<u>320,000</u>	<u>-</u>	<u>320,000</u>	<u>30,000</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 1,925,000</u>	<u>\$ -</u>	<u>\$ 1,925,000</u>	<u>\$ 190,000</u>

On March 25, 2014, the District issued \$1,925,000 in general obligation bonds this was a consolidated issue to combine two separate series of bonds. The bonds were issued to finance costs of (a) installing heating and air conditioning systems in school buildings and other facilities for District purposes and improving and equipping their sites (\$320,000), and (b) constructing, renovating, rehabilitating, furnishing, equipping and improving District buildings and facilities to conserve energy (\$1,605,000).

The bonds were issued for a ten year period with a final maturity of December 1, 2023. The bond issue consists entirely of current interest serial bonds at an interest rate of 1.0% to 4.0% for an approximate yield to maturity of 0.22% to 2.65%. Principal payments are due each December 1<sup>st</sup> starting in 2014 with interest payments due each June 1<sup>st</sup> and December 1<sup>st</sup> starting in December 2014. The bonds are payable

The following is a summary of the District's future annual debt service requirements to maturity for the Series 2014 Bonds:

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

**NOTE 7 - LONG-TERM OBLIGATIONS (continued)**

Fiscal Year	Various Purpose - HB 264			Air Conditioning		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 160,000	\$ 41,149	\$ 201,149	\$ 30,000	\$ 8,311	\$ 38,311
2016	150,000	33,100	183,100	30,000	6,700	36,700
2017	150,000	31,600	181,600	30,000	6,400	36,400
2018	155,000	29,688	184,688	30,000	6,025	36,025
2019	155,000	27,363	182,363	30,000	5,575	35,575
2020-2024	835,000	78,700	913,700	170,000	15,975	185,975
Total	<u>\$ 1,605,000</u>	<u>\$ 241,600</u>	<u>\$ 1,846,600</u>	<u>\$ 320,000</u>	<u>\$ 48,986</u>	<u>\$ 368,986</u>

The District's total voted debt margin was \$27,332,014 with an unvoted debt margin of \$324,804 at June 30, 2014.

**NOTE 8 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District maintains comprehensive commercial insurance coverage for real property, building contents, and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are fully insured. Settled claims resulting from these risks have not exceeded the commercial coverage in any of the past three years.

The District's comprehensive commercial insurance coverage for real property and building contents has a liability limit of \$62,158,399 and a 100 percent coinsurance.

The District's fleet insurance has a liability limit of \$1,000,000, and \$5,000 for medical payments. The policy includes a \$500 deductible for comprehensive and collision coverage.

The District also has a \$1,000,000 general liability policy per occurrence/\$2,000,000 per aggregate, with an overall excess liability policy (umbrella) for a total limit of \$5,000,000.

The District's health insurance is provided through Anthem Blue Cross Blue Shield, the insurance provider for the Logan County Schools Benefit Plan Association. The District's vision plan is provided through Vision Service Plan (VSP). The District's dental plan is provided through Coresource. The District's life plan is provided through Sun America.

**B. Workers' Compensation**

For fiscal year 2014, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2.A). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**NOTE 9 - PENSION PLANS**

**A. School Employees Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 14 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$307,819, \$313,698 and \$306,259, respectively; 82.43 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)**

**NOTE 9 - PENSION PLANS - (Continued)**

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

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$995,923, \$1,020,124 and \$1,077,055, respectively; 84.00 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2014 certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Employers/Audit Resources".

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - POSTEMPLOYMENT BENEFITS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$42,818, \$38,368 and \$48,511, respectively; 82.43 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$17,858, \$17,720 and \$18,086, respectively; 82.43 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

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

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$76,609, \$78,471 and \$82,850, respectively; 84.00 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

**NOTE 11 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**NOTE 12 - STATUTORY RESERVES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	302,928
Current year offsets	<u>(302,928)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

**NOTE 13 - BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations and changes in fund balances on the cash basis, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison schedule presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budget basis and the cash basis is (1) outstanding year end encumbrances are treated as disbursements (budget) rather than assigned fund balance (cash) and (2) certain funds are included in the general fund on a cash-basis but budgeted as special revenue funds on a budget-basis.

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)**

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

The following table summarizes the adjustments necessary to reconcile the cash basis statement to the budgetary basis statement for the general fund:

**Net Change in Fund Balance**

	<u>General fund</u>
Cash basis	\$ 624,982
Funds budgeted elsewhere **	(363,316)
Adjustment for encumbrances	(107,116)
Budget basis	\$ 154,550

\*\* As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a cash basis. This includes the rotary fund, uniform school supplies fund, the emergency levy fund and the public school support fund.

**NOTE 14 - COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end are reservations of fund balance for subsequent-year expenditures and may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 117,555
Other governmental	38,855
Total	\$ 156,410

**NOTE 15 - CONTRACTUAL COMMITMENTS**

As of June 30, 2014, the District was obligated for the following contracts related to the HB 264 energy conservation project:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Payments as of 06/30/14</u>	<u>Contract Balance 06/30/14</u>
H.E.A.T., Inc.	\$ 1,605,613	\$ 573,253	\$ 1,032,360

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**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>FEDERAL GRANTOR Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education:</i>					
<b>Child Nutrition Cluster:</b>					
Non-Cash Assistance (Food Distribution)					
National School Lunch Program	10.555		\$33,843		\$33,843
<b>Cash Assistance:</b>					
National School Lunch Program	10.555	\$205,979		\$205,979	
School Breakfast Program	10.553	\$37,854		\$37,854	
Total Child Nutrition Cluster		243,833	33,843	243,833	33,843
Total U. S. Department of Agriculture		243,833	33,843	243,833	33,843
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education:</i>					
Title 1 Grants to Local Educational Agencies	84.010	282,580		293,402	
Special Education Grants to States	84.027	292,519		303,209	
Improving Teacher Quality State Grants	84.367	71,872		72,621	
ARRA Race to Top Incentive Grants	84.395	100,437		96,710	
Total U. S. Department of Education		747,408		765,942	
Total Federal Financial Assistance		\$991,241	\$33,843	\$1,009,775	\$33,843

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

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPT AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



# Dave Yost • Auditor of State

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

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2014 wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2014-001.

***Entity's Response to Findings***

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

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

October 22, 2014



# Dave Yost • Auditor of State

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

Benjamin Logan Local School District  
Logan County  
4740 County Road 26  
Bellefontaine, Ohio 43311

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited Benjamin Logan Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Benjamin Logan Local School District's major federal programs for the fiscal year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

***Opinion on the Major Federal Program***

In our opinion, the Benjamin Logan Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



**Dave Yost**  
Auditor of State

Columbus, Ohio

October 22, 2014

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Child Nutrition Cluster: National School Lunch Program CFDA# 10.555, School Breakfast Program CFDA# 10.553
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2014-001**

**Noncompliance Citation**

**Ohio Rev. Code § 117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office. Ohio Administrative Code § 117-2-03 further clarifies the requirements of Ohio Rev. Code § 117.38.

**Ohio Adm. Code § 117-2-03 (B)** requires all school districts to file annual financial reports in accordance with generally accepted accounting principles (GAAP). The District prepared its financial statements in accordance with the cash accounting basis. The accompanying financial statements omit assets, liabilities, fund equities, and disclosures that, while material, cannot be determined at this time. Pursuant to Ohio Rev. Code §117.38 the District may be fined and subject to various other administrative remedies for its failure to file the required financial report.

The District should prepare its financial statements in according with generally accepted accounting principles to provide users with more complete and meaningful financial statements.

**OFFICIALS' RESPONSE:**

The Board of Education has elected not to prepare its annual financial reports in accordance with the generally accepted accounting principles (GAAP) due to the projected cost savings of \$10,000, in accordance with past practices.

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

**None**

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2013-001	Ohio Rev. Code Section 117.38 & Ohio Admin. Code Section 117-2-03(B) – Failed to file financial statements in accordance with GAAP	No	Repeated as Finding Number 2014-001

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# Dave Yost • Auditor of State

**BENJAMIN LOGAN LOCAL SCHOOL DISTRICT**

**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  
DECEMBER 2, 2014**