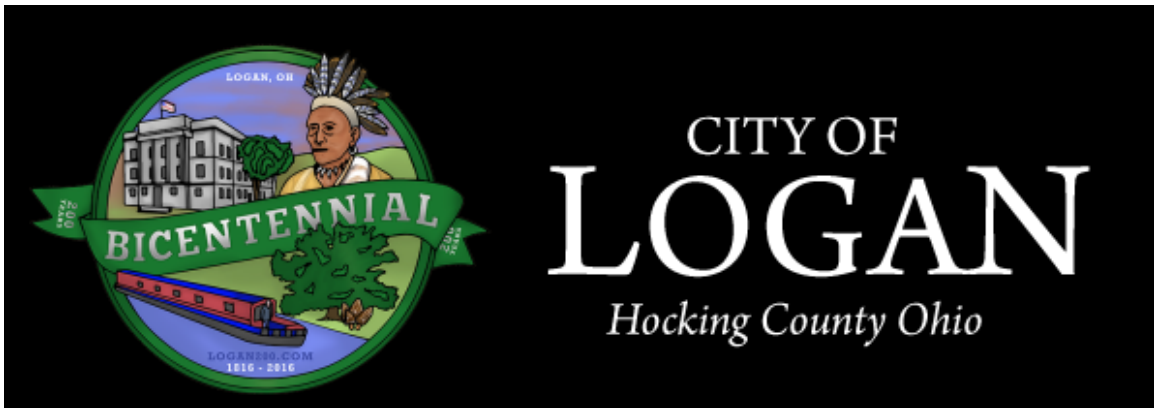


**CITY OF LOGAN  
HOCKING COUNTY, OHIO**



**SINGLE AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

City Council  
City of Logan  
10 South Mulberry Street  
Logan, Ohio 43138

We have reviewed the *Independent Auditors' Report* of the City of Logan, Hocking County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2020 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

**July 29, 2021**

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**CITY OF LOGAN, OHIO**  
**HOCKING COUNTY**  
FOR THE YEAR ENDED DECEMBER 31, 2020

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**INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and the City Council  
City of Logan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Local Coronavirus Relief Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021, on our consideration of the City'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. The 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 City's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
June 23, 2021



**City of Logan, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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The discussion and analysis of the City of Logan's financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2020 are as follows:

- In total, net position increased \$3,395,657. Net position of governmental activities increased \$1,043,017 from 2019. Net position of business-type activities also increased \$2,352,640 from 2019.
- In total, assets increased \$3,076,980. Governmental activities increased \$1,424,209; the business-type activities assets increased \$1,652,771.
- Overall, capital assets increased \$5,040,546. Total capital assets of governmental activities increased \$4,007,391. Capital assets of business-type activities increased \$1,033,155.

## **USING THIS ANNUAL FINANCIAL REPORT**

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

The statement of net position and the statement of activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major 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 dollars remains for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

### ***Reporting the City of Logan as a Whole***

#### *Statement of Net Position and Statement of Activities*

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and Statement of Activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and the changes in net position. This change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial

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*Management's Discussion and Analysis*  
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information, such as the condition of the City's capital assets and changes in the City's property tax base will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental Activities** – Most of the City's services are reported here including police, fire, administration, and all departments with the exception of our Water, Sewer and Nonmajor Enterprise Funds.
- **Business-Type Activities** – Water and sewer services have charges based on the amounts of usage. The City charges fees to recoup the cost of the entire operation of our water and sewer treatment plants as well as all capital expenditures associated with these facilities and equipment. The City also charges fees for storm water services based upon set rates.

***Reporting the City of Logan's Most Significant Funds***

*Fund Financial Statements*

Fund financial statements begin on page 15. Fund financial reports provide detailed information about the City's major funds. Based upon restrictions on the use of monies, the City has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Logan, our major funds are the General Fund, Local Coronavirus Relief Fund, Capital Improvements Fund, Swimming Pool Construction Capital Projects Fund, and the Water and Sewer Enterprise Funds.

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

***Proprietary Funds*** When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

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**THE CITY OF LOGAN AS A WHOLE**

Recall that the Statement of Net Position provides the perspective of the City as a whole. Table 1 provides a summary of the City's net position for 2020 compared to 2019.

**(Table 1)**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	Restated 2019	2020	Restated 2019
<b>Assets</b>						
Current and Other Assets	\$6,928,050	\$9,511,232	\$6,654,816	\$6,035,200	\$13,582,866	\$15,546,432
Capital Assets	11,562,771	7,555,380	38,847,002	37,813,847	50,409,773	45,369,227
<i>Total Assets</i>	<u>18,490,821</u>	<u>17,066,612</u>	<u>45,501,818</u>	<u>43,849,047</u>	<u>63,992,639</u>	<u>60,915,659</u>
<b>Deferred Outflows of Resources</b>						
Pension	1,156,719	2,296,116	215,076	580,104	1,371,795	2,876,220
OPEB	799,241	723,139	144,888	70,126	944,129	793,265
Asset Retirement Obligation	0	0	538,600	555,200	538,600	555,200
<i>Total Deferred Outflows of Resources</i>	<u>1,955,960</u>	<u>3,019,255</u>	<u>898,564</u>	<u>1,205,430</u>	<u>2,854,524</u>	<u>4,224,685</u>
<b>Liabilities</b>						
Current and Other Liabilities	582,561	709,653	1,334,389	2,669,332	1,916,950	3,378,985
Long-term Liabilities:						
Due Within One Year	228,457	207,961	607,761	330,414	836,218	538,375
Due in More than One Year:						
Net Pension Liability	5,874,885	7,269,110	1,358,250	1,971,146	7,233,135	9,240,256
Net OPEB Liability	1,595,627	1,458,800	904,569	894,187	2,500,196	2,352,987
Other Amounts	3,454,388	3,601,536	21,889,002	20,877,256	25,343,390	24,478,792
<i>Total Liabilities</i>	<u>11,735,918</u>	<u>13,247,060</u>	<u>26,093,971</u>	<u>26,742,335</u>	<u>37,829,889</u>	<u>39,989,395</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	674,497	628,265	0	0	674,497	628,265
Pension	989,886	361,765	355,678	40,136	1,345,564	401,901
OPEB	549,971	395,285	166,370	10,283	716,341	405,568
<i>Total Deferred Inflows of Resources</i>	<u>2,214,354</u>	<u>1,385,315</u>	<u>522,048</u>	<u>50,419</u>	<u>2,736,402</u>	<u>1,435,734</u>
<b>Net Position</b>						
Net Investment in Capital Assets	8,186,771	6,706,462	16,243,956	14,319,600	24,430,727	21,026,062
Restricted	1,897,709	2,186,504	0	0	1,897,709	2,186,504
Unrestricted (Deficit)	<u>(3,587,971)</u>	<u>(3,439,474)</u>	<u>3,540,407</u>	<u>3,112,123</u>	<u>(47,564)</u>	<u>(327,351)</u>
<i>Total Net Position</i>	<u>\$6,496,509</u>	<u>\$5,453,492</u>	<u>\$19,784,363</u>	<u>\$17,431,723</u>	<u>\$26,280,872</u>	<u>\$22,885,215</u>

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The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange.

However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

In accordance with GASB 68 and GASB 75, the City’s statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan’s *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

For governmental activities, total assets increased \$1,424,209 mainly due to increases in capital assets of \$4,007,391, an increase in property taxes receivables of \$53,442, an increase in income tax receivable of \$47,392, and an increase in the net pension asset of \$11,010. The increase in capital assets was due to the purchase of various assets in the amount of \$881,073 along with the asset additions from the construction started in previous years. This construction was for the new swimming pool in the amount of \$3,284,847, downtown improvements in the amount of \$926,736, and the park improvements at Kachelmacher Park in the amount of \$9,515. Property taxes receivable increased during 2020 due to an increase in the amounts certified to be collected by the County Auditor. These increases were offset by a decrease in equity in pooled cash and equivalents of \$2,289,604, a decrease in intergovernmental receivables of \$337,888, and in nondepreciable capital assets of \$429,068.

Current liabilities decreased \$127,092 due to a decrease in contracts payable of \$156,802 and a decrease in accrued wages of \$77,857. Long-term liabilities decreased \$1,384,050 primarily due to the net pension liability decreasing. As indicated above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability.

For business-type activities, capital assets increased \$1,033,155, intergovernmental receivable decreased \$1,066,178, and equity in pooled cash and cash equivalents increased \$1,717,124. The increase in capital assets and decrease in intergovernmental receivable is direct result of the construction of the new water plant being completed. Current liabilities decreased as a direct result of the decrease in contracts and retainage

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payable due to the new water plant construction. Long-term liabilities decreased \$143,421 mainly due to a decrease in net pension liability.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2020 and 2019.

**(Table 2)**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2020	Restated 2019	2020	Restated 2019	2020	Restated 2019
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$718,861	\$523,497	\$4,733,191	\$4,486,868	\$5,452,052	\$5,010,365
Operating Grants and Contributions	1,591,660	676,450	0	0	1,591,660	676,450
Capital Grants and Contributions	992,073	169,170	3,207,468	4,860,658	4,199,541	5,029,828
Total Program Revenues	3,302,594	1,369,117	7,940,659	9,347,526	11,243,253	10,716,643
General Revenues:						
Property Taxes	719,899	677,306	0	0	719,899	677,306
Income Taxes	4,468,301	4,566,579	0	0	4,468,301	4,566,579
Grants and Entitlements	350,325	342,026	0	0	350,325	342,026
Interest	31,387	42,286	0	0	31,387	42,286
Sale of Capital Assets	6,846	0	0	0	6,846	0
Other	47,460	9,383	157,173	55,223	204,633	64,606
Total General Revenues	5,624,218	5,637,580	157,173	55,223	5,781,391	5,692,803
Total Revenues	8,926,812	7,006,697	8,097,832	9,402,749	17,024,644	16,409,446
<b>Program Expenses</b>						
General Government	1,373,395	1,089,004	0	0	1,373,395	1,089,004
Security of Persons and Property:						
Police	2,949,263	874,711	0	0	2,949,263	874,711
Fire	1,274,286	617,913	0	0	1,274,286	617,913
Transportation	909,886	920,220	0	0	909,886	920,220
Public Health Services	474,217	485,480	0	0	474,217	485,480
Leisure Time Activities	200,732	237,929	0	0	200,732	237,929
Community Environment	209,319	48,553	0	0	209,319	48,553
Basic Utility Services	3,270	2,882	0	0	3,270	2,882
Interest and Fiscal Charges	89,427	114,988	0	0	89,427	114,988
Intergovernmental	400,000	0	0	0	400,000	0
Water	0	0	3,621,021	1,810,597	3,621,021	1,810,597
Sewer	0	0	1,966,241	2,266,856	1,966,241	2,266,856
Nonmajor Enterprise	0	0	157,930	156,831	157,930	156,831
Total Expenses	7,883,795	4,391,680	5,745,192	4,234,284	13,628,987	8,625,964
Change in Net Position	1,043,017	2,615,017	2,352,640	5,168,465	3,395,657	7,783,482
Net Position at Beginning of Year	5,453,492	2,838,475	17,431,723	12,263,258	22,885,215	15,101,733
Net Position at End of Year	\$6,496,509	\$5,453,492	\$19,784,363	\$17,431,723	\$26,280,872	\$22,885,215

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***Governmental Activities***

Several revenue sources fund our governmental activities, with the City income tax being the biggest contributor. The income tax rate is 2 percent. General revenues from property taxes and grants and entitlements, such as local government funds, are also large revenue generators. The City monitors these revenue sources very closely for fluctuations because the income tax, property tax, and intergovernmental revenue represent 79 percent, 13 percent, and 6 percent, respectively, of all general revenues in the governmental activities.

The City continues to work very hard to increase the income tax base by being proactive with new businesses. We are continuing to strive to provide better service to the taxpayers at the lowest cost possible. The ability of the City to continue to provide quality services without income tax increases rests on the City Management's ability to keep costs in line with revenues.

Intergovernmental revenues (operating and capital grants) and contributions accounted for 78 percent of all program revenues. These revenues are not generated from the City's own resources. Such revenues are often unpredictable and accompanied by administrative requirements. The lower this percentage, the better in regards to independence.

Security of persons and property is a major activity of the City, accounting for 54 percent of the governmental expenses. During 2020, expenses for police and fire operations amounted to \$2,949,263 and \$1,274,286, respectively. This was an increase from 2019 primarily due to increases in capital assets. These activities are, for the most part, funded by the municipal income tax and property taxes. The City attempts to supplement the income and activities of the police department to enable the department to widen the scope of its activity. The fire department and its employees continue to work hand in hand with the City to help reduce the costs to the taxpayer.

Transportation activities of the City accounted for 12 percent of governmental expenses.

General government, public health, leisure time activities, community environment, intergovernmental, and basic utility service activities account for the remaining 34 percent of governmental expenditures.

***Business-Type Activities***

The City's business-type activities are composed of water, sewer, and storm water operations and are funded almost entirely from charges for services. During 2020, the City collected \$246,323 more in charges for services from the previous year and spent \$1,785,708 more than the previous year. The City's water and sewer departments continued to operate with comparable rates. The minimum water and sewer rates are \$31.77 and \$25.15, respectively, for the first 2,000 gallons. Water and sewer rates for two surrounding communities are \$21.67 and \$18.19 for water and \$21.53 and \$16.04 for sewer. The decrease in capital grants and contributions for 2020 is due to the additional grant monies received from the United States Department of Agriculture for the construction of the new water plant in 2019.

**THE CITY'S FUNDS**

The City's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,145,420 and expenditures of \$11,566,082.

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The fund balance of the General Fund increased \$356,683. The General Fund's balance of \$3,379,179. Most of this balance remains in the City's treasury and invested.

The fund balance of the Local Coronavirus Relief Fund had a zero balance. This fund was established for grant money received by the Federal Government for the COVID-19 Pandemic. During 2020, the City received \$952,697 in grant funding from the CARES act to provide the City resources to relieve the financial burden during this pandemic.

The fund balance of the Capital Improvements Fund decreased \$43,059. The Capital Improvements Fund had a restricted fund balance of \$573,932 at year end.

The fund balance of the Swimming Pool Construction Capital Projects Fund was \$1,510.

During 2020, the Water Fund had operating revenues of \$2,453,233 and operating expenses of \$1,850,212. The Sewer Fund had operating revenues of \$2,173,970 and operating expenses of \$1,695,473. Water and sewer rates last increased 3 percent in July of 2020.

***General Fund Budgeting Highlights***

The City'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. From time to time during the year, the fund's budget may be amended as needs or conditions change.

During the course of 2020, the City amended its General Fund budget several times, none were significant. All recommendations for a budget change came from the City Auditor to the Finance Committee of Council for review before going to the whole Council for Ordinance enactment on the change. The allocation of appropriations among the objects within a fund may be modified during the year by the City Auditor without an ordinance of Council. With the General Fund supporting many of our major activities such as our police and fire departments, as well as most legislative and executive activities, the General Fund is monitored closely by looking for possible revenue shortfalls or overspending by individual departments.

Original budgeted revenues were not amended during 2020. Actual revenues were over the final budget in the amount of \$420,350. The original appropriations were increased \$238,367; however, the actual expenditures were \$529,358 less than the final budget for expenditures. The City of Logan's ending unencumbered fund cash balance in the General Fund was \$949,708 above the final budgeted amount. This is due to the City continuing to make every reasonable effort to hold costs down and maximize the returns the City receives for the monies that are spent.

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

(Table 3)  
Capital Assets at December 31, 2020  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$1,016,036	\$1,016,036	\$216,600	\$216,600	\$1,232,636	\$1,232,636
Construction in Progress	25,888	454,956	64,002	16,934,288	89,890	17,389,244
Land Improvements	5,749,522	1,703,317	7,857	8,300	5,757,379	1,711,617
Buildings and Improvements	805,662	838,745	0	0	805,662	838,745
Furniture, Fixtures, and Equipment	645,000	357,759	406,704	294,708	1,051,704	652,467
Vehicles	1,503,696	1,365,824	504,279	316,144	2,007,975	1,681,968
Infrastructure:						
City Streets	1,749,878	1,746,289	0	0	1,749,878	1,746,289
Street Signals	67,089	72,444	0	0	67,089	72,444
Water System	0	0	21,106,322	3,097,607	21,106,322	3,097,607
Sewer System	0	0	16,170,547	16,630,764	16,170,547	16,630,764
Stormwater System	0	0	370,691	315,436	370,691	315,436
<b>Totals</b>	<b>\$11,562,771</b>	<b>\$7,555,370</b>	<b>\$38,847,002</b>	<b>\$37,813,847</b>	<b>\$50,409,773</b>	<b>\$45,369,217</b>

The assets of the City are reported at historical cost, net of depreciation. For additional information on capital assets, see Note 9 to the basic financial statements.

**Debt**

As of December 31, 2020, and December 31, 2019, the City had total long-term debt of \$25,154,911 and \$24,829,779, respectively, as follows:

(Table 4)  
Outstanding Debt at December 31, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
OPWC Loans	\$0	\$0	\$432,916	\$441,385	\$432,916	\$441,385
OWDA Loans	0	0	9,915,588	20,486,587	9,915,588	20,486,587
Water Equipment Loan	0	0	26,625	39,243	26,625	39,243
Energy Conservation Bonds	0	15,032	0	7,530	0	22,562
Revenue Bonds	0	0	10,827,000	0	10,827,000	0
Swimming Pool Bonds	2,950,194	3,016,724	0	0	2,950,194	3,016,724
Various Purpose Bonds	505,000	625,000	0	0	505,000	625,000
General Obligation Bonds	71,000	13,800	0	0	71,000	13,800
Capital Leases	0	0	426,588	184,478	426,588	184,478
<b>Totals</b>	<b>\$3,526,194</b>	<b>\$3,670,556</b>	<b>\$21,628,717</b>	<b>\$21,159,223</b>	<b>\$25,154,911</b>	<b>\$24,829,779</b>

The City's overall legal debt margin was \$13,946,212 at December 31, 2020. For additional information on the City's debt, see Notes 15 and 16 to the basic financial statements.



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**City of Logan, Ohio**  
*Management's Discussion and Analysis*  
*For the Year Ended December 31, 2020*  
*Unaudited*

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GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Asset retirement obligations (ARO) of \$830,000 associated with the City waste water treatment facilities were estimated by the City Engineer.

**CURRENT FINANCIAL ISSUES**

The City continues to work on the water infrastructure projects. The water meter replacement, new water tower and booster station, and water line replacement were completed in 2019 and the new water plant is scheduled to be completed in the fall. The project is funded by USDA Rural Development through grants totaling \$6,968,000 and loans totaling \$10,827,000. The downtown sidewalk and lighting was completed in 2020. The EPA awarded the City a 50% principal forgiveness loan in 2019 for water distribution system improvements in the amount of \$2,373,016 (principle Forgiveness-\$1,176,376, loan-\$1,196,640). This project was completed in the winter. The City sold \$3,000,000 in bonds in 2019 to finance the replacement of the City pool. The Pool was completed in 2020. The City financed a fire truck and additional pool replacement through a various purpose bond of \$625,000 in 2019. The fire truck portion was \$425,000 and the additional pool financing was \$200,000. The Walnut Street Improvements project to replace storm sewer, sidewalks, curbing, and paving in the amount of \$704,750 started in the spring and is scheduled to be completed in the summer. The project is partially funded by CDBG in the amount of \$500,000. The Evelyn Street Sewer Improvements project began in the spring and is scheduled to be completed in the spring of 2021. The cost of the project is \$56,742. The Goodyear Lift station Rehab Project began in the spring and is scheduled to be completed in the summer. The cost of the project is \$175,862.

**CONTACTING THE CITY AUDITOR'S DEPARTMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Christopher D. Robers, Logan City Auditor, 10 South Mulberry Street, Logan, Ohio 43138.

**City of Logan, Ohio**  
*Statement of Net Position*  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total*
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$4,802,069	\$5,420,731	\$10,222,800
Investments	137,380	0	137,380
Intergovernmental Receivable	463,654	628,217	1,091,871
Accounts Receivable	1,126	548,468	549,594
Permissive MVL Taxes Receivable	2,226	0	2,226
Income Taxes Receivable	694,294	0	694,294
Property Taxes Receivable	702,467	0	702,467
Loans Receivable	67,507	0	67,507
Materials and Supplies Inventory	41,875	45,333	87,208
Prepaid Items	4,442	1,489	5,931
Nondepreciable Capital Assets	1,041,924	280,602	1,322,526
Depreciable Capital Assets, Net	10,520,847	38,566,400	49,087,247
Net Pension Asset	11,010	10,578	21,588
<i>Total Assets</i>	<u>18,490,821</u>	<u>45,501,818</u>	<u>63,992,639</u>
<b>Deferred Outflows of Resources</b>			
Pension	1,156,719	215,076	1,319,499
OPEB	799,241	144,888	912,827
Asset Retirement Obligation	0	538,600	538,600
<i>Total Deferred Outflows of Resources</i>	<u>1,955,960</u>	<u>898,564</u>	<u>2,770,926</u>
<b>Liabilities</b>			
Accounts Payable	111,244	63,836	175,080
Accrued Wages Payable	58,375	16,402	74,777
Accrued Interest Payable	5,410	167,687	173,097
Intergovernmental Payable	71,715	26,361	98,076
Contracts Payable	0	656,066	656,066
Retainage Payable	0	318,263	318,263
Leave Benefits Payable	197,038	85,774	282,812
Unearned Revenue	138,779	0	138,779
Long-Term Liabilities:			
Due within One Year	228,457	607,761	836,218
Due in More than One Year:			
Net Pension Liability (See Note 11)	5,874,885	1,358,250	7,233,135
Net OPEB Liability (See Note 12)	1,595,627	904,569	2,500,196
Other Amounts Due in More than One Year	3,454,388	21,889,002	25,343,390
<i>Total Liabilities</i>	<u>11,735,918</u>	<u>26,093,971</u>	<u>37,829,889</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	674,497	0	674,497
Pension	989,886	355,678	1,293,268
OPEB	549,971	166,370	685,039
<i>Total Deferred Inflows of Resources</i>	<u>2,214,354</u>	<u>522,048</u>	<u>2,652,804</u>
<b>Net Position</b>			
Net Investment in Capital Assets	8,186,771	16,243,956	24,430,727
Restricted for:			
Street Improvements	785,857	0	785,857
Law Enforcement	2,377	0	2,377
Fire Protection	73,630	0	73,630
Community Development	239,117	0	239,117
Perpetual Care:			
Expendable	44,250	0	44,250
Non-Expendable	137,380	0	137,380
Capital Improvements	615,098	0	615,098
Unrestricted (Deficit)	<u>(3,587,971)</u>	<u>3,540,407</u>	<u>(47,564)</u>
<i>Total Net Position</i>	<u>\$6,496,509</u>	<u>\$19,784,363</u>	<u>\$26,280,872</u>

\*After deferred inflows and deferred outflows related to the change in internal proportionate share of pension-related items have been eliminated.

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Statement of Activities*  
For the Year Ended December 31, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
<b>Governmental Activities</b>				
General Government	\$1,373,395	\$408,252	\$151,448	\$0
Security of Persons and Property:				
Police	2,949,263	26,372	526,133	0
Fire	1,274,286	171,455	82,069	0
Transportation	909,886	33,762	400,373	992,073
Public Health Services	474,217	41,841	2,936	0
Leisure Time Activities	200,732	37,179	28,161	0
Community Environment	209,319	0	540	0
Basic Utility Services	3,270	0	0	0
Intergovernmental	400,000	0	400,000	0
Interest and Fiscal Charges	89,427	0	0	0
<i>Total Governmental Activities</i>	<u>7,883,795</u>	<u>718,861</u>	<u>1,591,660</u>	<u>992,073</u>
<b>Business-Type Activities</b>				
Water	3,621,021	2,368,310	0	3,204,768
Sewer	1,966,241	2,107,389	0	2,700
Nonmajor	157,930	257,492	0	0
<i>Total Business-Type Activities</i>	<u>5,745,192</u>	<u>4,733,191</u>	<u>0</u>	<u>3,207,468</u>
<i>Totals</i>	<u>\$13,628,987</u>	<u>\$5,452,052</u>	<u>\$1,591,660</u>	<u>\$4,199,541</u>

**General Revenues**

Property Taxes Levied for:  
    General Purposes  
    Fire  
    Bond Retirement  
Income Taxes Levied for:  
    General Purposes  
    Capital Improvements  
Grants and Entitlements not Restricted to Specific Programs  
Gain on Sale of Capital Assets  
Interest  
Other

*Total General Revenues*

*Change in Net Position*

*Net Position at Beginning of Year - Restated (See Note 3)*

*Net Position at End of Year*

See accompanying notes to the basic financial statements.

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$813,695)	\$0	(\$813,695)
(2,396,758)	0	(2,396,758)
(1,020,762)	0	(1,020,762)
516,322	0	516,322
(429,440)	0	(429,440)
(135,392)	0	(135,392)
(208,779)	0	(208,779)
(3,270)	0	(3,270)
0	0	0
(89,427)	0	(89,427)
(4,581,201)	0	(4,581,201)
0	1,952,057	1,952,057
0	143,848	143,848
0	99,562	99,562
0	2,195,467	2,195,467
(4,581,201)	2,195,467	(2,385,734)
276,321	0	276,321
230,927	0	230,927
212,651	0	212,651
3,798,048	0	3,798,048
670,253	0	670,253
350,325	0	350,325
6,846	0	6,846
31,387	0	31,387
47,460	157,173	204,633
5,624,218	157,173	5,781,391
1,043,017	2,352,640	3,395,657
5,453,492	17,431,723	22,885,215
\$6,496,509	\$19,784,363	\$26,280,872

**City of Logan, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2020*

	General	Local Coronavirus Relief	Capital Improvements	Swimming Pool Construction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$3,207,464	\$142,655	\$511,087	\$1,510	\$939,353	\$4,802,069
Investments	0	0	0	0	137,380	137,380
Receivables:						
Intergovernmental	143,653	0	0	0	320,001	463,654
Accounts	1,126	0	0	0	0	1,126
Permissive MVL Taxes	0	0	0	0	2,226	2,226
Income Taxes	590,150	0	104,144	0	0	694,294
Property Taxes	278,328	0	0	0	424,139	702,467
Loans	0	0	0	0	67,507	67,507
Materials and Supplies Inventory	11,475	0	0	0	30,400	41,875
Prepaid Items	3,608	0	496	0	338	4,442
<i>Total Assets</i>	<u>\$4,235,804</u>	<u>\$142,655</u>	<u>\$615,727</u>	<u>\$1,510</u>	<u>\$1,921,344</u>	<u>\$6,917,040</u>
<b>Liabilities</b>						
Accounts Payable	\$104,470	\$3,876	\$2,139	\$0	\$759	\$111,244
Accrued Wages Payable	54,456	0	0	0	3,919	58,375
Intergovernmental Payable	70,204	0	0	0	1,511	71,715
Unearned Revenue	0	138,779	0	0	0	138,779
<i>Total Liabilities</i>	<u>229,130</u>	<u>142,655</u>	<u>2,139</u>	<u>0</u>	<u>6,189</u>	<u>380,113</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes	267,025	0	0	0	407,472	674,497
Unavailable Revenue	360,470	0	39,656	0	303,915	704,041
<i>Total Deferred Inflows of Resources</i>	<u>627,495</u>	<u>0</u>	<u>39,656</u>	<u>0</u>	<u>711,387</u>	<u>1,378,538</u>
<b>Fund Balances</b>						
Nonspendable	15,083	0	496	0	221,886	237,465
Restricted	0	0	573,436	1,510	893,639	1,468,585
Committed	0	0	0	0	88,243	88,243
Assigned	514,392	0	0	0	0	514,392
Unassigned	2,849,704	0	0	0	0	2,849,704
<i>Total Fund Balances</i>	<u>3,379,179</u>	<u>0</u>	<u>573,932</u>	<u>1,510</u>	<u>1,203,768</u>	<u>5,158,389</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,235,804</u>	<u>\$142,655</u>	<u>\$615,727</u>	<u>\$1,510</u>	<u>\$1,921,344</u>	<u>\$6,917,040</u>

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Reconciliation of Total Governmental Fund Balances  
to Net Position of Governmental Activities  
December 31, 2020*

<b>Total Governmental Fund Balances</b>		\$5,158,389
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,562,771
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	27,970	
Income Taxes	264,372	
Intergovernmental Revenues	411,069	
Fines, Licenses, and Permits	630	704,041
Leave benefits payable is recognized for earned benefits that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(197,038)
The net pension and OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Net Pension Asset	11,010	
Deferred Outflows - Pension	1,156,719	
Deferred Inflows - Pension	(989,886)	
Net Pension Liability	(5,874,885)	
Deferred Outflows - OPEB	799,241	
Deferred Inflows - OPEB	(549,971)	
Net OPEB Liability	(1,595,627)	(7,043,399)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Swimming Pool Facility Bonds	(2,950,194)	
Various Purpose Bonds	(505,000)	
Police Cruiser Bond - 2020	(64,000)	
Police Cruiser Bond - 2016	(7,000)	
Accrued Interest Payable	(5,410)	
Compensated Absences Payable	(156,651)	(3,688,255)
<i>Net Position of Governmental Activities</i>		<b>\$6,496,509</b>

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Year Ended December 31, 2020*

	General	Local Coronavirus Relief	Capital Improvements	Swimming Pool Construction	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$273,457	\$0	\$0	\$0	\$439,232	\$712,689
Income Taxes	3,821,434	0	674,380	0	0	4,495,814
Permissive MVL Taxes	0	0	0	0	33,762	33,762
Intergovernmental	516,350	952,697	998,271	0	631,662	3,098,980
Charges for Services	553,426	0	0	0	120,345	673,771
Fines, Licenses, and Permits	24,028	0	0	0	33	24,061
Interest	31,387	0	17	17,296	1,439	50,139
Donations	2,420	0	1,784	0	4,540	8,744
Other	16,941	0	0	0	30,519	47,460
<i>Total Revenues</i>	<u>5,239,443</u>	<u>952,697</u>	<u>1,674,452</u>	<u>17,296</u>	<u>1,261,532</u>	<u>9,145,420</u>
<b>Expenditures</b>						
Current:						
General Government	849,506	143,872	0	0	0	993,378
Security of Persons and Property:						
Police	2,456,570	352,200	0	0	0	2,808,770
Fire	819,754	55,128	0	0	198,030	1,072,912
Transportation	324,619	0	0	0	311,011	635,630
Public Health Services	390,043	1,497	0	0	58	391,598
Leisure Time Activities	0	0	0	0	63,807	63,807
Community Environment	13,682	0	0	0	195,637	209,319
Basic Utility Services	3,270	0	0	0	0	3,270
Intergovernmental	0	400,000	0	0	0	400,000
Capital Outlay	0	0	1,720,100	2,919,644	0	4,639,744
Debt Service:						
Principal Retirement	15,032	0	21,800	0	180,000	216,832
Interest and Fiscal Charges	284	0	2,439	0	126,774	129,497
Bond Issuance Costs	0	0	1,325	0	0	1,325
<i>Total Expenditures</i>	<u>4,872,760</u>	<u>952,697</u>	<u>1,745,664</u>	<u>2,919,644</u>	<u>1,075,317</u>	<u>11,566,082</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>366,683</u>	<u>0</u>	<u>(71,212)</u>	<u>(2,902,348)</u>	<u>186,215</u>	<u>(2,420,662)</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Capital Assets	0	0	11,838	0	0	11,838
General Obligation Bonds Issued	0	0	79,000	0	0	79,000
Transfers In	0	0	0	17,589	146,096	163,685
Transfers Out	(10,000)	0	(62,685)	0	(91,000)	(163,685)
<i>Total Other Financing Sources (Uses)</i>	<u>(10,000)</u>	<u>0</u>	<u>28,153</u>	<u>17,589</u>	<u>55,096</u>	<u>90,838</u>
<i>Net Change in Fund Balance</i>	<u>356,683</u>	<u>0</u>	<u>(43,059)</u>	<u>(2,884,759)</u>	<u>241,311</u>	<u>(2,329,824)</u>
<i>Fund Balances at Beginning of Year</i>	<u>3,022,496</u>	<u>0</u>	<u>616,991</u>	<u>2,886,269</u>	<u>962,457</u>	<u>7,488,213</u>
<i>Fund Balances at End of Year</i>	<u>\$3,379,179</u>	<u>\$0</u>	<u>\$573,932</u>	<u>\$1,510</u>	<u>\$1,203,768</u>	<u>\$5,158,389</u>

See accompanying notes to the basic financial statements.



**City of Logan, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2020*

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**Net Change in Fund Balances - Total Governmental Funds** (\$2,329,824)

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

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

Capital Asset Additions	4,673,103	
Depreciation Expense	(660,720)	4,012,383

Governmental funds report only the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of proceeds from the sale of capital assets and the gain on the sale of capital assets:

Gain on Disposal of Capital Assets	6,846	
Proceeds from the Sale of Capital Assets	(11,838)	(4,992)

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

Delinquent Property Taxes	7,210	
Income Taxes	(27,513)	
Intergovernmental Revenues	(189,998)	
Charges for Services	(15,783)	
Fines, Licenses, and Permits	630	(225,454)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Amortization of Bond Premium	6,530	
Accrued Interest	33,540	40,070

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 216,832

Long-term bond proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of activities. (79,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Leave Benefits Payable	8,406	
Compensated Absences	(17,710)	(9,304)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	496,321	
OPEB	8,482	504,803

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement Activities.

Pension	(858,604)	
OPEB	(223,893)	(1,082,497)

*Change in Net Position of Governmental Activities* \$1,043,017

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Year Ended December 31, 2020*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$253,316	\$253,316	\$273,457	\$20,141
Income Taxes	3,825,000	3,825,000	3,757,764	(67,236)
Intergovernmental	539,959	539,959	625,829	85,870
Charges for Services	197,380	197,380	553,426	356,046
Fines, Licenses, and Permits	13,550	13,550	24,028	10,478
Interest	32,000	32,000	48,603	16,603
Donations	0	0	2,420	2,420
Other	20,500	20,500	16,528	(3,972)
<i>Total Revenues</i>	<u>4,881,705</u>	<u>4,881,705</u>	<u>5,302,055</u>	<u>420,350</u>
<b>Expenditures</b>				
Current:				
General Government	890,793	934,782	841,830	92,952
Security of Persons and Property:				
Police	2,704,099	2,835,617	2,555,425	280,192
Fire	898,723	921,334	849,252	72,082
Transportation	353,674	402,845	334,268	68,577
Public Health Services	421,871	413,422	398,522	14,900
Community Environment	14,274	14,233	13,682	551
Basic Utilities	3,701	3,270	3,270	0
Debt Service:				
Principal Retirement	15,032	15,032	15,032	0
Interest and Fiscal Charges	388	388	284	104
<i>Total Expenditures</i>	<u>5,302,556</u>	<u>5,540,923</u>	<u>5,011,565</u>	<u>529,358</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(420,851)	(659,218)	290,490	949,708
<b>Other Financing Uses</b>				
Transfers Out	0	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	(420,851)	(669,218)	280,490	949,708
<i>Fund Balance at Beginning of Year</i>	2,781,472	2,781,472	2,781,472	0
Prior Year Encumbrances Appropriated	53,987	53,987	53,987	0
<i>Fund Balance at End of Year</i>	<u>\$2,414,608</u>	<u>\$2,166,241</u>	<u>\$3,115,949</u>	<u>\$949,708</u>

See accompanying notes to the basic financial statements

**City of Logan, Ohio**  
*Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
*Local Coronavirus Relief Fund*  
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$0	\$1,091,476	\$1,091,476	\$0
<b>Expenditures</b>				
Current:				
General Government	0	180,823	156,844	23,979
Security of Persons and Property:				
Police	0	439,310	348,678	90,632
Fire	0	69,457	55,128	14,329
Intergovernmental	0	400,000	400,000	0
Public Health Services	0	1,886	1,497	389
<i>Total Expenditures</i>	<u>0</u>	<u>1,091,476</u>	<u>962,147</u>	<u>129,329</u>
<i>Net Change in Fund Balance</i>	0	0	129,329	129,329
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$129,329</u>	<u>\$129,329</u>

See accompanying notes to the basic financial statements

**City of Logan, Ohio**  
**Statement of Fund Net Position**  
**Enterprise Funds**  
**December 31, 2020**

	Water	Sewer	Nonmajor	Total Enterprise Funds
<b>Assets</b>				
<b>Current:</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,890,662	\$2,091,047	\$439,022	\$5,420,731
Intergovernmental Receivable	627,895	322	0	628,217
Accounts Receivable	269,688	246,270	32,510	548,468
Materials and Supplies Inventory	15,031	30,302	0	45,333
Prepaid Items	772	667	50	1,489
<i>Total Current Assets</i>	<u>3,804,048</u>	<u>2,368,608</u>	<u>471,582</u>	<u>6,644,238</u>
<b>Noncurrent:</b>				
Nondepreciable Capital Assets	124,716	143,703	12,183	280,602
Depreciable Capital Assets, Net	21,429,505	16,551,236	585,659	38,566,400
Net Pension Asset	5,181	4,965	432	10,578
<i>Total Noncurrent Assets</i>	<u>21,559,402</u>	<u>16,699,904</u>	<u>598,274</u>	<u>38,857,580</u>
<i>Total Assets</i>	<u>25,363,450</u>	<u>19,068,512</u>	<u>1,069,856</u>	<u>45,501,818</u>
<b>Deferred Outflows of Resources</b>				
Pension	105,344	117,019	8,846	231,209
OPEB	73,298	77,469	5,936	156,703
Asset Retirement Obligation	0	538,600	0	538,600
<i>Total Deferred Outflows of Resources</i>	<u>178,642</u>	<u>733,088</u>	<u>14,782</u>	<u>926,512</u>
<b>Liabilities</b>				
<b>Current:</b>				
Accounts Payable	33,599	27,679	2,558	63,836
Accrued Wages Payable	9,111	7,291	0	16,402
Accrued Interest Payable	46,249	121,405	33	167,687
Intergovernmental Payable	7,882	17,831	648	26,361
Contracts Payable	652,944	1,186	1,936	656,066
Retainage Payable	318,263	0	0	318,263
Leave Benefits Payable	41,227	44,547	0	85,774
Revenue Bonds Payable	215,900	0	0	215,900
Loans Payable	13,075	0	0	13,075
OWDA Loans Payable	0	279,058	0	279,058
OPWC Loans Payable	651	16,288	0	16,939
Capital Leases Payable	23,272	23,273	23,273	69,818
Compensated Absences Payable	680	12,291	0	12,971
<i>Total Current Liabilities</i>	<u>1,362,853</u>	<u>550,849</u>	<u>28,448</u>	<u>1,942,150</u>
<b>Long-Term:</b>				
OWDA Loans Payable	1,234,512	8,402,018	0	9,636,530
OPWC Loans Payable	16,908	399,069	0	415,977
Revenue Bonds Payable	10,611,100	0	0	10,611,100
Loans Payable	13,550	0	0	13,550
Capital Leases Payable	118,924	118,923	118,923	356,770
Compensated Absences Payable	6,392	18,683	0	25,075
Asset Retirement Obligation	0	830,000	0	830,000
Net Pension Liability	665,265	637,547	55,438	1,358,250
Net OPEB Liability	443,054	424,592	36,923	904,569
<i>Total Long-Term Liabilities</i>	<u>13,109,705</u>	<u>10,830,832</u>	<u>211,284</u>	<u>24,151,821</u>
<i>Total Liabilities</i>	<u>14,472,558</u>	<u>11,381,681</u>	<u>239,732</u>	<u>26,093,971</u>
<b>Deferred Inflows of Resources</b>				
Pension	201,359	158,303	12,149	371,811
OPEB	99,194	73,609	5,382	178,185
<i>Total Deferred Inflows of Resources</i>	<u>300,553</u>	<u>231,912</u>	<u>17,531</u>	<u>549,996</u>
<b>Net Position</b>				
Net Investment in Capital Assets	8,335,122	7,455,124	453,710	16,243,956
Unrestricted	2,433,859	732,883	373,665	3,540,407
<i>Total Net Position</i>	<u>\$10,768,981</u>	<u>\$8,188,007</u>	<u>\$827,375</u>	<u>\$19,784,363</u>

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Statement of Revenues, Expenses,  
and Changes in Fund Net Position*  
*Enterprise Funds*  
For the Year December 31, 2020

	Water	Sewer	Nonmajor	Total Enterprise Funds
<b>Operating Revenues</b>				
Charges for Services	\$2,368,310	\$2,107,389	\$257,492	\$4,733,191
Other Operating Revenues	84,923	66,581	5,669	157,173
<i>Total Operating Revenues</i>	<u>2,453,233</u>	<u>2,173,970</u>	<u>263,161</u>	<u>4,890,364</u>
<b>Operating Expenses</b>				
Salaries and Wages	530,361	490,438	40,800	1,061,599
Fringe Benefits	304,346	257,787	38,594	600,727
Contractual Services	574,043	358,500	13,092	945,635
Materials and Supplies	90,392	88,064	0	178,456
Depreciation	346,740	500,684	36,861	884,285
Other Operating Expenses	4,330	0	0	4,330
<i>Total Operating Expenses</i>	<u>1,850,212</u>	<u>1,695,473</u>	<u>129,347</u>	<u>3,675,032</u>
<i>Operating Income</i>	<u>603,021</u>	<u>478,497</u>	<u>133,814</u>	<u>1,215,332</u>
<b>Non-Operating (Expenses)</b>				
Capital Grants	3,204,768	2,700	0	3,207,468
Loss on Sale of Capital Assets	(1,678,680)	(10,530)	(25,851)	(1,715,061)
Interest and Fiscal Charges	(47,179)	(260,238)	(2,732)	(310,149)
Bond Issuance Cost	(44,950)	0	0	(44,950)
<i>Total Non-Operating Revenues (Expenses)</i>	<u>1,433,959</u>	<u>(268,068)</u>	<u>(28,583)</u>	<u>1,137,308</u>
<i>Change in Net Position</i>	2,036,980	210,429	105,231	2,352,640
<i>Net Position at Beginning of Year- Restated (See Note 3)</i>	<u>8,732,001</u>	<u>7,977,578</u>	<u>722,144</u>	<u>17,431,723</u>
<i>Net Position at End of Year</i>	<u>\$10,768,981</u>	<u>\$8,188,007</u>	<u>\$827,375</u>	<u>\$19,784,363</u>

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
**Statement of Cash Flows**  
**Enterprise Funds**  
For the Year Ended December 31, 2020

	Water	Sewer	Nonmajor	Total Enterprise Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$2,369,529	\$2,112,289	\$257,757	\$4,739,575
Cash Payments for Employee Services and Benefits	(777,418)	(708,166)	(71,970)	(1,557,554)
Cash Payments to Suppliers for Goods and Services	(662,496)	(382,908)	(11,058)	(1,056,462)
Other Operating Revenues	84,923	66,581	5,669	157,173
Other Operating Expenses	(4,330)	0	0	(4,330)
<i>Net Cash Provided by Operating Activities</i>	<u>1,010,208</u>	<u>1,087,796</u>	<u>180,398</u>	<u>2,278,402</u>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Acquisition of Capital Assets	(4,525,600)	(36,110)	(153,680)	(4,715,390)
Capital Grants	4,270,861	2,700	0	4,273,561
Proceeds from Sale of Capital Assets	4,400	1,100	0	5,500
Proceeds from Revenue Bonds	10,827,000	0	0	10,827,000
Proceeds of OWDA Loans	1,583,140	0	0	1,583,140
Revenue Bond Issuance Costs	(44,950)	0	0	(44,950)
Principal Paid on General Obligation Bonds	(7,530)	0	0	(7,530)
Principal Paid on Loans	(12,618)	0	0	(12,618)
Principal Paid on OPWC Loans	(325)	(8,144)	0	(8,469)
Principal Paid on OWDA Loans	(11,884,152)	(269,987)	0	(12,154,139)
Principal Paid on Capital Leases	(8,923)	(13,295)	(28,807)	(51,025)
Interest Paid on General Obligation Bonds	(141)	0	0	(141)
Interest Paid on Loans	(1,414)	0	0	(1,414)
Interest Paid on OWDA Loans	0	(249,823)	0	(249,823)
Interest Paid on Capital Leases	(249)	(1,494)	(3,237)	(4,980)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>199,499</u>	<u>(575,053)</u>	<u>(185,724)</u>	<u>(561,278)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,209,707	512,743	(5,326)	1,717,124
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>1,680,955</u>	<u>1,578,304</u>	<u>444,348</u>	<u>3,703,607</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$2,890,662</u>	<u>\$2,091,047</u>	<u>\$439,022</u>	<u>\$5,420,731</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>				
<i>Operating Income</i>	\$603,021	\$478,497	\$133,814	\$1,215,332
<i>Adjustments:</i>				
Depreciation	346,740	500,684	36,861	884,285
<i>(Increase) Decrease in Assets and Deferred Outflows:</i>				
Accounts Receivable	1,219	4,815	265	6,299
Intergovernmental Receivable	0	85	0	85
Materials and Supplies Inventory	(11,709)	46,653	0	34,944
Prepaid Items	374	271	20	665
Net Pension Asset	(842)	(807)	(72)	(1,721)
Deferred Outflows - Pension	198,411	156,160	13,699	368,270
Deferred Outflows - OPEB	97,280	70,167	5,944	173,391
Deferred Outflows - Asset Retirement Obligation	0	16,600	0	16,600
<i>Increase (Decrease) in Liabilities and Deferred Inflows:</i>				
Accounts Payable	(2,119)	(3,971)	2,410	(3,680)
Accrued Wages Payable	(33,001)	(9,979)	(1,753)	(44,733)
Intergovernmental Payable	(1,912)	985	(93)	(1,020)
Leave Benefits Payable	11,481	1,705	(412)	12,774
Compensated Absences Payable	(9,769)	(632)	0	(10,401)
Net Pension Liability	21,198	20,317	1,768	43,283
Net OPEB Liability	33,654	20,262	1,128	55,044
Deferred Inflows - Pension	(172,846)	(151,696)	(9,745)	(334,287)
Deferred Inflows - OPEB	(70,972)	(62,320)	(3,436)	(136,728)
<i>Net Cash Provided by Operating Activities</i>	<u>\$1,010,208</u>	<u>\$1,087,796</u>	<u>\$180,398</u>	<u>\$2,278,402</u>

During 2020, the Water, Sewer, and Nonmajor Funds entered into a capital lease which resulted in a non-cash transaction in the amount of \$142,196 in the Water Fund, \$142,196 in the Sewer Fund, and \$142,196 in the Nonmajor Fund.

During 2020, the Water, Sewer, and Nonmajor Funds traded in a capital lease which resulted in a non-cash transaction in principal in the amount of \$6,707 in the Water Fund, \$42,349 in the Sewer Fund, and \$91,104 in the Nonmajor Fund.

See accompanying notes to the basic financial statements.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Description of City and Reporting Entity**

The City of Logan (the “City”) is a municipal corporation operating under the laws of the State of Ohio. In 1838, Logan was incorporated as a village. Logan was declared a city in 1893.

The municipal government is organized as a Mayor/Council form of government. Legislative power is vested in an eight-member council, each member elected to a two-year term. The Mayor and the City Auditor are elected by the citizens of Logan for four-year terms. The Mayor is the chief executive officer and the head of the administrative agencies of the City. The Mayor appoints all department heads.

**Reporting Entity**

The financial reporting entity consists of the primary government, component units, and other governmental organizations included to ensure the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. The City of Logan provides various services including police and fire protection, recreation (including parks), planning and zoning, street maintenance and repair, water and water pollution control, sewer, and general administrative services. The operation of each of these activities is directly controlled by the Council through the budgetary process and by the City Auditor and the City Mayor through administrative and managerial requirements and procedures and all are included as part of the reporting entity.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also include organizations that are fiscally dependent upon the City in that the City approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the primary government. No separate government units meet the criteria for inclusion as a component unit.

The City is involved with the following organizations which are defined as jointly governed organizations. Additional information concerning the jointly governed organizations is presented in Note 18.

Hocking Metropolitan Housing Authority  
Hocking County Council on Aging, Incorporated  
Hocking County Regional Planning Commission  
Buckeye Hills Regional Council

**Note 2 – Summary of Significant Accounting Policies**

The financial statements of the City of Logan have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**Basis of Presentation**

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

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities of the City that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges).

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

***Fund Financial Statements*** During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Custodial funds are reported by type.

**Fund Accounting**

The City 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.

***Governmental Fund Types*** Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Local Coronavirus Relief Fund*** The Local Coronavirus Relief Fund is used to account for COVID-19 pandemic aid from State and Federal Cares Act Grants.

***Capital Improvements Fund*** The Capital Improvements Fund is used to account for that portion of income taxes designated for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

***Swimming Pool Construction Fund*** The Swimming Pool Construction Fund is used to account for bond proceeds that are used to for the construction of the new swimming center.



**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

**Proprietary Funds** Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City's proprietary funds are all classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

**Water Fund** The Water Fund is used to account for the revenues generated from the charges for distribution of water to the residential and commercial users of the City.

**Sewer Fund** The Sewer Fund is used to account for the revenues generated from the charges for sanitary sewer services provided to the residential and commercial users of the City.

The other nonmajor enterprise fund of the City accounts for the revenues generated from the charges to maintain the storm water system of the City.

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City does not have any fiduciary funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

**Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the City are included on the statement of net position. The statement of activities accounts for increases (i.e. revenues) and decreases (i.e. expenditures) in total net position.

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Basis of Accounting**

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

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: municipal income taxes, hotel taxes, permissive motor vehicle and license taxes, charges for services, state-levied locally shared taxes (including gasoline), interest, grants, fees, and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for pension, OPEB, and asset retirement obligations. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2010, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes,

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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income taxes, charges for services, fines, licenses, and permits, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balance to net position of governmental activities found on page 16. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**Budgetary Process**

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, 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 Council may appropriate. The appropriation resolution is Council's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by Council. The legal level of control has been established by Council at the fund and within each department personal services level. The City Auditor has been authorized to allocate appropriations to the function and object level within each department, except for personal services which must be approved by City Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the City Auditor. 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 in effect when final appropriations for the year were adopted by Council.

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

**Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool, except for the investments of the Cemetery Trust Endowment Permanent Fund which is invested separately. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During 2020, investments were limited to federal agency securities, certificates of deposit, and the State Treasury Asset Reserve of Ohio (STAR Ohio).

During 2020, the City invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and certificates of deposit are reported at cost.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is credited to the General Fund, the Capital Improvements Capital Projects Fund, the Swimming Pool Constriction Capital Projects Fund, the Economic Development Special Revenue Fund, and the Cemetery Endowment Permanent Fund. Interest revenue credited to the General Fund during 2020 amounted to \$31,387, which includes \$14,375 assigned from other City funds.

On the 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 City are considered to be cash equivalents. Investments with an original maturity of more than three months not purchased from the pool are reported as investments.

**Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

**Loans Receivable**

"Loans receivable" consists of low interest loans for development projects granted to eligible businesses and homeowners under the Federal Economic Development Assistance and the Community Block Grant Programs. The City administers a deferred loan program where a portion of the loan is forgiven in equal installments if the homeowners adhere to the loan guidelines. The portion of the loan receivable that may be forgiven is reported as nonspendable fund balance.

**Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of U.S. and State roads, City streets, street signals, and water and sewer systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	15 - 50 Years
Buildings and Improvements	40 - 50 Years
Furniture, Fixtures, and Equipment	5 - 15 Years
Vehicles	5 - 15 Years
Infrastructure	15 - 40 Years

All infrastructure of the City has been reported, including infrastructure acquired or constructed prior to 1980.

**Compensated Absences**

Leave benefits (vacation and compensatory leave) are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The liability for these leave benefits is recorded as "leave benefits payable", rather than a long-term liability, as the average maturity of the liability is less than one year.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated, unused sick leave for all City employees with at least fifteen years of service.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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fiduciary net position is not sufficient for payment of those benefits. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans, prepaids, as well as inventory, unless the use of the collection of the loans, or from the use of the prepaids and inventory, is restricted, committed, or assigned.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance, or by State Statute. The City Council assigned fund balance to cover the gap between the estimated resources and appropriations in the 2021’s appropriated budget.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Net Position**

Net position represents the difference of all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

**Pensions/Other Posemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

**Interfund Activity**

Deferred inflows of resources and deferred outflows of resources from the change in proportionate share related to pension items are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts between governmental and business-type activities. These residual amounts are eliminated in the total column on the government-wide statement of net position.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer and water utilities. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting the definition are reported as nonoperating.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Internal Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

**Bond Premiums and Issuance Costs**

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds payable.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Bond issuance costs are shown as expensed in the year of the debt issuance.

**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 City Council and that are either unusual in nature or infrequent in occurrence.

**Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

**Estimates**

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

**Note 3 – Changes in Accounting Principles and Restatement of Net Position**

For 2020, the City implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 had the following effect on net position as of December 31, 2019:



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	Business - Type Activities
Net Position December 31, 2019	\$17,706,523
Adjustments:	
Asset Retirement Obligation - Liability	(830,000)
Deferred Outflow - Asset Retirement Obligation	555,200
Restated Net Position December 31, 2019	\$17,431,723

At December 31, 2019, the City recorded the Vactor Truck Capital Asset into the storm water fund. The City determined the asset should be recorded into the storm water, sewer, and water funds since the lease was being paid from multiple funds. The net position of the Storm Water Fund was overstated and the Sewer and Water Funds were understated due to the incorrect asset categorization. The correction of the asset had the following effect on the net positions as of December 31, 2019, along with the above stated implementation of GASB Statement No. 83:

	Water	Sewer	Storm Water	Total Enterprise
Net Position December 31, 2019	\$8,721,205	\$8,187,602	\$797,716	\$17,706,523
Adjustments:				
Asset Retirement Obligation	0	(830,000)	0	(830,000)
Deferred Outflow - Asset Retirement Obligation	0	555,200	0	555,200
Depreciable Capital Assets, net	10,796	64,776	(75,572)	0
Restated Net Position December 31, 2019	\$8,732,001	\$7,977,578	\$722,144	\$17,431,723

**Note 4 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

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Fund Balances	General	Local Coronavirus Relief	Capital Improvements	Swimming Pool	Other Governmental	Total
Nonspendable:						
Loans	\$0	\$0	\$0	\$0	\$53,768	\$53,768
Prepays	3,608	0	496	0	338	4,442
Inventories	11,475	0	0	0	30,400	41,875
Endowments	0	0	0	0	137,380	137,380
<i>Total Nonspendable</i>	<u>15,083</u>	<u>0</u>	<u>496</u>	<u>0</u>	<u>221,886</u>	<u>237,465</u>
Restricted for:						
Street Improvements	0	0	0	0	621,481	621,481
Law Enforcement	0	0	0	0	2,377	2,377
Fire Protection	0	0	0	0	52,557	52,557
Community Development	0	0	0	0	64,101	64,101
Debt Services	0	0	0	0	108,873	108,873
Cemeteries	0	0	0	0	44,250	44,250
Capital Improvements	0	0	573,436	1,510	0	574,946
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>573,436</u>	<u>1,510</u>	<u>893,639</u>	<u>1,468,585</u>
Committed for:						
Fire Equipment	0	0	0	0	65,727	65,727
Parks and Recreation	0	0	0	0	22,516	22,516
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>88,243</u>	<u>88,243</u>
Assigned to:						
Purchases on Order	12,684	0	0	0	0	12,684
Assigned to Subsequent Year's Appropriations	501,708	0	0	0	0	501,708
<i>Total Assigned</i>	<u>514,392</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>514,392</u>
Unassigned:	2,849,704	0	0	0	0	2,849,704
<i>Total Fund Balances</i>	<u>\$3,379,179</u>	<u>\$0</u>	<u>\$573,932</u>	<u>\$1,510</u>	<u>\$1,203,768</u>	<u>\$5,158,389</u>

**Note 5 – Budgetary Basis of Accounting**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP 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 Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual (Budget Basis) presented for the General Fund and Local Coronavirus Relief Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed, or assigned fund balance (GAAP).

**City of Logan, Ohio**  
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4. Unrecorded and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

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

	Net Change in Fund Balance	
	General	Local Coronavirus
GAAP Basis	\$356,683	\$0
Revenue Accruals	62,515	138,779
Expenditure Accruals	(231,952)	(22,776)
<b>Beginning of Year:</b>		
Unrecorded Interest	109	0
Prepaid Items	5,252	0
<b>End of Year:</b>		
Unrecorded Interest	(12)	0
Prepaid Items	(3,608)	0
Encumbrances	91,503	13,326
<b>Budget Basis</b>	<b>\$280,490</b>	<b>\$129,329</b>

**Note 6 – Deposits and Investments**

Monies held by the City are classified by State statute into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the City treasury. Active monies must be maintained either as cash in the City 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 Council 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.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the City can be deposited or invested in the following securities:

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1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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 City, 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.

At year end, the City had \$11,986 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

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**Investments**

Investments are reported at fair value. As of December 31, 2020, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody's	Percent of Total Investments
Net Asset Value (NAV) Per Share:				
STAR Ohio	\$496,767	Average 55.8 Days	Aaa	14.21%
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Bonds	1,049,970	Less than four years	Aaa	30.04%
Federal National Mortgage Association Bonds	449,930	Less than five years	Aaa	12.87%
Federal Farm Credit Bank Bonds	499,756	Less than five years	Aaa	14.30%
Money Market Governmental Obligations	599,187	Various	Aaa	17.14%
Negotiable Certificates of Deposit	399,840	Less than four years	N/A	11.44%
Total Portfolio	<u>\$3,495,450</u>			

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2020. The City's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the City's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The Treasurer cannot make investments which she does not reasonably believe can be held until maturity date. To date, no investments have been purchased with a life greater than five years.

**Credit Risk** All investments carry a rating of AAA by Moody's. The manuscript bonds are not rated however they are a general obligation of the City and would carry the same rating of the City's other un-voted general obligation bonds. The City has no investment policy that addresses credit risk.

**Concentration of Credit Risk** The City's investment policy places no limit on the amount it may invest in any one issuer.

**Note 7 – Receivables**

Receivables at December 31, 2020, consisted of municipal income taxes, property taxes, accounts (billings for user fees including unbilled utility services), permissive motor vehicle license taxes, loans, intergovernmental receivables arising from entitlements and shared revenues, and accrued interest on investments. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

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**Property Taxes**

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes are levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes become a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$6.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2020 property tax receipts were based are as follows:

Real Property	\$120,641,740
Public Utility Real Property	<u>12,499,560</u>
Total Assessed Value	<u><u>\$133,141,300</u></u>

Hocking County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Logan. The County Auditor periodically remits to the City its portion of the taxes collected.

Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which are measurable as of December 31, 2020, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance current year operations is offset to deferred inflows of resources – property taxes. On the accrual basis, delinquent collectible property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Income Taxes**

The City levies a municipal income tax of two percent on substantially all earned income arising from employment, residency, or business activities within the City as well as income of residents earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to the full amount of the tax owed.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual tax payers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used for the purposes of general municipal operations, aquatic center operations, maintenance, new equipment, extension and enlargement of municipal services and facilities, and capital

**City of Logan, Ohio**  
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improvements of the City of Logan.

**Intergovernmental Receivables**

A summary of intergovernmental receivables follows:

<b>Governmental Activities:</b>	
Gasoline Tax	\$166,829
Community Development Block Grant	121,248
Local Government	102,264
Homestead and Rollback	32,416
Hotel Tax	23,394
Motor Vehicle License Tax	16,162
Miscellaneous	1,341
<b>Total Governmental Activities</b>	463,654
<b>Business-Type Activities:</b>	
USDA Water Grant	627,895
Miscellaneous	322
<b>Total Business-Type Activities</b>	628,217
<b>Total Intergovernmental Receivables</b>	<b>\$1,091,871</b>

**Note 8 – Tax Abatements**

As of December 31, 2020, Hocking County provides tax abatements through two programs: the Enterprise Zone (EZ) Tax Exemptions and the Community Reinvestment Area (CRA) Tax Abatements.

***Enterprise Zone Tax Exemptions***

For 2020, City property taxes were not reduced under an enterprise tax zone exemption agreement entered into by Hocking County.

***Community Reinvestment Area (CRA)***

Pursuant to Ohio Revised Code Chapter 5709, the City established a Community Reinvestment Area to provide property tax abatements to encourage revitalization of existing buildings and the construction of new structures. Abatements are obtained through application by the property owner, including proof that the improvements have been made, whether the purpose was for remodeling or new construction, and the cost. The abatement is equal to 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvement. The amount of the abatement is deducted from the recipient’s tax bill.

Below is the information relevant to the disclosure of those programs for the year ended December 31, 2020.

Tax Abatement Program	Amount of 2020 Taxes Abated
<i>Community Reinvestment Area (CRA)</i>	
- Retail	\$23,772

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**Note 9 – Capital Assets**

Capital asset activity for the year ended December 31, 2020, was as follows:

	Balance at 12/31/19	Additions	Deductions	Balance at 12/31/20
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$1,016,036	\$0	\$0	\$1,016,036
Construction in Progress	454,956	3,792,030	(4,221,098)	25,888
Total Non-Deprecialbe Capital Assets	<u>1,470,992</u>	<u>3,792,030</u>	<u>(4,221,098)</u>	<u>1,041,924</u>
Depreciable Capital Assets:				
Land Improvements	4,248,238	4,239,023	0	8,487,261
Buildings and Improvements	1,960,919	9,000	0	1,969,919
Furniture, Fixtures, and Equipment	1,813,112	356,954	(48,527)	2,121,539
Vehicles	3,036,070	347,194	(343,662)	3,039,602
City Streets	8,649,324	150,000	0	8,799,324
Street Signals	895,038	0	0	895,038
Total Depreciable Capital Assets	<u>20,602,701</u>	<u>5,102,171</u>	<u>(392,189)</u>	<u>25,312,683</u>
Less Accumulated Depreciation:				
Land Improvements	(2,544,921)	(192,818)	0	(2,737,739)
Buildings and Improvements	(1,122,174)	(42,083)	0	(1,164,257)
Furniture, Fixtures, and Equipment	(1,455,343)	(69,723)	48,527	(1,476,539)
Vehicles	(1,670,246)	(204,330)	338,670	(1,535,906)
City Streets	(6,903,035)	(146,411)	0	(7,049,446)
Street Signals	(822,594)	(5,355)	0	(827,949)
Total Accumulated Depreciation	<u>(14,518,313)</u>	<u>(660,720) *</u>	<u>387,197</u>	<u>(14,791,836)</u>
Total Capital Assets being Depreciated, Net	<u>6,084,388</u>	<u>4,441,451</u>	<u>(4,992)</u>	<u>10,520,847</u>
Governmental Activities Capital Assets, Net	<u><u>\$7,555,380</u></u>	<u><u>\$8,233,481</u></u>	<u><u>(\$4,226,090)</u></u>	<u><u>\$11,562,771</u></u>

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

General Government	\$86,272
Security of Persons and Property:	
Police	107,264
Fire	98,579
Transportation	225,708
Public Health Services	9,170
Leisure Time Activities	<u>133,727</u>
Total Depreciation Expense	<u><u>\$660,720</u></u>



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	Balance at 12/31/19	Additions	Deductions	Balance at 12/31/20
<b>Business-Type Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$216,600	\$0	\$0	\$216,600
Construction in Progress	16,934,288	3,130,585	(20,000,871)	64,002
Total Capital Assets not being Depreciated	17,150,888	3,130,585	(20,000,871)	280,602
Depreciable Capital Assets:				
Land Improvements	70,832	0	0	70,832
Furniture, Fixtures, and Equipment	1,410,357	154,687	(23,179)	1,541,865
Vehicles	650,856	426,588	(391,362)	686,082
Infrastructure	30,726,356	20,067,172	(4,218,231)	46,575,297
Total Capital Assets being Depreciated	32,858,401	20,648,447	(4,632,772)	48,874,076
Less Accumulated Depreciation:				
Land Improvements	(62,532)	(443)	0	(62,975)
Furniture, Fixtures, and Equipment	(1,115,649)	(42,691)	23,179	(1,135,161)
Vehicles	(334,712)	(58,521)	211,430	(181,803)
Infrastructure	(10,682,549)	(782,630)	2,537,442	(8,927,737)
Total Accumulated Depreciation	(12,195,442)	(884,285)	2,772,051	(10,307,676)
Total Capital Assets being Depreciated, Net	20,662,959	19,764,162	(1,860,721)	38,566,400
Business-Type Activities Capital Assets, Net	\$37,813,847	\$22,894,747	(\$21,861,592)	\$38,847,002

**Note 10 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City contracts with Wichert Insurance Services for the following coverage:

Property and Liability	Deductible	Limits of Coverage
Buildings and Contents	\$5,000	\$35,324,276
Employee Dishonesty		500,000
Crime Insurance		10,000
Employee Benefits Liability	1,000	1,000,000
Employer's Liability Stop-Gap		1,000,000
Law Enforcement Liability	10,000	1,000,000
Public Officials Liability	10,000	1,000,000
Umbrella Coverage		1,000,000
Vehicles:		
Automobile Liability		1,000,000
Uninsured Motorist		1,000,000
General Liability Per Occurrence		1,000,000
General Liability Aggregate Limit		2,000,000
Garage Keeper		60,000

**City of Logan, Ohio**  
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Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from last year.

For 2020, the City paid the state workers' compensation system a premium based on a rate per \$100 of salaries. This rate is calculated based on accidents, history, and administrative costs. The participation in this state mandated insurance fund allows the City to transfer all risk associated with workers compensation.

**Note 11 – Defined Benefit Pension Plans**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability (Asset) /Net OPEB Liability (Asset)***

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

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When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
<b>2020 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee *	10.0 %
<b>2020 Actual Contribution Rates</b>	
Employer:	
Pension ****	14.0 %
Post-employment Health Care Benefits ****	0.0
Total Employer	14.0 %
Employee	10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\*\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

**City of Logan, Ohio**  
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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City's contractually required contribution was \$281,341 for the traditional plan and \$6,818 for the combined plan. Of these amounts, \$24,804 is reported as an intergovernmental payable for the traditional plan and \$602 for the combined plan.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30<sup>th</sup> of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

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	<u>Police</u>	<u>Firefighters</u>
<b>2020 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2020 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$349,359 for 2020. Of this amount, \$33,010 is reported as an intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	<u>OPERS</u>	<u>OPERS Combined Plan</u>	<u>OP&amp;F</u>	
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.01402400%	0.01035300%	0.06622390%	
Prior Measurement Date	<u>0.01411200%</u>	<u>0.01041400%</u>	<u>0.06585200%</u>	
Change in Proportionate Share	<u>-0.00008800%</u>	<u>-0.00006100%</u>	<u>0.00037190%</u>	
Proportionate Share of the:				<u>Total</u>
Net Pension Liability	\$2,771,939	\$0	\$4,461,196	\$7,233,135
Net Pension Asset	0	(21,588)	0	(21,588)
Pension Expense	507,386	2,440	565,520	1,075,346

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

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	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$0	\$0	\$168,871	\$168,871
Changes of assumptions	148,055	2,227	109,511	259,793
Changes in proportion and differences between City contributions and proportionate share of contributions	3,726	62	249,529	253,317
City contributions subsequent to the measurement date	<u>281,341</u>	<u>6,818</u>	<u>349,359</u>	<u>637,518</u>
Total Deferred Outflows of Resources	<u><u>\$433,122</u></u>	<u><u>\$9,107</u></u>	<u><u>\$877,270</u></u>	<u><u>\$1,319,499</u></u>
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$35,047	\$5,068	\$230,082	\$270,197
Net difference between projected and actual earnings on pension plan investments	552,940	2,800	215,512	771,252
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>11,595</u>	<u>0</u>	<u>240,224</u>	<u>251,819</u>
Total Deferred Inflows of Resources	<u><u>\$599,582</u></u>	<u><u>\$7,868</u></u>	<u><u>\$685,818</u></u>	<u><u>\$1,293,268</u></u>

\$637,518 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&amp;F</u>	<u>Total</u>
Year Ending December 31:				
2021	(\$68,428)	(\$1,368)	(\$51,455)	(\$121,251)
2022	(182,718)	(1,317)	(14,249)	(198,284)
2023	22,898	(535)	108,242	130,605
2024	(219,553)	(1,559)	(182,447)	(403,559)
2025	0	(284)	(17,998)	(18,282)
Thereafter	<u>0</u>	<u>(516)</u>	<u>0</u>	<u>(516)</u>
Total	<u><u>(\$447,801)</u></u>	<u><u>(\$5,579)</u></u>	<u><u>(\$157,907)</u></u>	<u><u>(\$611,287)</u></u>

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future

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employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.



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The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00 %	1.83 %
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00 %</u>	<u>5.61 %</u>

**Discount Rate** The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
<b>City's proportionate share of the net pension liability (asset)</b>			
OPERS Traditional Plan	\$4,571,824	\$2,771,939	\$1,153,895
OPERS Combined Plan	(13,045)	(21,588)	(27,746)

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***Actuarial Assumptions – OP&F***

OP&F’s total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

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Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: Assumptions are geometric.

\* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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***Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$6,183,062	\$4,461,196	\$3,021,025

**Note 12 – Defined Benefit OPEB Plans**

See Note 11 for a description of the net OPEB liability.

***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit postemployment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member-directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS'

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Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually had no contractually required contributions for 2020.

***Plan Description – Ohio Police & Fire Pension Fund (OP&F)***

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at [www.op-f.org](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension

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plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$8,482 for 2020. Of this amount, \$760 is reported as an intergovernmental payable.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.013365%	0.0662239%	
Prior Measurement Date	0.013448%	0.0658520%	
Change in Proportionate Share	-0.000083%	0.0003719%	Total
Proportionate Share of the Net			
OPEB Liability	\$1,846,055	\$654,141	\$2,500,196
OPEB Expense	\$237,688	\$77,912	\$315,600

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$50	\$0	\$50
Changes of assumptions	292,211	382,437	674,648
Changes in proportion and differences between City contributions and proportionate share of contributions	4,518	225,129	229,647
City contributions subsequent to the measurement date	<u>0</u>	<u>8,482</u>	<u>8,482</u>
Total Deferred Outflows of Resources	<u>\$296,779</u>	<u>\$616,048</u>	<u>\$912,827</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$168,830	\$70,348	\$239,178
Changes of assumptions	0	139,407	139,407
Net difference between projected and actual earnings on OPEB plan investments	94,001	30,101	124,102
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>6,282</u>	<u>176,070</u>	<u>182,352</u>
Total Deferred Inflows of Resources	<u>\$269,113</u>	<u>\$415,926</u>	<u>\$685,039</u>

\$8,482 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
2021	\$48,104	\$36,777	\$84,881
2022	19,653	36,777	56,430
2023	76	42,952	43,028
2024	(40,167)	33,218	(6,949)
2025	0	29,472	29,472
Thereafter	<u>0</u>	<u>12,444</u>	<u>12,444</u>
Total	<u>\$27,666</u>	<u>\$191,640</u>	<u>\$219,306</u>

***Actuarial Assumptions - OPERS***

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

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Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.



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The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

**Discount Rate** A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

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	1% Decrease (2.16%)	Current Discount Rate (3.16%)	1% Increase (4.16%)
City's proportionate share of the net OPEB liability	\$2,415,857	\$1,846,055	\$1,389,826

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate*** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$1,791,578	\$1,846,055	\$1,899,835

***Changes between Measurement Date and Reporting Date***

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that

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point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

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The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

**Discount Rate** For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate***

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$811,094	\$654,141	\$523,726

***Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

**Note 13 – Employee Benefits**

**Insurance**

In 2020, the City contracted with One America to provide all employees with \$25,000 each in life and accidental death and dismemberment insurance.

The City provides comprehensive major medical insurance through Medical Mutual of Ohio. During 2019, the monthly premium for the single coverage higher deductible and co-pay plan was \$936.02, of which, the City pays \$795.62. Monthly premium for single lower deductible and co-pay was \$800.23, with the City paying \$775.23 of the premium. The monthly premium for family lower deductible and co-pay was \$2,056.57. The City pays \$1,956.57 of the premium for employees participating in the family lower deductible and co-pay plans with the remainder being paid by the employees. Monthly premiums for the higher deductible and co-pay plan are \$2,405.56 for family coverage. The City pays \$2,044.74 of the premiums for employees participating in the family higher deductible and co-pay plans with the remainder being paid by the employees.

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**Compensated Absences**

The criteria for determining vested sick leave benefits are derived from negotiated agreements and State laws. Upon retirement, fire and police department employees are paid, at their current rate of pay, 25% of their sick leave up to a maximum of 480 hours. All other employees, with 10 years of service who retire under the Ohio Public Retirement System are paid, at their current rate of pay, 25% of their sick leave value up to a maximum of 480 hours for employees hired prior to January 1, 2016, and a maximum of 240 hours for those employees hired on or after January 1, 2016.

Vacation entitlement accrues on the basis of continuous service as a permanent, full-time employee of the City. Vacation is earned and becomes due upon the attainment of the anniversary of the first six months of employment, and bi-weekly thereafter. Vacation can be accumulated to a maximum of 300 hours for employees following the OAPSE union agreement, a maximum of 240 hours for employees following the Ohio Patrolman’s Benevolent union agreement, and an unlimited accrual but can only be paid out for up to a 3 years of accrual for employees following the Logan Professional Firefighter Association union agreement. Since the average maturity of the liability is less than one year, the liability will be reported as Leave Benefits Payable.

Employees are allowed to earn compensatory time at one and one-half rate for all time spent in active pay status in excess of the employee’s regularly scheduled hours of the work week. Exempt and non-exempt employees can accumulate up to a maximum of 40 hours, OAPSE employees can accumulate up to a maximum of 120 hours, and employees following the Ohio Patrolman’s Benevolent union agreement can accumulate up to a maximum of 120 hours. Compensatory time earned under the Logan Professional Firefighter Association union agreement have no maximum accumulation for comp time, however it has to be used within six months of when it was earned. Since the average maturity of the liability is less than one year, the liability will be reported as Leave Benefits Payable.

**Note 14 – Significant Commitments**

**Contractual Commitments**

As of December 31, 2020, the City had contractual commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/2020
Kalchelmacher Park Improvements	Capital Improvement	\$30,965	\$25,888	\$5,077
Goodyear Lift Station	Sewer	14,500	5,358	9,142
Evelyn Street Sewer Improvements	Sewer	8,200	5,745	2,455
Walnut Street Sewer Improvements	Sewer	58,900	12,183	46,717
Water System Improvements 2020	Sewer	150,000	40,716	109,284
Totals		<u>\$262,565</u>	<u>\$89,890</u>	<u>\$172,675</u>

**Encumbrances**

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

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General Fund	\$91,503
Capital Improvements Fund	26,622
Local Coronavirus Fund	13,326
Nonmajor Governmental Funds	2,135
Water Enterprise Fund	634,015
Sewer Fund	43,647
Nonmajor Enterprise Fund	<u>2,668</u>
Total	<u><u>\$813,916</u></u>

**Note 15 – Capital Leases – Lessee Disclosure**

In prior years, the City entered into a capitalized lease agreement in the amount of \$359,862 for the purchase of a Vactor Truck. Principal payments were made in 2020 from the Water, Sewer, and nonmajor enterprise funds.

In 2020, the City entered into a capitalized lease agreement in the amount of \$426,588 for the purchase of a Vactor Truck. Principal payments will be made from the Water, Sewer, and nonmajor enterprise funds. The agreement provides for minimum annual lease payments as follows:

Fiscal Year	Amount
2021	\$70,966
2022	70,966
2023	70,966
2024	70,966
2025	<u>170,635</u>
Total Minimum Lease Payments	454,499
Less: Amount Representing Interest	<u>(27,911)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$426,588</u></u>

The vehicle has been capitalized in the amount of \$426,588, the present value of the minimum lease payments at the inception of the lease. There was no accumulated depreciation as of December 31, 2020.

**Note 16 – Long-Term Obligations**

A schedule of changes in long-term obligations of the City during 2020 follows:

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	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amounts Due in One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds from Direct Placements</u>					
2019 Swimming Pool Facility Bonds - \$3,000,000					
Serial Bonds - 3.0-4.0%	\$605,000	\$0	\$60,000	\$545,000	\$65,000
Term Bonds - 3.5-4.0	2,255,000	0	0	2,255,000	0
Premium on Bonds	156,724	0	6,530	150,194	0
2019 Various Purpose Bonds - \$625,000					
Swimming Pool - 2.34%	200,000	0	40,000	160,000	40,000
Fire Equipment - 2.34%	425,000	0	80,000	345,000	85,000
2010 Energy Conservation Bonds - 4.375%					
	15,032	0	15,032	0	0
2020 Police Cruiser Bond - 2.75%					
	0	79,000	15,000	64,000	15,300
2016 Police Cruiser Bond - 2.875%					
	13,800	0	6,800	7,000	7,000
Total General Obligation Bonds from Direct Placements	<u>3,670,556</u>	<u>79,000</u>	<u>223,362</u>	<u>3,526,194</u>	<u>212,300</u>
<u>Other Long-term Obligations</u>					
Net Pension Liability:					
OPERS	1,893,845	0	480,156	1,413,689	0
OP&F	5,375,265	0	914,069	4,461,196	0
Total Net Pension Liability	<u>7,269,110</u>	<u>0</u>	<u>1,394,225</u>	<u>5,874,885</u>	<u>0</u>
Net OPEB Liability:					
OPERS	859,116	82,370	0	941,486	0
OP&F	599,684	54,457	0	654,141	0
Total Net OPEB Liability	<u>1,458,800</u>	<u>136,827</u>	<u>0</u>	<u>1,595,627</u>	<u>0</u>
Compensated Absences					
	138,941	25,991	8,281	156,651	16,157
Total Other Long-term Obligations	<u>8,866,851</u>	<u>162,818</u>	<u>1,402,506</u>	<u>7,627,163</u>	<u>16,157</u>
Total Governmental Activities	<u>\$12,537,407</u>	<u>\$241,818</u>	<u>\$1,625,868</u>	<u>\$11,153,357</u>	<u>\$228,457</u>

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	Principal Outstanding 12/31/19	Additions	Deductions	Principal Outstanding 12/31/20	Amounts Due in One Year
<b>Business-Type Activities:</b>					
<u>Bonds from Direct Placements</u>					
2020 Water Plant USDA Revenue Bonds - 1.125%					
Series A Revenue Bonds	\$0	\$9,981,000	\$0	\$9,981,000	\$199,000
Series B Revenue Bonds	0	846,000	0	846,000	16,900
2010 Energy Conservation General Obligation Bonds - 4.375%					
	7,530	0	7,530	0	0
Total General Obligation Bonds from Direct Placement	7,530	10,827,000	7,530	10,827,000	215,900
<u>OWDA Loans from Direct Borrowings</u>					
2011 OWDA Sewer Plant Improvements Loan - 2.87%					
	7,821,340	0	244,169	7,577,171	251,227
2017 OWDA Phase 2 Sanitary Sewer Rehab Loan - 2.29%					
	1,129,723	0	25,818	1,103,905	27,831
2018 OWDA Water System Improvement Loan - 2.45%					
	11,066,475	174,890	11,241,365	0	0
2018 OWDA Asset Management Water Loan - 0%					
	5,547	0	2,034	3,513	0
2019 OWDA Water Distribution Replacement Loan - 0%					
	463,502	1,365,509	640,753	1,188,258	0
2020 OWDA Water Distribution Replacement Loan - 0%					
	0	42,741	0	42,741	0
Total OWDA Loans from Direct Borrowings	20,486,587	1,583,140	12,154,139	9,915,588	279,058
<u>OPWC Loans from Direct Borrowings</u>					
2016 OPWC Well H Emergency Rehab Survey Loan - 0%					
	17,884	0	325	17,559	651
2014 OPWC Sanitary Sewer Evaluation Survey Loan - 0%					
	423,501	0	8,144	415,357	16,288
Total OPWC Loans from Direct Borrowings	441,385	0	8,469	432,916	16,939
<u>Other Loans from Direct Borrowings</u>					
2018 Water Equipment Loan Loan - 3.540%					
	39,243	0	12,618	26,625	13,075
<u>Other Long-Term Liabilities</u>					
Capital Leases	184,478	426,588	184,478	426,588	69,818
Net Pension Liability - OPERS	1,971,146	0	612,896	1,358,250	0
Net OPEB Liability - OPERS	894,187	10,382	0	904,569	0
Asset Retirement Obligation	830,000	0	0	830,000	0
Compensated Absences	48,447	2,994	13,395	38,046	12,971
Total Other Long-Term Liabilities	3,928,258	439,964	810,769	3,557,453	82,789
Total Business-Type Activities	\$24,903,003	\$12,850,104	\$12,993,525	\$24,759,582	\$607,761

Compensated absences will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, the Street Construction and Maintenance Special Revenue Fund, and the Water, Sewer, and nonmajor Enterprise Funds. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund, Water Fund, Sewer Fund, and the nonmajor Enterprise Fund. For additional information related to the net pension/OPEB liabilities, see Notes 11 and 12.



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In June 2010, the City issued Energy Conservation General Obligation Bonds in the amount of \$371,468. These bonds were issued for the purpose of energy conservation measures which included the purchase of high efficiency HVAC systems, the retrofiting of street lights and traffic signals with lower energy bulbs, and mechanical upgrades at the City Hall, Fire Department, Police Department, and Water Distribution facilities. The bonds retired from the General Fund and the Water Enterprise Fund in 2020.

In April 2016, the City entered into a bond agreement in the amount of \$33,000 for the purchase of police cruisers. Payments will be made from the Capital Improvements Fund. Principal and interest requirements to retire the Police Cruiser Bonds at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest
2021	\$7,000	\$201

On March 12, 2019, the City issued \$745,000 in Swimming Pool Facility Serial Bonds and \$2,255,000 in Swimming Pool Facility Term Bonds. The proceeds of these bonds are to be used to construct a new swimming pool facility. The bonds were sold at a premium of \$163,254 that will be amortized over the life of the bonds using the straight-line method. These bonds are backed by the full faith and credit of the City and are being retired from the Bond Retirement Debt Service Fund property tax revenues. The bonds were issued for a twenty-four year period with final maturity in 2043.

Principle and interest requirements to retire the Swimming Pool Bonds outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$65,000	\$108,450	\$173,450
2022	70,000	105,850	175,850
2023	75,000	103,050	178,050
2024	75,000	100,050	175,050
2025	80,000	97,050	177,050
2026 - 2030	490,000	432,250	922,250
2031 - 2035	625,000	324,050	949,050
2036 - 2040	780,000	186,250	966,250
2041 - 2043	540,000	38,150	578,150
	<u>\$2,800,000</u>	<u>\$1,495,150</u>	<u>\$4,295,150</u>

On October 23, 2019, the City issued \$200,000 in Various Purpose Swimming Pool Bonds and \$425,000 in Various Purpose Fire Equipment Bonds. The proceeds of these bonds are for additional monies for the construction of the new swimming pool facility and the purchase of a fire truck. These bonds are backed by the full faith and credit of the City and are being retired from the Bond Retirement Debt Service Fund. The bonds were issued for a five year period with final maturity in 2024.

Principal and interest requirements to retire the Various Purpose Bonds outstanding at December 31, 2020, are as follows:

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Year Ended December 31,	Principal	Interest	Total
2021	\$125,000	\$11,818	\$136,818
2022	125,000	8,892	\$133,892
2023	125,000	5,967	\$130,967
2024	130,000	3,042	\$133,042
	<u>\$505,000</u>	<u>\$29,719</u>	<u>\$534,719</u>

In 2020, the City entered into a bond agreement in the amount of \$79,000 for the purchase of police cruisers. Payments will be made from the Capital Improvements Fund. Principal and interest requirements to retire the Police Cruiser Bonds at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest
2022	\$15,300	\$1,760
2023	15,800	1,339
2024	16,200	905
2025	16,700	461
	<u>\$64,000</u>	<u>\$4,465</u>

The City's outstanding bonds from direct placements related to governmental activities of \$3,526,194 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

In 2020, the City issued USDA Revenue Bonds in the amount of \$10,827,000. The proceeds of these bonds were used to retire interim taxable loans incurred for the Water System Improvement project. These bonds are backed by the full faith and credit of the City and are being retired from the Water Enterprise Fund. The bonds were issued for a forty year period with final maturity in 2060.

Principal requirements to retire the USDA Revenue Bonds outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$215,900	\$111,992	\$327,892
2022	218,200	119,375	337,575
2023	220,700	116,920	337,620
2024	223,200	114,437	337,637
2025	225,600	111,926	337,526
2026 - 2030	1,167,200	520,972	1,688,172
2031 - 2035	1,234,300	453,824	1,688,124
2036 - 2040	1,305,300	382,817	1,688,117
2041 - 2045	1,380,400	307,721	1,688,121
2046 - 2050	1,459,800	228,310	1,688,110
2051 - 2055	1,543,800	144,327	1,688,127
2056 - 2060	1,632,600	55,511	1,688,111
	<u>\$10,827,000</u>	<u>\$2,668,132</u>	<u>\$13,495,132</u>

The City's USDA Revenue bond is from direct placement contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

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The 2011 OWDA Sewer Improvements Plant Loan, authorized in the amount of \$9,348,873, is being used to finance sewer line extension and improvements. The loan activity is reflected in the Sewer Enterprise Fund which received the proceeds and will repay the debt. Principal and interest payments are due in January and July of each year through 2042.

Principal and interest requirements to retire the Sewer Improvement Plant Loan outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$251,227	\$215,675	\$466,902
2022	258,489	208,413	466,902
2023	265,961	200,941	466,902
2024	273,649	193,253	466,902
2025	281,558	185,344	466,902
2026 - 2030	1,534,680	799,830	2,334,510
2031 - 2035	1,769,686	564,824	2,334,510
2036 - 2040	2,040,680	293,830	2,334,510
2041 - 2042	901,241	32,563	933,804
	<u>\$7,577,171</u>	<u>\$2,694,673</u>	<u>\$10,271,844</u>

The 2017 OWDA Sanitary Sewer Phase 2 Rehabilitation Loan, authorized in the amount of \$1,263,083, is being used to finance phase 2 of the sanitation sewer project. The loan activity is reflected in the Sewer Enterprise Fund which received the proceeds and will repay the debt. Principal and interest payments are due in January and July of each year through 2049.

Principal and interest requirements to retire the Sewer Improvement Plant Loan outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal	Interest	Total
2021	\$27,831	\$25,121	\$52,952
2022	28,472	24,480	52,952
2023	29,128	23,824	52,952
2024	29,799	23,153	52,952
2025	30,485	22,467	52,952
2026 - 2030	163,285	101,475	264,760
2031 - 2035	182,975	81,785	264,760
2036 - 2040	205,039	59,722	264,761
2041 - 2045	229,764	34,997	264,761
2046 - 2049	177,127	8,205	185,332
	<u>\$1,103,905</u>	<u>\$405,229</u>	<u>\$1,509,134</u>

The 2018 OWDA Asset Management Plan Loan, authorized in the amount of \$10,170, is being used to finance the water plan project. The loan activity is reflected in the Water Enterprise Fund which received the proceeds and will repay the debt. The loan has not been fully drawn down and no amortization schedule has been established.

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The 2019 OWDA Water Distribution Replacement Loan, authorized \$1,196,640, is being used to finance the replacement of water lines. The loan activity is reflected in the Water Enterprise Fund which received the proceeds and will repay the debt. The loan has not been fully drawn down and no amortization schedule has been established.

The 2020 OWDA Water Distribution Replacement Loan, authorized in the amount of \$42,741 being used to finance the construction for a new water treatment plant. The loan activity is reflected in the Water Enterprise Fund which received the proceeds and has not been fully drawn down and no amortization schedule has been established.

The 2014 OPWC Sanitary Sewer Evaluation Survey Loan, authorized in the amount of \$488,656 at 0% interest, was issued to finance a sanitary sewer project. The loan activity is reflected in the Sewer Enterprise Fund which received the proceeds and will repay the debt. Principal payments are due in January and July of each year through 2046.

Principal requirements to retire the Sanitary Sewer Evaluation Loan outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal
2021	\$16,288
2022	16,288
2023	16,288
2024	16,288
2025	16,288
2026 - 2030	81,440
2031 - 2035	81,440
2036 - 2040	81,440
2041 - 2045	81,452
2046	8,145
	\$415,357

During 2016, the City entered into a loan in the amount of \$19,509 with the Ohio Public Works Commission for the emergency rehabilitation of a well. The loan activity is reflected in the Water Enterprise Fund which received the proceeds and will repay the debt. Principal payments are due in January and July of each year through 2047.

Principal requirements to retire the Emergency Rehabilitation Loan outstanding at December 31, 2020, are as follows:

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Year Ended December 31,	Principal
2021	\$651
2022	650
2023	650
2024	650
2025	650
2026 - 2030	3,250
2031 - 2035	3,250
2036 - 2040	3,250
2041 - 2045	3,250
2046 - 2047	1,308
	<u>\$17,559</u>

The City's outstanding OPWC loans from direct borrowings related to business type activities of \$432,916 contain provisions that in the event of default (1) OPWC may apply late fees of 8 percent per year, (2) loans more than 60 days late will be turned over to the Attorney General's office for collection, and as provided by law, OPWC may require that such payment be taken from the City's share of the county undivided local government fund, and (3) the outstanding amounts shall, at OPWC's option, become immediately due and payable.

The City's outstanding OWDA loans from direct borrowings related to business type activities of \$9,915,588 contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

During 2018, the City entered into a loan in the amount of \$65,069 with the Citizens Bank of Logan for the purchase of a water valve machine. The loan activity is reflected in the Water Enterprise Fund which received the proceeds and will repay the debt. Principal payments are due in June of each year through 2022.

Principal requirements to retire the Water Equipment Loan outstanding at December 31, 2020, are as follows:

Year Ended December 31,	Principal
2021	\$13,075
2022	13,550
	<u>\$26,625</u>

The City's outstanding Water Equipment Loan is from direct borrowings related to business type activities of \$26,625 contain provisions that in the event of default (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due (2) any and all remedies under state and federal law or in any loan document (3) make a claim for any and all insurance benefits or refunds available (4) repossession of property.

The City has pledged future water customer revenues to repay the OWDA loans. The loans are payable solely from net revenues. Net revenues include all revenues received by the sewer utility less all operating expenses

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other than depreciation expense. The total water principal and interest remaining to be paid on the loans are unknown at this time since the Water Distribution Replacement, and Water Asset Management loans are not fully drawn out. Principal and interest payments for the current year for the water loans were \$642,787, net revenues were \$949,761, and total revenues were \$2,453,233.

The City has pledged future sewer customer revenues to repay the OWDA loans. The loans are payable solely from net revenues. Net revenues include all revenues received by the sewer utility less all operating expenses other than depreciation expense. The total sewer principal and interest remaining to be paid on the loans are unknown at this time since the Sewer Improvement Plant loan and Sanitary Sewer Evaluation loans are not fully drawn out. Principal and interest payments for the current year for the sewer loans were \$244,169, net revenues were \$979,181, and total revenues were \$2,173,970.

The City's overall legal debt margin was \$13,946,212 at December 31, 2020.

**Note 17 – Internal Balances and Transfers**

**Internal Balances - Change in Proportionate Share**

The City uses an internal proportionate share to allocate its net pension/OPEB liabilities and corresponding deferred outflows/inflows of resources and pension/OPEB expense to its various funds. This allocation creates a change in internal proportionate share. The effects of the internal proportionate are eliminated from the pension/OPEB deferred outflows/inflows of resources in the business-type activities column of the statement of net position. These residual amounts are eliminated in the total column of the entity wide statement of net position, thus allowing the total column to present the change in proportionate share for the City as a whole.

	Deferred Outflows	Deferred Inflows
<b>Governmental Activities</b>		
Governmental Activities	\$83,420	\$180
<b>Business-Type Activities</b>		
Sewer	26,398	25,748
Water	1,626	85,620
Storm Water	104	0
<i>Total Business-Type Activities</i>	28,128	111,368
Total	\$111,548	\$111,548

**Transfers**

The General Fund made a \$10,000 transfer to the Recreation Special Revenue Fund. This transfer was used to move unrestricted revenue collected in the General Fund to finance this program accounted for in the other fund in accordance with budgetary authorizations. The Capital Improvement fund made a transfer of \$45,096 to the Pool Debt Service fund and \$17,589 to the Pool Capital Improvement Fund to cover construction expenses. The Fire Equipment Fund and the Fire Levy Fund transferred \$45,500 each to the Fire Truck Debt Service Fund for debt expenses. These transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 18 – Jointly Governed Organizations**

**Hocking Metropolitan Housing Authority**

The Hocking Metropolitan Housing Authority is an organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five member board. Two members are appointed by the Mayor of the City of Logan, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by Hocking County Commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the City is not involved in the management or operation. The City is not financially accountable for the Authority.

**Hocking County Council on Aging, Incorporated**

The Hocking County Council on Aging is a non-profit organization that has an objective of assisting elderly citizens with needs, problems, and opportunities. The Council is governed by a sixteen member board of directors. Board members include representatives from the Hocking County Commissioners, local government units, and agencies including the City of Logan and local organizations. One-third of the members are elderly residents. The board has total control over budgeting, personnel, and all other financial matters. The continued existence of the Council is not dependent on the City's continued participation and no equity interest exists. The Council has no outstanding debt.

**Hocking County Regional Planning Commission**

The City participates in the Hocking County Regional Planning Commission, which is a statutorily created political subdivision of the State. The Commission is governed by a nine member board composed of the Mayor of the City of Logan, the three Hocking County Commissioners, the County Engineer, the County Sanitarian, and three individuals from the public sector. Each member's control over the operation of the Commission is limited to its representation of the board. The Commission makes studies, maps, plans, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of Hocking County. In 2020, the City did not contribute any money to the Commission. Continued existence is not dependent on the City's continued participation, no equity interest exists, and no debt is outstanding.

**Buckeye Hills Regional Council**

The Buckeye Hills Regional Council (Council) serves as the Area Agency on Aging for Washington, Athens, Hocking, Meigs, Monroe, Morgan, Noble, and Perry Counties. The Council was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The Council is governed by a fifteen member board of directors. The board has 15 members composed of four non-elected representative, Mayors of the two largest cities in the Council, and eight county representatives appointed by County Commissioners. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board.

The Council administers County Community Development Block Grant and Issue II monies. The continued existence of the Council is not dependent on the City's continued participation and no equity interest exists. In 2020, the City contributed \$1,001 to the Council. Financial information can be obtained by contacting Buckeye Hills Regional Council office at 1400 Pike Street, Marietta, Ohio 45750.

**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 19 – Contingent Liabilities**

**Grants**

The City received financial assistance from the federal and state agencies in the form of grants. The distribution of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the City at December 31, 2020.

**Litigation**

The City of Logan is currently party to pending litigation as confirmed by the City Law Director. The City management is of opinion that ultimate disposition of these claims and legal proceeding will not have a material effect, if any, on the financial condition of the City.

**Note 20 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

During 2020, the City received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Of the amounts received, \$400,000 was sub-granted to the Hocking Valley Community Hospital and \$552,697 was spent on the City. These amounts are reflected as general government, fire, police, public health, and intergovernmental expenditures in the Local Coronavirus Relief Special Revenue Fund on the accompanying financial statements.

**Note 21 – Asset Retirement Obligations**

Ohio Revised Code Section 6111.44 requires the County/City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County/City would be responsible to address any public safety issues associated with their waste water treatment facilities. The City Engineer estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$825,000 associated with the City waste water treatment facilities was estimated by the City engineer. The remaining useful life of these facilities range from 2 to 45 years.

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a City classified as an "owner", to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not



**City of Logan, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2020*

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being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$5,000 associated with the City's underground storage tanks was estimated by the City engineer. The remaining useful life of these USTs is 19 years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

**Required  
Supplementary  
Information**

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Public Employees Retirement System - Traditional Plan*  
*Last Seven Years (1)*

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.014024%	0.014112%	0.014043%	0.012967%	0.012104%	0.013301%	0.013301%
City's Proportionate Share of the Net Pension Liability	\$2,771,939	\$3,864,991	\$2,203,073	\$2,944,585	\$2,096,567	\$1,604,250	\$1,568,015
City's Covered Payroll	\$1,973,121	\$1,906,121	\$1,855,854	\$1,673,908	\$1,508,733	\$1,902,567	\$1,197,023
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.48%	202.77%	118.71%	175.91%	138.96%	84.32%	130.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability/Asset*  
*Ohio Public Employees Retirement System - Combined Plan*  
*2020 (1)*

	2020
City's Proportion of the Net Pension Liability	0.010353%
City's Proportionate Share of the Net Pension Asset	\$21,588
City's Covered Payroll	\$46,086
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	46.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%

(1) Amounts for the combined plan are not presented prior to 2020 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability*  
*Ohio Public Employees Retirement System - OPEB Plan*  
*Last Four Years (1)*

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.0133650%	0.0134480%	0.0134100%	0.0123700%
City's Proportionate Share of the Net OPEB Liability	\$1,846,055	\$1,753,303	\$1,456,227	\$1,249,412
City's Covered Payroll	\$2,019,206	\$1,950,664	\$1,899,108	\$1,707,100
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.42%	89.88%	76.68%	73.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net Pension Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Seven Years (1)*

	2020	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability	0.0662239%	0.0658520%	0.0705990%	0.0628820%	0.0656540%	0.0671353%	0.0671353%
City's Proportionate Share of the Net Pension Liability	\$4,461,196	\$5,375,265	\$4,332,980	\$3,982,882	\$4,223,568	\$3,477,888	\$3,269,699
City's Covered Payroll	\$1,614,338	\$1,528,671	\$1,513,724	\$1,369,305	\$1,358,608	\$1,358,137	\$1,243,117
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	276.35%	351.63%	286.25%	290.87%	310.87%	256.08%	263.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of the City's Proportionate Share of the*  
*Net OPEB Liability*  
*Ohio Police and Fire Pension Fund*  
*Last Four Years (1)*

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.0662239%	0.0658520%	0.0705990%	0.0628820%
City's Proportionate Share of the Net OPEB Liability	\$654,141	\$599,684	\$4,000,040	\$2,984,867
City's Covered Payroll	\$1,614,338	\$1,528,671	\$1,513,724	\$1,369,305
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.52%	39.23%	264.25%	217.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented for each year were determined as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Public Employees Retirement System*  
*Last Seven Years (1)(2)*

	2020	2019	2018	2017
<b>Net Pension Liability - Traditional Plan</b>				
Contractually Required Contribution	\$281,341	\$276,237	\$266,857	\$241,261
Contributions in Relation to the Contractually Required Contribution	<u>(281,341)</u>	<u>(276,237)</u>	<u>(266,857)</u>	<u>(241,261)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,009,579	\$1,973,121	\$1,906,121	\$1,855,854
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
<b>Net Pension Asset - Combined Plan</b>				
Contractually Required Contribution	\$6,818	\$6,452	\$6,236	\$6,056
Contributions in Relation to the Contractually Required Contribution	<u>(6,818)</u>	<u>(6,452)</u>	<u>(6,236)</u>	<u>(6,056)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$48,700	\$46,086	\$44,543	\$46,585
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
<b>Net OPEB Liability - OPEB Plan</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$18,991
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>(18,991)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$2,058,279	\$2,019,206	\$1,950,664	\$1,899,108
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>

(1) Information prior to 2013 is not available for traditional plan.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.



<u>2016</u>	<u>2015</u>	<u>2014</u>
\$200,869	\$181,048	\$228,308
<u>(200,869)</u>	<u>(181,048)</u>	<u>(228,308)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,673,908	\$1,508,733	\$1,902,567
<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>
\$4,647	\$4,395	
<u>(4,647)</u>	<u>(4,395)</u>	
<u>\$0</u>	<u>\$0</u>	
\$38,725	\$36,625	
<u>12.00%</u>	<u>12.00%</u>	
\$34,142		
<u>(34,142)</u>		
<u>\$0</u>		
\$1,707,100		
<u>2.00%</u>		

**City of Logan, Ohio**  
*Required Supplementary Information*  
*Schedule of City Contributions*  
*Ohio Police and Fire Pension Fund*  
*Last Ten Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Net Pension Liability</b>					
Contractually Required Contribution	\$349,359	\$332,502	\$314,988	\$311,993	\$283,812
Contributions in Relation to the Contractually Required Contribution	<u>(349,359)</u>	<u>(332,502)</u>	<u>(314,988)</u>	<u>(311,993)</u>	<u>(283,812)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$1,690,389	\$1,614,338	\$1,528,671	\$1,513,724	\$1,369,305
Pension Contributions as a Percentage of Covered Payroll	<u>20.67%</u>	<u>20.60%</u>	<u>20.61%</u>	<u>20.61%</u>	<u>20.73%</u>
<b>Net OPEB Liability</b>					
Contractually Required Contribution	\$8,482	\$8,072	\$7,644	\$7,568	\$6,846
Contributions in Relation to the Contractually Required Contribution	<u>(8,482)</u>	<u>(8,072)</u>	<u>(7,644)</u>	<u>(7,568)</u>	<u>(6,846)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.17%</u>	<u>21.10%</u>	<u>21.11%</u>	<u>21.11%</u>	<u>21.23%</u>

(1) The City's Covered payroll is the same for Pension and OPEB.

See accompanying notes to the required supplementary information.

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$281,652	\$280,957	\$218,678	\$177,431	\$168,673
<u>(281,652)</u>	<u>(280,957)</u>	<u>(218,678)</u>	<u>(177,431)</u>	<u>(168,673)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,358,608	\$1,358,137	\$1,243,117	\$1,229,040	\$1,158,176
<u>20.73%</u>	<u>20.69%</u>	<u>17.59%</u>	<u>14.44%</u>	<u>14.56%</u>
\$6,793	\$6,791	\$44,960	\$82,961	\$78,177
<u>(6,793)</u>	<u>(6,791)</u>	<u>(44,960)</u>	<u>(82,961)</u>	<u>(78,177)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>21.23%</u>	<u>21.19%</u>	<u>21.21%</u>	<u>21.19%</u>	<u>21.31%</u>

**City of Logan, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2020

**Changes in Assumptions – OPERS Pension– Traditional Plan**

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

**City of Logan, Ohio**  
*Notes to the Required Supplementary Information*  
For the year ended December 31, 2020

**Changes in Assumptions – OPERS Pension – Combined Plan**

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

**Changes in Assumptions – OP&F Pension**

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	Beginning in 2018	2017 and Prior
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

**City of Logan, Ohio**  
*Notes to the Required Supplementary Information*  
*For the year ended December 31, 2020*

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Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

**Changes in Assumptions – OPERS OPEB**

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.0 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

**Changes in Assumptions – OP&F OPEB**

Single Discount Rate:	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

**Changes in Benefit Terms – OP&F OPEB**

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

CITY OF LOGAN, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass - Through Grantor, Program Title	Pass Through Entity Number	CFDA	Passed Through to Subrecipients	Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Direct Funding:</i>				
Community Facilities Loans and Grants Cluster:				
Community Facilities Loans and Grants	N/A - Direct Award	10.766	\$0	\$45,972
Total Community Facilities Loans and Grants Cluster			0	45,972
Water and Waste Disposal Systems for Rural Communities	N/A - Direct Award	10.760	0	3,069,124
Subtotal - U.S. Department of Agriculture			0	3,115,096
<b><u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>				
<i>Passed Through Perry County:</i>				
Community Development Block Grants/State Program	B-C-18-1CG-1	14.228	0	62,634
<i>Passed Through Perry County:</i>				
Home Investment Partnerships Program	B-C-18-1CG-2	14.239	0	88,595
Subtotal - U.S. Department of Housing and Urban Development			0	151,229
<b><u>US DEPARTMENT OF THE TREASURY</u></b>				
<i>Passed through Ohio Office of Budget and Management:</i>				
Coronavirus Relief Fund	HB481-CRF-Local	21.019	400,000	948,822
Subtotal - U.S. Department of the Treasury			400,000	948,822
Total Federal Expenditures			\$400,000	\$4,215,147

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council  
City of Logan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 23, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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 deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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



## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

June 23, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and City Council  
City of Logan

**Report on Compliance for Each Major Federal Program**

We have audited the City of Logan's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal Program***

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements

that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

June 23, 2021

**CITY OF LOGAN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended December 31, 2020**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Water and Waste Disposal Systems for Rural Communities - CFDA# 10.760  
Coronavirus Relief Fund - CFDA# 21.019

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**City of Logan  
Hocking County, Ohio  
10 S Mulberry St  
Logan, Ohio 43138**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR 200.511(b)  
Year Ended December 31, 2020**

Finding Number	Finding Summary	Finding Corrected	Explanation
2019-001	Supervisor review and approval of time sheets for employees	Yes	The City corrected this issue.

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# OHIO AUDITOR OF STATE KEITH FABER



**CITY OF LOGAN  
HOCKING COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 8/10/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)