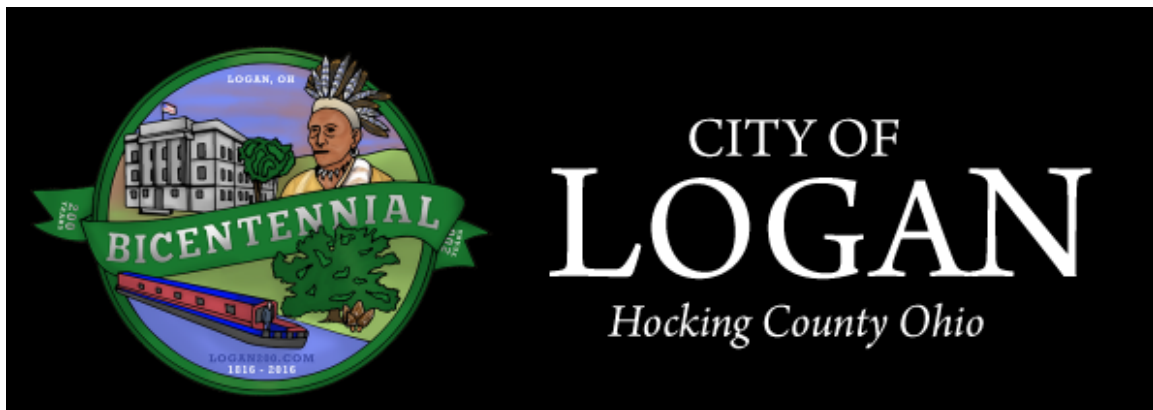


**CITY OF LOGAN
HOCKING COUNTY, OHIO**



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

PLATTENBURG
Certified Public Accountants



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Logan, Hocking County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. 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.

Keith Faber
Auditor of State
Columbus, Ohio

November 01, 2024

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CITY OF LOGAN, OHIO
HOCKING COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Logan

Report on the Audit of the Financial Statements

Opinions

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, Ohio (the City) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2024, 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 purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
Cincinnati, Ohio
August 9, 2024

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

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, 2023. 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 2023 are as follows:

- In total, net position decreased \$1,003,783. Net position of governmental activities decreased \$353,058 from 2022. Net position of business-type activities also decreased \$650,725 from 2022.
- In total, assets decreased \$937,128. Governmental assets increased \$24,428; while the business-type activities assets decreased \$961,556.
- Overall, capital assets decreased \$110,403. Capital assets of governmental activities increased \$159,731. Capital assets of business-type activities decreased \$270,134.

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 2023?" 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.

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

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 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 Non-major 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, Capital Improvements 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.

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

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 2023 compared to 2022.

(Table 1)
Net Position

	Governmental Activities		Business-Type Activities		Total	
		Restated				Restated
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$8,325,706	\$8,224,683	\$5,353,259	\$5,591,604	\$13,678,965	\$13,816,287
Capital Assets	10,928,875	10,769,144	40,282,070	40,552,204	51,210,945	51,321,348
Net Pension Asset	0	9,980	0	9,980	0	19,960
Net OPEB Asset	0	226,346	0	226,344	0	452,690
<i>Total Assets</i>	<u>19,254,581</u>	<u>19,230,153</u>	<u>45,635,329</u>	<u>46,380,132</u>	<u>64,889,910</u>	<u>65,610,285</u>
Deferred Outflows of Resources						
Pension	3,138,158	1,848,833	933,815	363,501	4,054,303	2,204,741
OPEB	554,096	523,021	132,476	17,643	686,429	535,843
Asset Retirement Obligation	0	0	490,300	505,400	490,300	505,400
<i>Total Deferred Outflows of Resources</i>	<u>3,692,254</u>	<u>2,371,854</u>	<u>1,556,591</u>	<u>886,544</u>	<u>5,231,032</u>	<u>3,245,984</u>
Liabilities						
Current and Other Liabilities	1,087,903	908,081	653,293	788,950	1,741,196	1,697,031
Long-term Liabilities:						
Due Within One Year	282,358	280,356	668,342	641,089	950,700	921,445
Due in More than One Year:						
Net Pension Liability	8,733,273	4,896,906	2,221,175	668,669	10,954,448	5,565,575
Net OPEB Liability	522,056	741,827	44,157	0	566,213	741,827
Other Amounts	2,869,076	3,090,148	20,753,514	20,650,830	23,622,590	23,740,978
<i>Total Liabilities</i>	<u>13,494,666</u>	<u>9,917,318</u>	<u>24,340,481</u>	<u>22,749,538</u>	<u>37,835,147</u>	<u>32,666,856</u>
Deferred Inflows of Resources						
Property Taxes	668,858	651,363	0	0	668,858	651,363
Pension	338,125	2,215,946	18,122	813,943	338,577	3,022,296
OPEB	577,238	596,374	14,707	233,860	591,802	825,413
<i>Total Deferred Inflows of Resources</i>	<u>1,584,221</u>	<u>3,463,683</u>	<u>32,829</u>	<u>1,047,803</u>	<u>1,599,237</u>	<u>4,499,072</u>
Net Position						
Net Investment in Capital Assets	8,034,268	7,667,599	19,547,148	19,761,546	27,581,416	27,429,145
Restricted	2,260,082	2,307,845	0	22,642	2,260,082	2,330,487
Unrestricted (Deficit)	(2,426,402)	(1,754,438)	3,271,462	3,685,147	845,060	1,930,709
<i>Total Net Position</i>	<u>\$7,867,948</u>	<u>\$8,221,006</u>	<u>\$22,818,610</u>	<u>\$23,469,335</u>	<u>\$30,686,558</u>	<u>\$31,690,341</u>

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The net pension liability (NPL) is one of the largest single liabilities reported by the City at December 31, 2023. 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 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 \$24,428 mainly due to the increases in capital assets, income tax receivable and property tax receivable. This was offset by decreases in equity in pooled cash and cash equivalents, net OPEB asset, and Net pension asset.

Current liabilities increased \$179,822 mainly due to an increase in accounts payable and contracts payable, offset by a decrease in unearned revenue. Long-term liabilities increased \$3,397,526 primarily due to the net pension liability increasing. This was offset by decreases in net OPEB liability and other debt. 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, total assets decreased \$744,803. The decrease in equity in pooled cash and cash equivalents, accounts receivable, inventory, capital assets, net pension asset, and net OPEB asset were offset by an increase to intergovernmental receivables. The increase in intergovernmental receivable is mainly due to the continuous construction on the water system improvement project. Current liabilities decreased as a direct result of the decrease in contracts and a decrease in retainage payable due to the continuous work on the above projects. Long-term liabilities increased \$1,726,600 mainly due to an increase to the net pension liability and outstanding debt.

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 2023 and 2022.

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

(Table 2)
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	Restated 2022	2023	2022	2023	Restated 2022
Revenues						
Program Revenues:						
Charges for Services	\$1,051,446	\$869,030	\$5,363,703	\$5,127,279	\$6,415,149	\$5,996,309
Operating Grants and Contributions	741,508	760,531	0	0	741,508	760,531
Capital Grants and Contributions	282,952	121,654	631,611	723,916	914,563	845,570
Total Program Revenues	2,075,906	1,751,215	5,995,314	5,851,195	8,071,220	7,602,410
General Revenues:						
Property Taxes	788,074	719,165	0	0	788,074	719,165
Income Taxes	5,348,060	5,384,703	0	0	5,348,060	5,384,703
Hotel Tax	190,259	76,811	0	0	190,259	76,811
Permissive MVL Tax	34,814	0	0	0	34,814	0
Grants and Entitlements	353,143	160,468	0	0	353,143	160,468
Gain on Sale of Capital Assets	16,775	0	1,100	0	17,875	0
Investment Earnings and Other Interest	(30,370)	20,362	0	0	(30,370)	20,362
Insurance Recoveries	228,145	0	0	0	228,145	0
Rent	0	11,920	0	0	0	11,920
Other	108,958	303,488	130,568	25,515	239,526	329,003
Total General Revenues	7,037,858	6,676,917	131,668	25,515	7,169,526	6,702,432
Total Revenues	9,113,764	8,428,132	6,126,982	5,876,710	15,240,746	14,304,842
Program Expenses						
General Government	1,750,259	1,012,630	0	0	1,750,259	1,012,630
Security of Persons and Property:						
Police	3,432,002	2,704,604	0	0	3,432,002	2,704,604
Fire	1,893,374	1,447,430	0	0	1,893,374	1,447,430
Transportation	1,180,519	1,179,055	0	0	1,180,519	1,179,055
Public Health Services	527,695	392,728	0	0	527,695	392,728
Leisure Time Activities	501,473	633,679	0	0	501,473	633,679
Community Environment	63,573	11,627	0	0	63,573	11,627
Basic Utility Services	5,699	4,643	0	0	5,699	4,643
Interest Expense	112,228	114,565	0	0	112,228	114,565
Water	0	0	4,254,206	2,083,469	4,254,206	2,083,469
Sewer	0	0	2,334,274	1,972,889	2,334,274	1,972,889
Storm Water	0	0	189,227	168,239	189,227	168,239
Total Expenses	9,466,822	7,500,961	6,777,707	4,224,597	16,244,529	11,725,558
Change in Net Position	(353,058)	927,171	(650,725)	1,652,113	(1,003,783)	2,579,284
Net Position at Beginning of Year (Restated)	8,221,006	7,293,835	23,469,335	21,817,222	31,690,341	29,111,057
Net Position at End of Year	\$7,867,948	\$8,221,006	\$22,818,610	\$23,469,335	\$30,686,558	\$31,690,341

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

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 unrestricted intergovernmental revenue represent 76 percent, 11 percent, and 5 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 49 percent of governmental program revenues and 11 percent of all 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 56 percent of the governmental expenses. During 2023, expenses for police and fire operations amounted to \$3,432,002 and \$1,893,374, respectively. This was an increase from 2022 primarily due to changes in the pension and OPEB liabilities. 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, and basic utility service activities account for the remaining 32 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 2023, the City collected \$236,424 more in charges for services from the previous year. Expenses were \$2,553,110 more than the previous year due mainly to the increase in expenses in the water fund due to the ongoing water plant project. The City's water and sewer departments continued to operate with comparable rates. The minimum water and sewer rates are \$33.69 and \$26.68, respectively, for the first 2,000 gallons. Water and sewer rates for one surrounding community is \$35.07 for water and \$29.27 for sewer.

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 \$8,899,113 and expenditures of \$9,226,700.

The fund balance of the General Fund decreased \$75,843. The General Fund's balance of \$3,819,751 represented 41 percent of current year expenses. Most of this balance remains in the City's treasury and invested.

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The fund balance of the Capital Improvements Capital Projects Fund decreased \$9,532. The Capital Improvements Capital Projects Fund had a restricted fund balance of \$708,856 at year end.

During 2023, the Water Fund had operating revenues of \$2,838,665 and operating expenses of \$4,136,243. The Sewer Fund had operating revenues of \$2,394,655 and operating expenses of \$2,108,011. The Storm Water Fund had operating revenues of \$260,951 and operating expenses of \$186,742.

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 2023, the City amended its General Fund appropriations 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 amended during 2023 with an increase of \$16,451. Actual revenues were over the final budget in the amount of \$414,548. The original appropriations were increased \$717,764; however, the actual expenditures were \$793,934 less than the final budget for expenditures. The City of Logan's ending unencumbered fund cash balance in the General Fund was \$3,644,294 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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

(Table 3)
 Capital Assets at December 31, 2023
 (Net of Depreciation/Amortization)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$1,044,317	\$1,044,317	\$216,600	\$216,600	\$1,260,917	\$1,260,917
Construction in Progress	0	1,784	553,595	2,162,040	553,595	2,163,824
Land Improvements	5,084,743	5,155,949	35,551	38,316	5,120,294	5,194,265
Buildings and Improvements	963,221	790,792	72,946	0	1,036,167	790,792
Furniture, Fixtures, and Equipment	766,103	651,815	709,615	670,126	1,475,718	1,321,941
Intangible Right to use Vehicle	157,907	148,645	0	0	157,907	148,645
Vehicles	1,174,677	1,227,900	461,931	599,909	1,636,608	1,827,809
Infrastructure:						
City Streets	1,686,883	1,691,563	0	0	1,686,883	1,691,563
Street Signals	51,024	56,379	0	0	51,024	56,379
Water System	0	0	22,109,351	20,285,628	22,109,351	20,285,628
Sewer System	0	0	15,100,793	15,567,166	15,100,793	15,567,166
Stormwater System	0	0	1,021,688	1,012,419	1,021,688	1,012,419
Totals	<u>\$10,928,875</u>	<u>\$10,769,144</u>	<u>\$40,282,070</u>	<u>\$40,552,204</u>	<u>\$51,210,945</u>	<u>\$51,321,348</u>

City of Logan, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The assets of the City are reported at historical cost, net of depreciation/amortization. For additional information on capital assets, see Note 8 to the basic financial statements.

Debt

As of December 31, 2023, and December 31, 2022, the City had total long-term debt of \$23,598,739 and \$23,660,608, respectively, as follows:

(Table 4)
 Outstanding Debt at December 31, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
OPWC Loans	\$0	\$0	\$358,022	\$374,311	\$358,022	\$374,311
OWDA Loans	0	0	9,746,615	9,275,198	9,746,615	9,275,198
Leases	157,907	148,645	0	0	157,907	148,645
Revenue Bonds	0	0	10,172,200	10,392,900	10,172,200	10,392,900
Swimming Pool Bonds	2,720,604	2,802,134	0	0	2,720,604	2,802,134
Various Purpose Bonds	130,000	255,000	0	0	130,000	255,000
General Obligation Bonds	16,700	32,900	0	0	16,700	32,900
Financed Purchases	0	0	296,691	379,520	296,691	379,520
Totals	<u>\$3,025,211</u>	<u>\$3,238,679</u>	<u>\$20,573,528</u>	<u>\$20,421,929</u>	<u>\$23,598,739</u>	<u>\$23,660,608</u>

The City's overall legal debt margin was \$18,946,446 at December 31, 2023. For additional information on the City's debt, see Note 13 to the basic financial statements.

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 USDA water infrastructure projects. In fall of 2023, the City was awarded a \$3,000,000 emergency grant through OPWC for replacing filters at the Water Treatment Plant. There is a 20% match. The Sanitary Sewer Phase III project started late 2023. The City will be funding this project with a loan of \$4,530,000 and multiple grants including the ARC grant for \$500,000, RPIG grant for \$750,000, and a design grant for \$250,000. The waterline replacement project began in winter of 2023. The City is funding this project with an OWDA Water Loan/WW Infrastructure Grant.

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 Britny Keeton, Logan City Auditor, 10 South Mulberry Street, Logan, Ohio 43138.

City of Logan, Ohio
Statement of Net Position
December 31, 2023

	Governmental Activities	Business-Type Activities	Total*
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,928,261	\$4,361,933	10,290,194
Cash and Cash Equivalents in Segregated Accounts	202	0	202
Investments	137,380	0	137,380
Intergovernmental Receivable	542,174	221,607	763,781
Accounts Receivable	21,035	589,366	610,401
Permissive MVL Taxes Receivable	2,804	0	2,804
Hotel Tax Receivable	6,054	0	6,054
Income Taxes Receivable	774,110	0	774,110
Property Taxes Receivable	700,330	0	700,330
Loans Receivable	138,888	0	138,888
Materials and Supplies Inventory	64,934	170,008	234,942
Prepaid Items	9,534	10,345	19,879
Nondepreciable Capital Assets	1,044,317	770,195	1,814,512
Depreciable Capital Assets, Net	9,884,558	39,511,875	49,396,433
<i>Total Assets</i>	<u>19,254,581</u>	<u>45,635,329</u>	<u>64,889,910</u>
Deferred Outflows of Resources			
Pension	3,138,158	933,815	4,054,303
OPEB	554,096	132,476	686,429
Asset Retirement Obligations	0	490,300	490,300
<i>Total Deferred Outflows of Resources</i>	<u>3,692,254</u>	<u>1,556,591</u>	<u>5,231,032</u>
Liabilities			
Accounts Payable	156,592	151,882	308,474
Accrued Wages Payable	91,073	39,812	130,885
Accrued Interest Payable	4,881	177,530	182,411
Intergovernmental Payable	80,528	27,611	108,139
Contracts Payable	276,338	144,703	421,041
Retainage Payable		16,691	16,691
Leave Benefits Payable	223,045	95,064	318,109
Unearned Revenue	255,446	0	255,446
Long-Term Liabilities:			
Due within One Year	282,358	668,342	950,700
Due in More than One Year:			
Net Pension Liability	8,733,273	2,221,175	10,954,448
Net OPEB Liability	522,056	44,157	566,213
Other Amounts Due in More than One Year	2,869,076	20,753,514	23,622,590
<i>Total Liabilities</i>	<u>13,494,666</u>	<u>24,340,481</u>	<u>37,835,147</u>
Deferred Inflows of Resources			
Property Taxes	668,858	0	668,858
Pension	338,125	18,122	338,577
OPEB	577,238	14,707	591,802
<i>Total Deferred Inflows of Resources</i>	<u>1,584,221</u>	<u>32,829</u>	<u>1,599,237</u>
Net Position			
Net Investment in Capital Assets	8,034,268	19,547,148	27,581,416
Restricted for:			
Street Improvements	681,461	0	681,461
Law Enforcement	4,628	0	4,628
Fire Protection	256,766	0	256,766
Community Development	149,574	0	149,574
Perpetual Care:			
Expendable	46,641	0	46,641
Non-Expendable	137,380	0	137,380
Capital Improvements	754,664	0	754,664
Debt Service	228,968	0	228,968
Unrestricted (Deficit)	(2,426,402)	3,271,462	845,060
<i>Total Net Position</i>	<u>\$7,867,948</u>	<u>\$22,818,610</u>	<u>\$30,686,558</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, 2023

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
Governmental Activities				
General Government	\$1,750,259	\$316,377	\$65,535	\$57,886
Security of Persons and Property:				
Police	3,432,002	261,352	51,222	17,043
Fire	1,893,374	242,160	52,061	106,927
Transportation	1,180,519	0	405,239	55,906
Public Health Services	527,695	0	3,169	40,651
Leisure Time Activities	501,473	231,557	164,282	4,539
Community Environment	63,573	0	0	0
Basic Utility Services	5,699	0	0	0
Interest Expense	112,228	0	0	0
<i>Total Governmental Activities</i>	<u>9,466,822</u>	<u>1,051,446</u>	<u>741,508</u>	<u>282,952</u>
Business-Type Activities				
Water	4,254,206	2,743,060	0	615,897
Sewer	2,334,274	2,359,925	0	814
Storm Water	189,227	260,718	0	14,900
<i>Total Business-Type Activities</i>	<u>6,777,707</u>	<u>5,363,703</u>	<u>0</u>	<u>631,611</u>
Totals	<u>\$16,244,529</u>	<u>\$6,415,149</u>	<u>\$741,508</u>	<u>\$914,563</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Fire

 Bond Retirement

Income Taxes Levied for:

 General Purposes

 Capital Improvements

Permissive MVL Taxes

Hotel Tax

Grants and Entitlements not Restricted to Specific Programs

Gain on Sale of Capital Assets

Insurance Recoveries

Investment Earnings and Other 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
(\$1,310,461)	\$0	(\$1,310,461)
(3,102,385)	0	(3,102,385)
(1,492,226)	0	(1,492,226)
(719,374)	0	(719,374)
(483,875)	0	(483,875)
(101,095)	0	(101,095)
(63,573)	0	(63,573)
(5,699)	0	(5,699)
(112,228)	0	(112,228)
(7,390,916)	0	(7,390,916)
0	(895,249)	(895,249)
0	26,465	26,465
0	86,391	86,391
0	(782,393)	(782,393)
(7,390,916)	(782,393)	(8,173,309)
354,626	0	354,626
241,180	0	241,180
192,268	0	192,268
4,546,246	0	4,546,246
801,814	0	801,814
34,814	0	34,814
190,259	0	190,259
353,143	0	353,143
16,775	1,100	17,875
228,145	0	228,145
(30,370)	0	(30,370)
108,958	130,568	239,526
7,037,858	131,668	7,169,526
(353,058)	(650,725)	(1,003,783)
8,221,006	23,469,335	31,690,341
<u>\$7,867,948</u>	<u>\$22,818,610</u>	<u>\$30,686,558</u>

City of Logan, Ohio
Balance Sheet
Governmental Funds
December 31, 2023

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,658,457	\$715,144	\$1,554,660	\$5,928,261
Cash and Cash Equivalents in Segregated Accounts	0	0	202	202
Investments	0	0	137,380	137,380
Receivables:				
Intergovernmental	214,572	100,000	227,602	542,174
Accounts	21,035	0	0	21,035
Permissive MVL Taxes	0	0	2,804	2,804
Hotel Tax	6,054	0	0	6,054
Income Taxes	657,993	116,117	0	774,110
Property Taxes	325,963	0	374,367	700,330
Loans	0	0	138,888	138,888
Materials and Supplies Inventory	25,239	0	39,695	64,934
Prepaid Items	9,490	0	44	9,534
<i>Total Assets</i>	<u>\$4,918,803</u>	<u>\$931,261</u>	<u>\$2,475,642</u>	<u>\$8,325,706</u>
Liabilities				
Accounts Payable	\$156,015	\$97	\$480	\$156,592
Contracts Payable	249	176,500	99,589	276,338
Accrued Wages Payable	85,608	0	5,465	91,073
Intergovernmental Payable	75,584	0	4,944	80,528
Unearned Revenue	0	0	255,446	255,446
<i>Total Liabilities</i>	<u>317,456</u>	<u>176,597</u>	<u>365,924</u>	<u>859,977</u>
Deferred Inflows of Resources				
Property Taxes	311,056	0	357,802	668,858
Unavailable Revenue	470,540	45,808	209,940	726,288
<i>Total Deferred Inflows of Resources</i>	<u>781,596</u>	<u>45,808</u>	<u>567,742</u>	<u>1,395,146</u>
Fund Balances				
Nonspendable	34,729	0	316,007	350,736
Restricted	0	708,856	1,004,508	1,713,364
Committed	0	0	221,461	221,461
Assigned	1,413,037	0	0	1,413,037
Unassigned	2,371,985	0	0	2,371,985
<i>Total Fund Balances</i>	<u>3,819,751</u>	<u>708,856</u>	<u>1,541,976</u>	<u>6,070,583</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$4,918,803</u>	<u>\$931,261</u>	<u>\$2,475,642</u>	<u>\$8,325,706</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, 2023*

Total Governmental Fund Balances	\$6,070,583
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*Amounts reported for governmental activities
in the statement of net position are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	10,928,875
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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	31,472	
Income Taxes	305,384	
Intergovernmental Revenues	374,308	
Fines, Licenses, and Permits	15,124	726,288

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.	(223,045)
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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:

Deferred Outflows - Pension	3,138,158	
Deferred Inflows - Pension	(338,125)	
Net Pension Liability	(8,733,273)	
Deferred Outflows - OPEB	554,096	
Deferred Inflows - OPEB	(577,238)	
Net OPEB Liability	(522,056)	(6,478,438)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Swimming Pool Facility Bonds	(2,720,604)	
Various Purpose Bonds	(130,000)	
Leases	(157,907)	
Police Cruiser Bond - 2020	(16,700)	
Accrued Interest Payable	(4,881)	
Compensated Absences Payable	(126,223)	(3,156,315)

<i>Net Position of Governmental Activities</i>	<u><u>\$7,867,948</u></u>
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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, 2023

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$353,173	\$0	\$545,585	\$898,758
Income Taxes	4,544,507	801,506	0	5,346,013
Permissive MVL Taxes	0	0	34,814	34,814
Hotel Tax	79,280	0	0	79,280
Intergovernmental	330,096	294,670	753,532	1,378,298
Charges for Services	632,570	0	351,113	983,683
Fines, Licenses, and Permits	68,138	0	669	68,807
Investments Earnings and Other Interest	(30,566)	0	3,365	(27,201)
Donations	24,097	0	0	24,097
Other	104,851	0	7,713	112,564
<i>Total Revenues</i>	<u>6,106,146</u>	<u>1,096,176</u>	<u>1,696,791</u>	<u>8,899,113</u>
Expenditures				
Current:				
General Government	1,353,037	0	179,514	1,532,551
Security of Persons and Property:				
Police	2,846,428	0	0	2,846,428
Fire	1,309,603	0	294,630	1,604,233
Transportation	402,216	0	448,312	850,528
Public Health Services	466,066	0	108	466,174
Leisure Time Activities	0	0	405,572	405,572
Community Environment	33,860	0	29,713	63,573
Basic Utility Services	5,699	0	0	5,699
Capital Outlay	0	1,044,406	37,322	1,081,728
Debt Service:				
Principal Retirement	0	51,708	200,000	251,708
Interest Expense	0	9,489	109,017	118,506
<i>Total Expenditures</i>	<u>6,416,909</u>	<u>1,105,603</u>	<u>1,704,188</u>	<u>9,226,700</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(310,763)</u>	<u>(9,427)</u>	<u>(7,397)</u>	<u>(327,587)</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	16,775	0	0	16,775
Insurance Recoveries	228,145	0	0	228,145
Inception of Lease	0	44,770	0	44,770
Transfers In	0	0	143,975	143,975
Transfers Out	(10,000)	(44,875)	(89,100)	(143,975)
<i>Total Other Financing Sources (Uses)</i>	<u>234,920</u>	<u>(105)</u>	<u>54,875</u>	<u>289,690</u>
<i>Net Change in Fund Balance</i>	<u>(75,843)</u>	<u>(9,532)</u>	<u>47,478</u>	<u>(37,897)</u>
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>3,895,594</u>	<u>718,388</u>	<u>1,494,498</u>	<u>6,108,480</u>
<i>Fund Balances at End of Year</i>	<u><u>\$3,819,751</u></u>	<u><u>\$708,856</u></u>	<u><u>\$1,541,976</u></u>	<u><u>\$6,070,583</u></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, 2023*

Net Change in Fund Balances - Total Governmental Funds	(\$37,897)
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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/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period:

Capital Asset Additions	1,020,501	
Depreciation/amortization Expense	<u>(860,770)</u>	159,731

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	(16,775)	
Proceeds from the Sale of Capital Assets	<u>16,775</u>	0

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

Delinquent Property Taxes	3,238	
Income Taxes	2,047	
Hotel Taxes	(2,943)	
Intergovernmental Revenues	(27,961)	
Fines, Licenses, and Permits	(1,044)	
Other Revenue	<u>(3,606)</u>	(30,269)

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	<u>(252)</u>	6,278

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

Leases Payable	35,508	
General Obligation Bonds	<u>216,200</u>	251,708

Inception of leases are reported as other financing sources in the governmental funds, but the inception increases long-term liabilities on the statement of activities.	(44,770)
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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	(27,876)	
Compensated Absences	<u>5,602</u>	(22,274)

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

Pension	603,309	
OPEB	<u>9,950</u>	613,259

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

Pension	(1,282,510)	
OPEB	<u>33,686</u>	<u>(1,248,824)</u>

<i>Change in Net Position of Governmental Activities</i>	<u><u>(\$353,058)</u></u>
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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, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property Taxes	\$347,863	\$347,863	\$431,713	\$83,850
Income Taxes	4,400,000	4,400,000	4,509,403	109,403
Intergovernmental	354,587	354,587	313,233	(41,354)
Charges for Services	375,556	375,556	632,098	256,542
Fines, Licenses, and Permits	102,750	102,750	67,746	(35,004)
Interest	19,000	19,000	56,609	37,609
Donations	11,000	11,000	24,097	13,097
Other	93,750	110,201	100,606	(9,595)
<i>Total Revenues</i>	<u>5,704,506</u>	<u>5,720,957</u>	<u>6,135,505</u>	<u>414,548</u>
Expenditures				
Current:				
General Government	1,208,135	1,435,757	1,326,696	109,061
Security of Persons and Property:				
Police	3,035,054	3,095,318	2,886,498	208,820
Fire	1,208,123	1,378,946	1,304,591	74,355
Transportation	542,837	778,734	406,438	372,296
Public Health Services	472,228	492,211	465,361	26,850
Community Environment	33,237	36,412	33,860	2,552
Basic Utility Services	5,699	5,699	5,699	0
<i>Total Expenditures</i>	<u>6,505,313</u>	<u>7,223,077</u>	<u>6,429,143</u>	<u>793,934</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(800,807)</u>	<u>(1,502,120)</u>	<u>(293,638)</u>	<u>1,208,482</u>
Other Financing Sources (Use)				
Proceeds from Sale of Capital Assets	0	16,775	16,775	0
Insurance Recoveries	10,000	10,000	228,145	218,145
Transfers Out	(10,000)	(10,000)	(10,000)	0
<i>Total Other Financing Sources (Use)</i>	<u>0</u>	<u>16,775</u>	<u>234,920</u>	<u>218,145</u>
<i>Net Change in Fund Balance</i>	<u>(800,807)</u>	<u>(1,485,345)</u>	<u>(58,718)</u>	<u>1,426,627</u>
<i>Fund Balance at Beginning of Year</i>	<u>3,628,529</u>	<u>3,628,529</u>	<u>3,628,529</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>74,483</u>	<u>74,483</u>	<u>74,483</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,902,205</u>	<u>\$2,217,667</u>	<u>\$3,644,294</u>	<u>\$1,426,627</u>

See accompanying notes to the basic financial statements

City of Logan, Ohio
Statement of Fund Net Position
Enterprise Funds
December 31, 2023

	Water	Sewer	Non-Major Enterprise Fund	Total Enterprise Funds
Assets				
Current:				
Equity in Pooled Cash and Cash Equivalents	\$1,673,215	\$2,179,149	\$509,569	\$4,361,933
Intergovernmental Receivable	206,707	0	14,900	221,607
Accounts Receivable	295,987	262,122	31,257	589,366
Materials and Supplies Inventory	157,013	12,995	0	170,008
Prepaid Items	5,281	5,064	0	10,345
<i>Total Current Assets</i>	<u>2,338,203</u>	<u>2,459,330</u>	<u>555,726</u>	<u>5,353,259</u>
Noncurrent:				
Nondepreciable Capital Assets	352,052	418,143	0	770,195
Depreciable Capital Assets, Net	22,520,829	15,789,052	1,201,994	39,511,875
<i>Total Noncurrent Assets</i>	<u>22,872,881</u>	<u>16,207,195</u>	<u>1,201,994</u>	<u>40,282,070</u>
<i>Total Assets</i>	<u>25,211,084</u>	<u>18,666,525</u>	<u>1,757,720</u>	<u>45,635,329</u>
Deferred Outflows of Resources				
Pension	445,551	456,346	39,679	941,576
OPEB	63,119	63,828	5,551	132,498
Asset Retirement Obligation	0	490,300	0	490,300
<i>Total Deferred Outflows of Resources</i>	<u>508,670</u>	<u>1,010,474</u>	<u>45,230</u>	<u>1,564,374</u>
Liabilities				
Current:				
Accounts Payable	125,068	26,775	39	151,882
Accrued Wages Payable	21,040	18,772	0	39,812
Accrued Interest Payable	66,549	110,899	82	177,530
Intergovernmental Payable	10,929	16,060	622	27,611
Contracts Payable	119,278	25,425	0	144,703
Retainage Payable	16,691	0	0	16,691
Leave Benefits Payable	55,032	40,032	0	95,064
Revenue Bonds Payable	223,200	0	0	223,200
OWDA Loans Payable	39,548	303,447	0	342,995
OPWC Loans Payable	0	16,288	0	16,288
Finance Purchase Payable	21,688	42,484	21,687	85,859
<i>Total Current Liabilities</i>	<u>699,023</u>	<u>600,182</u>	<u>22,430</u>	<u>1,321,635</u>
Long-Term:				
OWDA Loans Payable	1,887,099	7,516,521	0	9,403,620
OPWC Loans Payable	0	341,734	0	341,734
Revenue Bonds Payable	9,949,000	0	0	9,949,000
Finance Purchase Payable	55,465	99,903	55,464	210,832
Compensated Absences Payable	7,858	10,470	0	18,328
Asset Retirement Obligations	0	830,000	0	830,000
Net Pension Liability	1,064,312	1,064,312	92,551	2,221,175
Net OPEB Liability	21,159	21,158	1,840	44,157
<i>Total Long-Term Liabilities</i>	<u>12,984,893</u>	<u>9,884,098</u>	<u>149,855</u>	<u>23,018,846</u>
<i>Total Liabilities</i>	<u>13,683,916</u>	<u>10,484,280</u>	<u>172,285</u>	<u>24,340,481</u>
Deferred Inflows of Resources				
Pension	25,709	160	14	25,883
OPEB	7,144	6,978	607	14,729
<i>Total Deferred Inflows of Resources</i>	<u>32,853</u>	<u>7,138</u>	<u>621</u>	<u>40,612</u>
Net Position				
Net Investment in Capital Assets	10,560,912	7,861,393	1,124,843	19,547,148
Unrestricted	1,442,073	1,324,188	505,201	3,271,462
<i>Total Net Position</i>	<u>\$12,002,985</u>	<u>\$9,185,581</u>	<u>\$1,630,044</u>	<u>\$22,818,610</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, 2023

	Water	Sewer	Non- Major Enterprise Fund	Total Enterprise Funds
Operating Revenues				
Charges for Services	\$2,743,060	\$2,359,925	\$260,718	\$5,363,703
Other Operating Revenues	95,605	34,730	233	130,568
<i>Total Operating Revenues</i>	<u>2,838,665</u>	<u>2,394,655</u>	<u>260,951</u>	<u>5,494,271</u>
Operating Expenses				
Salaries and Wages	609,827	595,791	46,834	1,252,452
Fringe Benefits	377,535	362,777	43,204	783,516
Contractual Services	1,410,400	504,919	19,101	1,934,420
Materials and Supplies	1,231,510	74,824	0	1,306,334
Depreciation	506,971	569,700	77,603	1,154,274
<i>Total Operating Expenses</i>	<u>4,136,243</u>	<u>2,108,011</u>	<u>186,742</u>	<u>6,430,996</u>
<i>Operating Income (Loss)</i>	<u>(1,297,578)</u>	<u>286,644</u>	<u>74,209</u>	<u>(936,725)</u>
Non-Operating Revenues (Expense)				
Capital Grants	615,897	814	14,900	631,611
Gain on Sale of Capital Assets	1,100	0	0	1,100
Interest Expense	(117,963)	(226,263)	(2,485)	(346,711)
<i>Total Non-Operating Revenues (Expense)</i>	<u>499,034</u>	<u>(225,449)</u>	<u>12,415</u>	<u>286,000</u>
<i>Change in Net Position</i>	<u>(798,544)</u>	<u>61,195</u>	<u>86,624</u>	<u>(650,725)</u>
<i>Net Position at Beginning of Year</i>	<u>12,801,529</u>	<u>9,124,386</u>	<u>1,543,420</u>	<u>23,469,335</u>
<i>Net Position at End of Year</i>	<u>\$12,002,985</u>	<u>\$9,185,581</u>	<u>\$1,630,044</u>	<u>\$22,818,610</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, 2023

	Water	Sewer	Non-Major Enterprise Fund	Total Enterprise Funds
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,740,647	\$2,385,328	\$260,630	\$5,386,605
Cash Payments for Employee Services and Benefits	(929,292)	(916,932)	(84,162)	(1,930,386)
Cash Payments to Suppliers for Goods and Services	(2,606,001)	(568,496)	(4,198)	(3,178,695)
Other Operating Revenues	100,153	34,730	233	135,116
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(694,493)</u>	<u>934,630</u>	<u>172,503</u>	<u>412,640</u>
Cash Flows from Capital and Related Financing Activities				
Acquisition of Capital Assets	(628,921)	(210,467)	(60,280)	(899,668)
Capital Grants	409,190	814	0	410,004
Proceeds from Sale of Capital Assets	1,100	0	0	1,100
Proceeds of OWDA Loans	839,077	0	0	839,077
Principal Paid on General Obligation Bonds	(220,700)	0	0	(220,700)
Principal Paid on OPWC Loans	0	(16,289)	0	(16,289)
Principal Paid on OWDA Loans	(72,571)	(295,089)	0	(367,660)
Principal Paid on Financed Purchases	(21,149)	(40,531)	(21,149)	(82,829)
Interest Paid on General Obligation Bonds	(116,920)	0	0	(116,920)
Interest Paid on Financed Purchases	(2,506)	(6,072)	(2,506)	(11,084)
Interest Paid on OWDA Loans	0	(224,765)	0	(224,765)
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>186,600</u>	<u>(792,399)</u>	<u>(83,935)</u>	<u>(689,734)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>(507,893)</u>	<u>142,231</u>	<u>88,568</u>	<u>(277,094)</u>
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>2,181,108</u>	<u>2,036,918</u>	<u>421,001</u>	<u>4,639,027</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$1,673,215</u></u>	<u><u>\$2,179,149</u></u>	<u><u>\$509,569</u></u>	<u><u>\$4,361,933</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
<i>Operating Income (Loss)</i>	<u>(\$1,297,578)</u>	<u>\$286,644</u>	<u>\$74,209</u>	<u>(\$936,725)</u>
<i>Adjustments:</i>				
Depreciation	506,971	569,700	77,603	1,154,274
<i>(Increase) Decrease in Assets and Deferred Outflows:</i>				
Accounts Receivable	2,135	10,780	(88)	12,827
Intergovernmental Receivable	(206,707)	14,623	14,900	(177,184)
Materials and Supplies Inventory	169,155	(5,455)	0	163,700
Prepaid Items	(4,322)	(4,045)	75	(8,292)
Deferred Outflows - Pension	214,593	216,635	18,835	450,063
Deferred Outflows - OPEB	54,933	47,271	4,110	106,314
Deferred Outflows - Asset Retirement Obligation	0	15,100	0	15,100
<i>Increase (Decrease) in Liabilities and Deferred Inflows:</i>				
Accounts Payable	79,287	4,166	3	83,456
Accrued Wages Payable	3,902	1,209	0	5,111
Intergovernmental Payable	1,906	4,500	64	6,470
Leave Benefits Payable	(2,872)	(14,429)	0	(17,301)
Compensated Absences Payable	(7,498)	(14,164)	0	(21,662)
Net Pension Liability	41,190	34,394	2,991	78,575
Net OPEB Liability	(1,109)	(1,109)	(96)	(2,314)
Deferred Inflows - Pension	(168,172)	(150,986)	(13,129)	(332,287)
Deferred Inflows - OPEB	(80,307)	(80,204)	(6,974)	(167,485)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$694,493)</u></u>	<u><u>\$934,630</u></u>	<u><u>\$172,503</u></u>	<u><u>\$412,640</u></u>

Non-Cash Transactions:

At December 31, 2022, the City had contracts payable related to the purchase of capital assets of \$299,424 and retainage payable in the amount of \$40,774 in the Water Enterprise Fund and contracts payable in the amount of \$28,531 in the Sewer Enterprise Fund.

At December 31, 2023, the City had contracts payable related to the purchase of capital assets of \$119,278 and retainage payable in the amount of \$16,691 in the Water Enterprise Fund and contracts payable in the amount of \$25,425 in the Sewer Enterprise 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, 2023

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, 2023

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.

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).

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:

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Water Fund The Water Fund is a major fund and 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 a major fund and 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.

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. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The City does not have any fiduciary funds.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economics 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.

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.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 6). 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 assets 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 10 and 11.

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 assets 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, 2023, but which were levied to finance 2024 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; income taxes; 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 10 and 11)

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

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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".

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, ARPA Special Revenue Fund, and the Cemetery Endowment Permanent Fund. Investment Earnings/Interest or Investment Earnings and Other Interest credited to the General Fund during 2023 amounted to (\$30,566), which includes (\$19,498) assigned from other City funds.

The police department within the City has segregated bank accounts for monies held separate from the County's central bank account. These accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited with the City Treasurer.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023, 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 and a portion is owed if the homeowner sells the home. The portion of the loan that is owed 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 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 (except for intangible right-to-use lease assets which are discussed below) 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 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:

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

The City is reporting intangible right to use assets related to leased vehicles and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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 fiduciary net position is not sufficient for payment of those benefits. Bonds and 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:

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For the Year Ended December 31, 2023

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 includes prepaids, inventory, and the long-term amount of loans receivable unless the use of the collection of the loans 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 2024’s appropriated budget.

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.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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.

Internal 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.

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

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.

Interfund 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.

City of Logan, Ohio
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For the Year Ended December 31, 2023

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

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.

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.

Leases

The City serves as lessee in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 3 – Changes in Accounting Principles and Restatement of Prior Year Balances

For 2023, the City implemented Governmental Accounting Standards Board (GASB) No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement No. 99, *Omnibus 2022*.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the City also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

In 2023, the City updated the list of loans that are receivable. This caused an adjustment to loans receivable. The restated fund balance and net position for December 31, 2022, will be restated as follows:

	General Fund	Capital Improvements Fund	Other Governmental Funds	Total
Fund Balance, December 31, 2022	\$3,895,594	\$718,388	\$1,396,655	\$6,010,637
Adjustments for Loans Receivable	0	0	97,843	97,843
Restated Fund Balance, December 31, 2022	<u>\$3,895,594</u>	<u>\$718,388</u>	<u>\$1,494,498</u>	<u>\$6,108,480</u>

	Governmental Activities
Net Position, December 31, 2022	\$8,123,163
Adjustments for Loans Receivable	97,843
Restated Net Position, December 31, 2022	<u>\$8,221,006</u>

Note 4 – 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 is prepared on the budgetary

City of Logan, Ohio
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For the Year Ended December 31, 2023

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. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP).
4. Unrecorded cash and interest, change in fair market value, 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
GAAP Basis	(\$75,843)
Revenue Accruals	(58,010)
Expenditure Accruals	(111,028)
Beginning of Year:	
Prepaid Items	6,946
End of Year:	
Unrecorded Interest	97
Prepaid Items	(9,490)
Fair Market Value	87,272
Encumbrances	101,338
Budget Basis	(\$58,718)

Note 5 – 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.

City of Logan, Ohio
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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:

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. 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
7. 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.

City of Logan, Ohio
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For the Year Ended December 31, 2023

At year end, the City had \$412 in undeposited cash on hand which is included as part of “Equity in Pooled Cash and Cash Equivalents”.

Investments

Investments are reported at fair value. As of December 31, 2023, the City had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Moody's	Percent of Total Investments
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Notes	\$288,240	Less than two years	Aaa	9.88%
Federal National Mortgage Association Bonds	331,821	Less than two years	Aaa	11.38%
Federal National Mortgage Association Notes	148,886	Less than one year	Aaa	5.10%
Federal Farm Loan Bank Bonds	96,134	Less than four years	Aaa	3.30%
Federal Farm Credit Bank Bonds	639,644	Less than five years	Aaa	21.93%
Private Export Funding Corporation Notes	19,776	Less than four years	Aaa	0.68%
United States Treasury Notes	820,887	Less than five years	Aaa	28.14%
Negotiable Certificates of Deposit	571,548		N/A	19.59%
Total	<u>\$2,916,936</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, 2023. 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 The security underlying the federal home loan corporation notes, federal national mortgage association bonds and notes, federal farm loan and credit bank bonds, private export funding corporation notes, United States Treasury notes, and the federal home loan bank notes carry a rating of Aaa by Moody’s and AA+ by Standard and Poor. The negotiable certificates of deposit were not rated. The City has no investment policy dealing with investment credit risk beyond the requirements in State statutes.

Concentration of Credit Risk Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The percent of total investments is listed in the table above.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 6 – Receivables

Receivables at December 31, 2023, 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 hotel taxes. 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.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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. 2023 public utility property taxes become a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was \$6.10 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$180,442,340
Public Utility Real Property	<u>14,354,540</u>
Total Assessed Value	<u><u>\$194,796,880</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, 2023, 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.

City of Logan, Ohio
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For the Year Ended December 31, 2023

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 improvements of the City of Logan.

Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities:	
Gasoline Tax	\$189,363
Local Government	113,935
OPWC Paving Grant	100,000
School Resource Officer Grant	66,173
Homestead and Rollback	33,189
Motor Vehicle License Tax	24,424
ARPA Wellness Grant	9,808
Miscellaneous	5,282
Total Governmental Activities	<u>542,174</u>
Business-Type Activities:	
Infrastructure Grant	206,707
ODNR Grant	14,900
Total Business-Type Activities	<u>221,607</u>
Total Intergovernmental Receivables	<u>\$763,781</u>

Note 7 – Tax Abatements

As of December 31, 2023, Hocking County provides tax abatements through Community Reinvestment Area (CRA) Tax Abatements.

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, 2023.

Tax Abatement Program	Amount of 2023 Taxes Abated
<i>Community Reinvestment Area (CRA)</i>	
- Retail	\$133,730

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 8 – Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,044,317	\$0	\$0	\$1,044,317
Construction in Progress	1,784	109,885	(111,669)	0
<i>Total Nondepreciable Capital Assets</i>	<u>1,046,101</u>	<u>109,885</u>	<u>(111,669)</u>	<u>1,044,317</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	8,540,998	255,517	(15,781)	8,780,734
Buildings and Improvements	2,040,839	219,049	0	2,259,888
Furniture, Fixtures, and Equipment	2,269,261	201,920	0	2,471,181
Vehicles	3,211,604	139,698	0	3,351,302
City Streets	9,041,331	161,331	(181,075)	9,021,587
Street Signals	895,038	0	0	895,038
<i>Total Tangible Assets</i>	<u>25,999,071</u>	<u>977,515</u>	<u>(196,856)</u>	<u>26,779,730</u>
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Vehicles	169,859	44,770	0	214,629
<i>Total Depreciable Capital Assets</i>	<u>26,168,930</u>	<u>1,022,285</u>	<u>(196,856)</u>	<u>26,994,359</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(3,385,049)	(326,723)	15,781	(3,695,991)
Buildings and Improvements	(1,250,047)	(46,620)	0	(1,296,667)
Furniture, Fixtures, and Equipment	(1,617,446)	(87,632)	0	(1,705,078)
Vehicles	(1,983,704)	(192,921)	181,075	(1,995,550)
City Streets	(7,349,768)	(166,011)	0	(7,515,779)
Street Signals	(838,659)	(5,355)	0	(844,014)
<i>Total Depreciation</i>	<u>(16,424,673)</u>	<u>(825,262)</u>	<u>196,856</u>	<u>(17,053,079)</u>
<i>Amortization</i>				
<i>Intangible Right to Use - Lease Assets</i>				
Intangible Right to Use - Vehicles	(21,214)	(35,508)	0	(56,722)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(16,445,887)</u>	<u>(860,770)</u>	<u>196,856</u>	<u>(17,109,801)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>9,723,043</u>	<u>161,515</u>	<u>0</u>	<u>9,884,558</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$10,769,144</u>	<u>\$271,400</u>	<u>(\$111,669)</u>	<u>\$10,928,875</u>

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

*Depreciation/Amortization expense was charged to governmental programs as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government	\$110,477	\$0	\$110,477
Security of Persons and Property			
Police	121,141	35,508	156,649
Fire	88,218	0	88,218
Public Health	239,426	0	239,426
Leisure Time Activities	12,731	0	12,731
Transportation	253,269	0	253,269
Total	<u>\$825,262</u>	<u>\$35,508</u>	<u>\$860,770</u>

	<u>Balance 12/31/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2023</u>
Business-Type Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$216,600	\$0	\$0	\$216,600
Construction in Progress	2,162,040	544,300	(2,152,745)	553,595
<i>Total Nondepreciable Capital Assets</i>	<u>2,378,640</u>	<u>544,300</u>	<u>(2,152,745)</u>	<u>770,195</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	105,660	0	0	105,660
Buildings and Improvements	0	72,946	0	72,946
Furniture, Fixtures, and Equipment	1,889,899	109,152	0	1,999,051
Vehicles	1,014,908	0	(16,726)	998,182
Infrastructure	47,651,778	2,310,487	0	49,962,265
<i>Total Tangible Assets</i>	<u>50,662,245</u>	<u>2,492,585</u>	<u>(16,726)</u>	<u>53,138,104</u>
<i>Total Depreciable Capital Assets</i>	<u>50,662,245</u>	<u>2,492,585</u>	<u>(16,726)</u>	<u>53,138,104</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(67,344)	(2,765)	0	(70,109)
Furniture, Fixtures, and Equipment	(1,219,773)	(69,663)	0	(1,289,436)
Vehicles	(414,999)	(137,978)	16,726	(536,251)
Infrastructure	(10,786,565)	(943,868)	0	(11,730,433)
<i>Total Depreciation</i>	<u>(12,488,681)</u>	<u>(1,154,274)</u>	<u>16,726</u>	<u>(13,626,229)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(12,488,681)</u>	<u>(1,154,274)</u>	<u>16,726</u>	<u>(13,626,229)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>38,173,564</u>	<u>1,338,311</u>	<u>0</u>	<u>39,511,875</u>
<i>Business-Type Activities Capital Assets, Net</i>	<u>\$40,552,204</u>	<u>\$1,882,611</u>	<u>(\$2,152,745)</u>	<u>\$40,282,070</u>

Note 9 – 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:

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Property and Liability	Deductible	Limits of Coverage
Buildings and Contents	\$5,000	\$46,008,939
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

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 2023, 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 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability 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) calculations are 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.

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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 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. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

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 is a cost-sharing, multiple employer public employee retirement system which 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. Effective January 1, 2022 new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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 Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A	Group B	Group C
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
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 on or after January 7, 2013, beginning in calendar year 2019, the adjustment is 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 and will continue to be administered by OPERS), 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,

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or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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

	State and Local
2023 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2023 Actual Contribution Rates	
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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$369,736 for the traditional plan. Of this amount, \$38,009 is reported as an intergovernmental payable for the traditional plan.

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 or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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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 Annual Comprehensive 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, statutory survivors and annuity beneficiaries. Members participating in the DROP program have separate eligibility requirements related to COLA.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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>
2023 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2023 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$411,046 for 2023. Of this amount, \$48,120 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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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 Traditional Plan</u>	<u>OPERS Combined Plan</u>	<u>OP&F</u>	
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.01566500%	0.00000000%	0.06660680%	
Prior Measurement Date	<u>0.01537100%</u>	<u>0.00506600%</u>	<u>0.06767970%</u>	
Change in Proportionate Share	<u>0.00029400%</u>	<u>-0.00506600%</u>	<u>-0.00107290%</u>	
				<u>Total</u>
Proportionate Share of the:				
Net Pension Liability	\$4,627,448	\$0	\$6,327,000	\$10,954,448
Pension Expense	801,483	3,155	851,696	1,656,334

At December 31, 2023, 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 Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	\$153,705	\$0	\$94,902	\$248,607
Changes of assumptions	48,886	0	570,674	619,560
Net difference between projected and actual earnings on pension plan investments	1,318,968	0	921,133	2,240,101
Changes in proportion and differences between City contributions and proportionate share of contributions	70,193	22,351	72,709	165,253
City contributions subsequent to the measurement date	369,736	0	411,046	780,782
Total Deferred Outflows of Resources	<u>\$1,961,488</u>	<u>\$22,351</u>	<u>\$2,070,464</u>	<u>\$4,054,303</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$0	\$0	\$144,148	\$144,148
Changes of assumptions	0	0	123,375	123,375
Changes in proportion and differences between City contributions and proportionate share of contributions	0	696	70,358	71,054
Total Deferred Inflows of Resources	<u>\$0</u>	<u>\$696</u>	<u>\$337,881</u>	<u>\$338,577</u>

\$780,782 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 in 2024. 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 Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2024	\$239,245	\$3,156	\$161,265	\$403,666
2025	318,146	3,155	326,727	648,028
2026	388,237	3,156	347,324	738,717
2027	646,124	3,155	509,856	1,159,135
2028	0	3,153	(23,635)	(20,482)
Thereafter	0	5,880	0	5,880
Total	<u>\$1,591,752</u>	<u>\$21,655</u>	<u>\$1,321,537</u>	<u>\$2,934,944</u>

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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 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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 12.1 percent for 2022.

City of Logan, Ohio
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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 geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 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 6.9 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 (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability			
OPERS Traditional Plan	\$6,931,763	\$4,627,448	\$2,710,672

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Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 are: 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, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 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	2.2 percent simple per year

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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.

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

For 2021, 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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	18.60	3.60
Non-US Equity	12.40	4.40
Private Markets	10.00	6.80
Core Fixed Income *	25.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds*	15.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	
Commodities	2.00	4.80
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

* levered 2.5x

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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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate For 2022, the total pension liability was calculated using the discount rate of 7.50 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 7.50 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.

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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$8,346,534	\$6,327,000	\$4,648,162

Note 11 – Defined Benefit OPEB Plans

See Note 10 for a description of the net OPEB liability.

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 post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

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With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

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OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care 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.

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 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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for 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 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are expressed as a percentage of covered payroll. The City has no contractually required contribution for 2023.

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.

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Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 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 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 2023, 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 \$9,950 for 2023. Of this amount, \$1,156 is reported as an intergovernmental payable.

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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, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. 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:

	<u>OPERS</u>	<u>OP&F</u>	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.014590%	0.0666068%	
Prior Measurement Date	<u>0.014453%</u>	<u>0.0676797%</u>	
Change in Proportionate Share	<u>0.000137%</u>	<u>-0.0010729%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$91,993	\$474,220	\$566,213
OPEB Expense	(\$148,015)	\$50,844	(\$97,171)

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$28,299	\$28,299
Changes of assumptions	89,851	236,325	326,176
Net difference between projected and actual earnings on pension plan investments	182,701	40,674	223,375
Changes in proportion and differences between City contributions and proportionate share of contributions	4,969	93,660	98,629
City contributions subsequent to the measurement date	<u>0</u>	<u>9,950</u>	<u>9,950</u>
Total Deferred Outflows of Resources	<u>\$277,521</u>	<u>\$408,908</u>	<u>\$686,429</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$22,947	\$93,507	\$116,454
Changes of assumptions	7,393	387,874	395,267
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>0</u>	<u>80,081</u>	<u>80,081</u>
Total Deferred Inflows of Resources	<u>\$30,340</u>	<u>\$561,462</u>	<u>\$591,802</u>

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\$9,950 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 2024. 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:	OPERS	OP&F	Total
2024	\$35,100	\$4,382	\$39,482
2025	66,850	658	67,508
2026	56,970	(21,100)	35,870
2027	88,261	(9,958)	78,303
2028	0	(39,223)	(39,223)
Thereafter	0	(97,263)	(97,263)
Total	<u>\$247,181</u>	<u>(\$162,504)</u>	<u>\$84,677</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.

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, 2021, rolled forward to measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with requirements of GASB 74:

Projected Salary Increases,	2.75 to 10.75 percent including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Prior Measurement date	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial 3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2022, 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 contributions 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 15.6 percent for 2022.

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 rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2022, 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 (Geometric)</u>
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00%</u>	

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Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 percent (Fidelity Index's "20-Year Municipal GO AA Index"). 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, 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 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
City's proportionate share of the net OPEB asset	\$313,101	\$91,993	\$90,458

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 or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset 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 2023 is 5.50 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 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 asset	\$86,227	\$91,993	\$98,483

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Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 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.

Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131percent for females. All rates are projected using the MP-2021 Improvement Scale.

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For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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.

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

For 2021 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.

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, 2021.

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 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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 7.5 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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

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	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
City's proportionate share of the net OPEB liability	\$583,959	\$474,220	\$381,574

Note 12 – Employee Benefits

Insurance

In 2023, 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 United Healthcare. During 2023, the monthly premium for the single coverage lower deductible and co-pay plan was \$1,057.01, of which, the City pays \$898.47. Monthly premium for single higher deductible and co-pay was \$927.36, with the City paying \$902.36 of the premium. The monthly premium for family higher deductible and co-pay was \$2531.69. The City pays \$2,431.69 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 lower deductible and co-pay plan are \$2,885.63 for family coverage. The City pays \$2,452.79 of the premiums for employees participating in the family lower deductible and co-pay plans with the remainder being paid by the employees.

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 percent 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 percent 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 vacation 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 80 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 120 hours. Since the average maturity of the liability is less than one year, the liability will be reported as Leave Benefits Payable.

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Note 13 – Long-Term Obligations

A schedule of changes in long-term obligations of the City during 2023 follows:

	Principal Outstanding 12/31/22	Additions	Deductions	Principal Outstanding 12/31/23	Amounts Due in One Year
Governmental Activities:					
<u>General Obligation Bonds from Direct Placements</u>					
2019 Swimming Pool Facility Bonds - \$3,000,000					
Serial Bonds - 3.0-4.0%	\$410,000	\$0	\$75,000	\$335,000	\$75,000
Term Bonds - 3.5-4.0%	2,255,000	0	0	2,255,000	0
Permium on Bonds	137,134	0	6,530	130,604	0
2019 Various Purpose Bonds - \$625,000					
Swimming Pool - 2.34%	80,000	0	40,000	40,000	40,000
Fire Equipment - 2.34%	175,000	0	85,000	90,000	90,000
2020 Police Cruiser Bond - 2.75% - \$79,000	32,900	0	16,200	16,700	16,700
Total General Obligation Bonds from Direct Placements	<u>3,090,034</u>	<u>0</u>	<u>222,730</u>	<u>2,867,304</u>	<u>221,700</u>
<u>Other Long-term Obligations</u>					
Net Pension Liability:					
OPERS	668,670	1,737,603	0	2,406,273	0
OP&F	4,228,236	2,098,764	0	6,327,000	0
Total Net Pension Liability	<u>4,896,906</u>	<u>3,836,367</u>	<u>0</u>	<u>8,733,273</u>	<u>0</u>
Net OPEB Liability:					
OPERS	0	47,836	0	47,836	0
OP&F	741,827	0	267,607	474,220	0
Total Net OPEB Liability	<u>741,827</u>	<u>47,836</u>	<u>267,607</u>	<u>522,056</u>	<u>0</u>
Leases Payable	148,645	44,770	35,508	157,907	42,577
Compensated Absences	131,825	27,407	33,009	126,223	18,081
Total Other Long-term Obligations	<u>5,919,203</u>	<u>3,956,380</u>	<u>336,124</u>	<u>9,539,459</u>	<u>60,658</u>
Total Governmental Activities	<u>\$9,009,237</u>	<u>\$3,956,380</u>	<u>\$558,854</u>	<u>\$12,406,763</u>	<u>\$282,358</u>

City of Logan, Ohio
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For the Year Ended December 31, 2023

	Principal Outstanding 12/31/22	Additions	Deductions	Principal Outstanding 12/31/23	Amounts Due in One Year
Business-Type Activities:					
<u>Bonds from Direct Placements</u>					
2020 Water Plant USDA Revenue Bonds - 1.125%					
Series A Revenue Bonds - \$9,981,000	\$9,580,800	\$0	\$203,400	\$9,377,400	\$205,800
Series B Revenue Bonds - \$846,000	812,100	0	17,300	794,800	17,400
Total Bonds from Direct Placement	10,392,900	0	220,700	10,172,200	223,200
<u>OWDA Loans from Direct Borrowings</u>					
2011 OWDA Sewer Plant Improvements					
Loan - 2.87% - \$9,348,873	7,067,456	0	265,961	6,801,495	273,648
2017 OWDA Phase 2 Sanitary Sewer Rehab					
Loan - 2.29% - \$1,144,481	1,047,601	0	29,128	1,018,473	29,799
2019 OWDA Water Distribution Replacement					
Loan - 0% - \$1,196,640	1,126,609	0	39,039	1,087,570	39,548
2020 OWDA Water Distribution Replacement					
Loan - 0% - \$152,025	33,532	0	33,532	0	0
2022 OWDA Water Systems Improvements					
Loan - 0% - \$839,077	0	839,077	0	839,077	0
Total OWDA Loans from Direct Borrowings	9,275,198	839,077	367,660	9,746,615	342,995
<u>OPWC Loans from Direct Borrowings</u>					
2014 OPWC Sanitary Sewer Evaluation					
Survey Loan - 0% - \$488,656	374,311	0	16,289	358,022	16,288
<u>Other Long-Term Liabilities</u>					
Financed Purchases - from Direct Borrowings	379,520	0	82,829	296,691	85,859
Net Pension Liability - OPERS	668,669	1,552,506	0	2,221,175	0
Net OPEB Liability - OPERS	0	44,157	0	44,157	0
Asset Retirement Obligation	830,000	0	0	830,000	0
Compensated Absences	39,990	3,710	25,372	18,328	0
Total Other Long-Term Liabilities	1,918,179	1,600,373	108,201	3,410,351	85,859
Total Business-Type Activities	\$21,960,588	\$2,439,450	\$712,850	\$23,687,188	\$668,342

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 10 and 11.

Governmental Activities

On March 12, 2019, the City issued \$745,000 in Serial Bonds and \$2,255,000 in Term Bonds. The proceeds of these bonds were used to construct a new swimming pool facility. The bonds were sold at a premium of \$163,254 that are 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 Facilities Bonds outstanding at December 31, 2023, are as follows:

City of Logan, Ohio
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Year Ended December 31,	Principal	Interest	Total
2024	\$75,000	\$100,050	\$175,050
2025	80,000	97,050	177,050
2026	90,000	93,850	183,850
2027	90,000	90,250	180,250
2028	95,000	86,650	181,650
2029 - 2033	570,000	370,650	940,650
2034 - 2038	720,000	245,050	965,050
2039 - 2043	870,000	94,250	964,250
	<u>\$2,590,000</u>	<u>\$1,177,800</u>	<u>\$3,767,800</u>

On October 23, 2019, the City issued \$200,000 in Various Purpose Swimming Pool Facilities 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, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	<u>\$130,000</u>	<u>\$3,042</u>	<u>\$133,042</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, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	<u>\$16,700</u>	<u>\$461</u>	<u>\$17,161</u>

The City's outstanding bonds from direct placements related to governmental activities of \$2,867,304 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

Leases

The City has outstanding agreements to lease vehicles. The future lease payments were discounted based on the interest rate implicit in the lease or using the City's incremental borrowing rate. This discount is being amortized using the interest method over the life of the leases. The leases will be paid from the Capital Improvement Fund. A summary of the principal and interest amounts for the remaining leases is as follows:

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Year Ended December 31,	Principal	Interest	Total
2024	\$42,577	\$9,187	\$51,764
2025	44,084	6,509	50,593
2026	39,992	3,826	43,818
2027	24,573	1,436	26,009
2028	6,681	188	6,869
	<u>\$157,907</u>	<u>\$21,146</u>	<u>\$179,053</u>

Business-Type Activities

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, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$223,200	\$114,437	\$337,637
2025	225,600	111,926	337,526
2026	228,300	109,388	337,688
2027	230,800	106,820	337,620
2028	233,400	104,223	337,623
2029 - 2033	1,207,000	481,135	1,688,135
2034 - 2038	1,276,400	411,697	1,688,097
2039 - 2043	1,349,900	338,265	1,688,165
2044 - 2048	1,427,500	260,609	1,688,109
2049 - 2053	1,509,600	178,485	1,688,085
2054 - 2058	1,596,500	91,634	1,688,134
2059 - 2060	664,000	11,226	675,226
	<u>\$10,172,200</u>	<u>\$2,319,845</u>	<u>\$12,492,045</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.

The 2011 OWDA Sewer Improvements Plant Loan, authorized in the amount of \$9,348,873, was 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, 2023, are as follows:

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Year Ended December 31,	Principal	Interest	Total
2024	\$273,648	\$193,253	\$466,901
2025	281,558	185,344	466,902
2026	289,697	177,205	466,902
2027	298,071	168,831	466,902
2028	306,587	160,215	466,802
2029 - 2033	1,671,748	662,862	2,334,610
2034 - 2038	1,927,629	406,880	2,334,509
2039 - 2042	1,752,557	115,053	1,867,610
	<u>\$6,801,495</u>	<u>\$2,069,643</u>	<u>\$8,871,138</u>

The 2017 OWDA Sanitary Sewer Phase 2 Rehabilitation Loan, authorized in the amount of \$1,263,083, were used to finance phase 2 of the sanitation sewer rehabilitation. 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, 2023, are as follows:

Year Ended December 31,	Principal	Interest	Total
2024	\$29,799	\$23,153	\$52,952
2025	30,485	22,467	52,952
2026	31,187	21,765	52,952
2027	31,905	21,047	52,952
2028	32,640	20,312	52,952
2029 - 2033	174,828	89,931	264,759
2034 - 2038	195,911	68,849	264,760
2039 - 2043	219,535	45,225	264,760
2044 - 2048	246,007	18,754	264,761
2049	26,176	300	26,476
	<u>\$1,018,473</u>	<u>\$331,803</u>	<u>\$1,350,276</u>

The 2019 OWDA Water Distribution Replacement Loan, authorized \$1,196,640 issued at 0%, 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. Principal and interest payments are due in January and July of each year through 2051.

Principal and interest requirements to retire the Water Distribution Replacement Loan outstanding at December 31, 2023, are as follows:

City of Logan, Ohio
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For the Year Ended December 31, 2023

Year Ended December 31,	Principal
2024	\$39,548
2025	39,548
2026	39,548
2027	39,548
2028	39,548
2029 - 2033	197,740
2034 - 2038	197,740
2039 - 2043	197,740
2044 - 2048	197,740
2049 - 2051	98,870
	<u>\$1,087,570</u>

The 2020 OWDA Water Distribution Replacement Loan, authorized in the amount of \$42,741, is being used to finance the construction for a new water treatment plant. The loan activity is reflected in the Water Enterprise Fund which was paid in full during 2023.

The 2022 OWDA Water Systems Improvement Loan, authorized in the amount of \$839,077, is being used to finance the construction of the 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, 2023, are as follows:

Year Ended December 31,	Principal
2024	\$16,288
2025	16,288
2026	16,288
2027	16,288
2028	16,288
2029 - 2033	81,440
2034 - 2038	81,440
2039 - 2043	81,440
2044 - 2046	32,262
	<u>\$358,022</u>

The City's outstanding OPWC loans from direct borrowings related to business type activities of \$358,022 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.

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The City's outstanding OWDA loans from direct borrowings related to business type activities of \$9,746,615 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.

Financed Purchases

In 2021, the City entered into a financed purchase agreement in the amount of \$426,588 for the purchase of a Vactor Truck. Principal payments will be made from the Water, Sewer, and Storm Water Enterprise Funds.

In 2022, the City entered into a financed purchase agreement in the amount of \$105,810 for the purchase of a Camera. Principal payments will be made from the Sewer Enterprise Fund.

These financed purchase from direct borrowing agreement contains provisions in the event of a default. Upon the occurrence of an event of default, and as long as the event of default is continuing, the Lessee may, at its option, exercise any one or more of the following remedies:

- (i) Upon 60 days' prior written notice to the City, terminate the agreement and direct the City to (and the City agrees that it will), at the City's expense, promptly return possession of the financed purchase property to the Bank, or, as to the City's personal property included in the project facilities, and at the Bank's option, enter upon the financed purchase property and take immediate possession of and remove any or all of such personal property;
- (ii) Upon 60 days' prior written notice to the City, sell or lease the Bank's interest in the financed purchase property or sublease the financed purchase property for the account of the City pursuant to the terms of the agreement, holding the City liable for all applicable rental payments and additional payments due during the then-current fiscal year to the effective date of such sale, lease or sublease and for the difference between the purchase price, rental and other amounts paid by the purchaser, City or sublessee pursuant to such sale, lease or sublease and the amounts payable during the then-current fiscal year by the City under the agreement;
- (iii) Demand from the City an accounting of the Project Fund and the return of all sums remaining in the Project Fund to Bank, and request the City to assign all right, title and interest in the contracts to Bank, upon which the City will comply with such demands and requests; and
- (iv) Exercise any other right, remedy or privilege that may be available to it under the applicable laws of the State or any other applicable law or proceed by appropriate court action to enforce the terms of the agreement or to recover damages for the breach of the agreement or to rescind the agreement as to the financed purchase property.

Principal requirements to retire the Vactor Truck and Camera outstanding at December 31, 2023, are as follows:

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Year Ended December 31,	Principal	Interest	Total
2024	\$85,859	\$8,053	\$93,912
2025	187,882	5,701	193,583
2026	22,950	741	23,691
	\$296,691	\$14,495	\$311,186

Pledged Revenue

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 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 Systems Improvement loan is not fully drawn. Principal for the current year for the water loans were \$72,571, net revenues were (\$390,363), and total revenues were \$3,455,662.

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 \$10,221,414. Principal and interest payments for the current year for the sewer loans were \$519,854, net revenues were \$857,158, and total revenues were \$2,395,469.

Legal Debt Margin

The City's overall legal debt margin was \$18,946,446 at December 31, 2023.

Note 14 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The City has the following AROs:

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their wastewater 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's wastewater treatment facilities was estimated by the City engineer. The remaining useful life of these facilities range from 3 to 44 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 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

City of Logan, Ohio
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For the Year Ended December 31, 2023

USTs is 16 years. The City maintains insurance related to any potential pollution remediation associated with the USTs.

Note 15 – Significant Commitments

Contractual Commitments

As of December 31, 2023, the City had contractual commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 12/31/2023
Water System Improvements	Water	\$1,282,142	\$268,052	\$1,014,090
Sanitary Sewer Phase III	Sewer	407,200	285,543	121,657
	Total Enterprise	<u>\$1,689,342</u>	<u>\$553,595</u>	<u>\$1,135,747</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:

General Fund	\$101,338
Capital Improvements Fund	78,000
Non-Major Governmental Funds	<u>138,271</u>
Total Governmental	<u>317,609</u>
Water Fund	174,427
Sewer Fund	39,976
Non-Major Enterprise Fund	<u>69</u>
Total Enterprise	<u>214,472</u>
Total	<u>\$532,081</u>

Note 16 – 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.

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	Pension		OPEB	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Governmental Activities	\$17,560	\$110	\$143	\$0
Enterprise Funds/Business-Type Activities				
Sewer	7,195	0	20	0
Water	55	25,321	0	165
Storm Water	621	0	2	0
<i>Total Enterprise Funds/Business-Type Activities</i>	7,871	25,321	22	165
Elimination from Proprietary Fund Statements	(7,761)	(7,761)	(22)	(22)
Total Business-Type	110	17,560	0	143
Total	\$17,670	\$17,670	\$143	\$143

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 Improvements Capital Projects Fund made a transfer of \$41,875 to the Pool Debt Service Fund and \$3,000 to the Recreation Special Revenue Fund. The Fire Equipment Capital Projects Fund and the Fire Levy Special Revenue Fund transferred \$54,550 and \$34,550 respectively 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.

Note 17 – 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	Capital Improvements	Other Governmental	Total
Nonspendable:				
Loans	\$0	\$0	\$138,888	\$138,888
Prepaid Items	9,490	0	44	9,534
Materials and Supplies Inventory	25,239	0	39,695	64,934
Endowments	0	0	137,380	137,380
<i>Total Nonspendable</i>	<u>34,729</u>	<u>0</u>	<u>316,007</u>	<u>350,736</u>
Restricted for:				
Street Improvements	0	0	487,183	487,183
Law Enforcement	0	0	4,628	4,628
Fire Protection	0	0	236,105	236,105
Community Development	0	0	10,685	10,685
Debt Service	0	0	219,265	219,265
Cemeteries	0	0	46,641	46,641
Capital Improvements	0	708,856	1	708,857
<i>Total Restricted</i>	<u>0</u>	<u>708,856</u>	<u>1,004,508</u>	<u>1,713,364</u>
Committed for:				
Fire Equipment	0	0	127,635	127,635
Parks and Recreation	0	0	93,826	93,826
<i>Total Committed</i>	<u>0</u>	<u>0</u>	<u>221,461</u>	<u>221,461</u>
Assigned to:				
Purchases on Order	139,757	0	0	139,757
Assigned to Subsequent Year's Appropriations	1,273,280	0	0	1,273,280
<i>Total Assigned</i>	<u>1,413,037</u>	<u>0</u>	<u>0</u>	<u>1,413,037</u>
Unassigned:	2,371,985	0	0	2,371,985
<i>Total Fund Balances</i>	<u><u>\$3,819,751</u></u>	<u><u>\$708,856</u></u>	<u><u>\$1,541,976</u></u>	<u><u>\$6,070,583</u></u>

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.

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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 2023, 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 2023, the City contributed \$1,144 to the Council. Financial information can be obtained by contacting Buckeye Hills Regional Council office at 1400 Pike Street, Marietta, Ohio 45750.

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, 2023.

City of Logan, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Litigation

The City of Logan is currently party to pending litigation as confirmed by the City Law Director. The City's Water treatment plant (WTP) is incurring substantial maintenance costs and certain water lines may be damaged due to a design flaw. The City was awarded a \$3 million emergency grant through OPWC for filter replacements. The City is working with engineers to determine a remedy for the flaw. The City is pursuing litigation related to the flaw in construction. The outcome of the issues related to the WTP is currently unknown.

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 Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.015665%	0.015371%	0.014268%	0.014024%
City's Proportionate Share of the Net Pension Liability	\$4,627,448	\$1,337,339	\$2,112,780	\$2,771,939
City's Covered Payroll	\$2,428,321	\$2,230,771	\$2,009,579	\$1,973,121
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.56%	59.95%	105.14%	140.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

2019	2018	2017	2016	2015	2014
0.014112%	0.014043%	0.012967%	0.012104%	0.013301%	0.013301%
\$3,864,991	\$2,203,073	\$2,944,585	\$2,096,567	\$1,604,250	\$1,568,015
\$1,906,121	\$1,855,854	\$1,673,908	\$1,508,733	\$1,902,567	\$1,197,023
202.77%	118.71%	175.91%	138.96%	84.32%	130.99%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

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

	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.000000%	0.005066%	0.011051%	0.010353%
City's Proportionate Share of the Net Pension Liability	\$0	\$19,960	\$31,900	\$21,588
City's Covered Payroll	\$0	\$23,100	\$48,700	\$46,086
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	0.00%	86.41%	65.50%	46.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	137.14%	169.88%	157.67%	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 (Asset)
Ohio Public Employees Retirement System - OPEB Plan
Last Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net OPEB Liability	0.0145900%	0.0144530%	0.0136100%	0.0133650%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$91,993	(\$452,690)	(\$242,473)	\$1,846,055
City's Covered Payroll	\$2,428,321	\$2,253,871	\$2,058,279	\$2,019,206
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	3.79%	-20.09%	-11.78%	91.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%

(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

2019	2018	2017
0.0134480%	0.0134100%	0.0123700%
\$1,753,303	\$1,456,227	\$1,249,412
\$1,950,664	\$1,899,108	\$1,707,100
89.88%	76.68%	73.19%
46.33%	54.14%	54.04%

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 Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.0666068%	0.0676797%	0.0674358%	0.0662239%
City's Proportionate Share of the Net Pension Liability	\$6,327,000	\$4,228,236	\$4,597,159	\$4,461,196
City's Covered Payroll	\$1,990,798	\$1,793,925	\$1,690,389	\$1,614,338
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	317.81%	235.70%	271.96%	276.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

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

2019	2018	2017	2016	2015	2014
0.0658520%	0.0705990%	0.0628820%	0.0656540%	0.0671353%	0.0671353%
\$5,375,265	\$4,332,980	\$3,982,882	\$4,223,568	\$3,477,888	\$3,269,699
\$1,528,671	\$1,513,724	\$1,369,305	\$1,358,608	\$1,358,137	\$1,243,117
351.63%	286.25%	290.87%	310.87%	256.08%	263.02%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

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 Seven Years (1)

	2023	2022	2021	2020
City's Proportion of the Net OPEB Liability	0.0666068%	0.0676797%	0.0674358%	0.0662239%
City's Proportionate Share of the Net OPEB Liability	\$474,220	\$741,827	\$714,493	\$654,141
City's Covered Payroll	\$1,990,798	\$1,793,925	\$1,690,389	\$1,614,338
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	23.82%	41.35%	42.27%	40.52%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.59%	46.90%	45.40%	47.08%

(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

2019	2018	2017
0.0658520%	0.0705990%	0.0628820%
\$599,684	\$4,000,040	\$2,984,867
\$1,528,671	\$1,513,724	\$1,369,305
39.23%	264.25%	217.98%
46.57%	14.13%	15.96%

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

	2023	2022	2021	2020
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$369,736	\$339,965	\$312,308	\$281,341
Contributions in Relation to the Contractually Required Contribution	<u>(369,736)</u>	<u>(339,965)</u>	<u>(312,308)</u>	<u>(281,341)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$2,640,971	\$2,428,321	\$2,230,771	\$2,009,579
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$0	\$0	\$3,234	\$6,818
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>(3,234)</u>	<u>(6,818)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$0	\$0	\$23,100	\$48,700
Pension Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability (Asset) - OPEB Plan				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (2)	\$2,640,971	\$2,428,321	\$2,253,871	\$2,058,279
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) 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.

(2) 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

2019	2018	2017	2016	2015	2014
\$276,237	\$266,857	\$241,261	\$200,869	\$181,048	\$228,308
(276,237)	(266,857)	(241,261)	(200,869)	(181,048)	(228,308)
\$0	\$0	\$0	\$0	\$0	\$0
\$1,973,121	\$1,906,121	\$1,855,854	\$1,673,908	\$1,508,733	\$1,902,567
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$6,452	\$6,236	\$6,056	\$4,647	\$4,395	
(6,452)	(6,236)	(6,056)	(4,647)	(4,395)	
\$0	\$0	\$0	\$0	\$0	
\$46,086	\$44,543	\$46,585	\$38,725	\$36,625	
14.00%	14.00%	13.00%	12.00%	12.00%	
\$0	\$0	\$18,991	\$34,142		
0	0	(18,991)	(34,142)		
\$0	\$0	\$0	\$0		
\$2,019,206	\$1,950,664	\$1,899,108	\$1,707,100		
0.00%	0.00%	1.00%	2.00%		

City of Logan, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years (1)

	2023	2022	2021	2020
Net Pension Liability				
Contractually Required Contribution	\$411,046	\$408,237	\$368,227	\$349,359
Contributions in Relation to the				
Contractually Required Contribution	(411,046)	(408,237)	(368,227)	(349,359)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
City Covered Payroll (1)	\$1,990,072	\$1,990,798	\$1,793,925	\$1,690,389
Pension Contributions as a Percentage of Covered Payroll	20.65%	20.51%	20.53%	20.67%
Net OPEB Liability				
Contractually Required Contribution	\$9,950	\$9,954	\$7,652	\$8,482
Contributions in Relation to the				
Contractually Required Contribution	(9,950)	(9,954)	(7,652)	(8,482)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0
OPEB Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.43%	0.50%
Total Contributions as a Percentage of Covered Payroll	21.15%	21.01%	20.96%	21.17%

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

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$332,502	\$314,988	\$311,993	\$283,812	\$281,652	\$280,957
<u>(332,502)</u>	<u>(314,988)</u>	<u>(311,993)</u>	<u>(283,812)</u>	<u>(281,652)</u>	<u>(280,957)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,614,338	\$1,528,671	\$1,513,724	\$1,369,305	\$1,358,608	\$1,358,137
<u>20.60%</u>	<u>20.61%</u>	<u>20.61%</u>	<u>20.73%</u>	<u>20.73%</u>	<u>20.69%</u>
\$8,072	\$7,644	\$6,568	\$6,846	\$6,793	\$6,791
<u>(8,072)</u>	<u>(7,644)</u>	<u>(6,568)</u>	<u>(6,846)</u>	<u>(6,793)</u>	<u>(6,791)</u>
<u>\$0</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>0.43%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
<u>21.10%</u>	<u>21.11%</u>	<u>21.04%</u>	<u>21.23%</u>	<u>21.23%</u>	<u>21.19%</u>

City of Logan, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 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:

	2022	2019 through 2021	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage 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	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
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

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported for 2017 through 2021 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.

City of Logan, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2023

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.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 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	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

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
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	3.25 percent per annum, compounded annually, consisting of 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	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Beginning in 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and forward.

City of Logan, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Beginning in 2023, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

Beginning in 2023, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

Prior to 2023, 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

Prior to 2023, 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

City of Logan, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 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

Blended Discount Rate:	
2023	4.27 percent
2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

City of Logan, Ohio
Notes to the Required Supplementary Information
For the year ended December 31, 2023

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022 and 2023.

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

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.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY 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, Ohio (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 9, 2024.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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
August 9, 2024

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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 11/14/2024

65 East State 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