



*CITY OF LOGAN, OHIO*

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**Hocking County**

**Regular Audit**

**For the Year Ended December 31, 2000**

**J. L. UHRIG & ASSOCIATES, INC.**

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**CERTIFIED PUBLIC ACCOUNTANTS**

78 North Plaza Blvd.  
Chillicothe, Ohio 45601





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Members of Council  
City of Logan  
Logan, Ohio

We have reviewed the Independent Auditor's Report of the City of Logan, Hocking County, prepared by J.L. Uhrig & Associates, Inc., for the audit period January 1, 2000 to December 31, 2000. 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.

**JIM PETRO**  
Auditor of State

June 29, 2001

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**For the Year Ended December 31, 2000**

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# J. L. UHRIG & ASSOCIATES, INC.

Certified Public Accountants

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(740) 775-8448  
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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the City of Logan, Ohio (the City) as of and for the year ended December 31, 2000. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of December 31, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 23, 2001 on our consideration of the City's internal control over structure and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report when considering the results of our audit.

*J. L. Uhrig & Associates, Inc.*

J. L. UHRIG & ASSOCIATES, INC.  
Certified Public Accountants

May 23, 2001

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**City of Logan, Ohio**  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 December 31, 2000

	<u>Governmental Fund Types</u>			<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>
<u>Assets and Other Debit:</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,037,581	\$426,791	\$839,909	\$448,722
Cash and Cash Equivalents in Segregated Account	0	0	0	0
Investments	0	0	0	0
Receivables:				
Property Taxes	138,543	124,572	0	0
Income Taxes	282,250	0	70,562	0
Intergovernmental Accounts	23,801 362	45,715 0	0 0	3,693 224,059
Accrued Interest	17,519	156	0	0
Loans	0	157,145	0	0
Materials and Supplies Inventory	0	0	0	32,558
Prepaid Items	25,546	95	0	9,519
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	8,711,676
<u>Other Debit:</u>				
Amount to be Provided from General Government Resources	0	0	0	0
 Total Assets and Other Debit	 <u>\$1,525,602</u>	 <u>\$754,474</u>	 <u>\$910,471</u>	 <u>\$9,430,227</u>



Fund Types	Fiduciary	Account Groups		Totals (Memorandum Only)
	Fund Types	General	General	
Internal Service	Trust And Agency	Fixed Assets	Long-Term Obligations	
\$0	\$14,753	\$0	\$0	\$2,767,756
0	47,196	0	0	47,196
0	65,034	0	0	65,034
0	0	0	0	263,115
0	0	0	0	352,812
0	0	0	0	73,209
0	0	0	0	224,421
0	2,717	0	0	20,392
0	0	0	0	157,145
0	0	0	0	32,558
1,144	0	0	0	36,304
0	0	6,880,533	0	15,592,209
0	0	0	321,579	321,579
<u>\$1,144</u>	<u>\$129,700</u>	<u>\$6,880,533</u>	<u>\$321,579</u>	<u>\$19,953,730</u>

(Continued)

**City of Logan, Ohio**  
 Combined Balance Sheet  
 All Fund Types and Account Groups (Continued)  
 December 31, 2000

	Governmental Fund Types			Proprietary
	General	Special Revenue	Capital Projects	Enterprise
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$31,333	\$643	\$45,583	\$22,075
Contracts Payable	1,705	0	13,720	1,935
Accrued Salaries Payable	30,330	5,221	0	12,147
Accrued Interest Payable	0	0	0	143,659
Intergovernmental Payable	60,028	0	30	13,097
Deferred Revenue	138,543	124,572	0	0
Compensated Absences Payable	8,120	1,193	0	72,386
Claims Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Due to Others	0	0	0	0
OWDA Loans Payable	0	0	0	2,428,434
Mortgage Revenue Bonds Payable	0	0	0	1,588,600
	<u>270,059</u>	<u>131,629</u>	<u>59,333</u>	<u>4,282,333</u>
 <u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	133,444
Retained Earnings:				
Unreserved (Deficit)	0	0	0	5,014,450
Fund Balances:				
Reserved for Encumbrances	380	0	2,917	0
Reserved for Loans	0	157,145	0	0
Reserved for Endowments	0	0	0	0
Unreserved	1,255,163	465,700	848,221	0
	<u>1,255,543</u>	<u>622,845</u>	<u>851,138</u>	<u>5,147,894</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$1,525,602</u>	<u>\$754,474</u>	<u>\$910,471</u>	<u>\$9,430,227</u>

See accompanying notes to the general purpose financial statements

Fund Types	Fiduciary		Account Groups		Totals (Memorandum Only)
	Fund Types		General	General	
Internal Service	Trust And Agency		Fixed Assets	Long-Term Obligations	
\$0	\$0		\$0	\$0	\$99,634
0	0		0	0	17,360
0	0		0	0	47,698
0	0		0	0	143,659
0	0		0	76,056	149,211
0	0		0	0	263,115
0	0		0	147,087	228,786
56,612	0		0	0	56,612
0	0		0	98,436	98,436
0	47,196		0	0	47,196
0	0		0	0	2,428,434
0	0		0	0	1,588,600
<u>56,612</u>	<u>47,196</u>		<u>0</u>	<u>321,579</u>	<u>5,168,741</u>
0	0		6,880,533	0	6,880,533
0	0		0	0	133,444
(55,468)	0		0	0	4,958,982
0	0		0	0	3,297
0	0		0	0	157,145
0	65,034		0	0	65,034
0	17,470		0	0	2,586,554
<u>(55,468)</u>	<u>82,504</u>		<u>6,880,533</u>	<u>0</u>	<u>14,784,989</u>
<u>\$1,144</u>	<u>\$129,700</u>		<u>\$6,880,533</u>	<u>\$321,579</u>	<u>\$19,953,730</u>

**City of Logan, Ohio**  
 Combined Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 All Governmental Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2000

	General	Governmental Special Revenue
<u>Revenues:</u>		
Property Taxes	\$138,760	\$109,241
Municipal Income Taxes	1,556,683	0
Intergovernmental	445,381	632,651
Charges for Services	150,356	25,477
Fines, Licenses and Permits	64,072	5,095
Interest	150,545	12,831
Other	3,199	0
	2,508,996	785,295
<u>Expenditures:</u>		
Current:		
Security of Persons and Property	1,416,478	177,441
Public Health Services	235,124	0
Basic Utility Services	12,414	0
Leisure Time Activities	141,649	0
Community Environment	11,973	414,290
Transportation	282,516	352,708
General Government	476,501	0
Other	6,279	0
Capital Outlay	0	0
Debt Service:		
Principal Retirement	0	0
Interest and Fiscal Charges	0	0
	2,582,934	944,439
Excess of Revenues Over (Under) Expenditures	(73,938)	(159,144)
<u>Other Financing Sources (Uses):</u>		
Operating Transfers - In	0	3,764
Operating Transfers - Out	(3,764)	0
	(3,764)	3,764
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(77,702)	(155,380)
Increase (Decrease) in Reserve for Inventory	(1,115)	(9,348)
Fund Balances at Beginning of Year	1,334,360	787,573
Fund Balances at End of Year	\$1,255,543	\$622,845

See accompanying notes to the general purpose financial statements

Fund Types		Fiduciary	Totals
Capital	Debt	Fund Type	(Memorandum
Projects	Service	Expendable	Only)
		Trust	
\$0	\$0	\$0	\$248,001
389,170	0	0	1,945,853
186,423	0	0	1,264,455
21,600	0	0	197,433
600	0	0	69,767
13,301	0	3,866	180,543
7,935	0	0	11,134
<u>619,029</u>	<u>0</u>	<u>3,866</u>	<u>3,917,186</u>
0	0	0	1,593,919
0	0	465	235,589
0	0	0	12,414
0	0	0	141,649
0	0	0	426,263
0	0	0	635,224
0	0	0	476,501
0	0	0	6,279
498,552	0	0	498,552
0	56,501	0	56,501
0	8,499	0	8,499
<u>498,552</u>	<u>65,000</u>	<u>465</u>	<u>4,091,390</u>
<u>120,477</u>	<u>(65,000)</u>	<u>3,401</u>	<u>(174,204)</u>
0	65,000	0	68,764
<u>(65,000)</u>	<u>0</u>	<u>0</u>	<u>(68,764)</u>
<u>(65,000)</u>	<u>65,000</u>	<u>0</u>	<u>0</u>
55,477	0	3,401	(174,204)
0	0	0	(10,463)
<u>795,661</u>	<u>0</u>	<u>14,069</u>	<u>2,931,663</u>
<u>\$851,138</u>	<u>\$0</u>	<u>\$17,470</u>	<u>\$2,746,996</u>

**City of Logan, Ohio**  
 Combined Statement of Revenues, Expenditures and Changes  
 in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2000

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$121,483	\$138,760	\$17,277
Municipal Income Taxes	1,417,600	1,597,116	179,516
Intergovernmental	446,481	501,195	54,714
Charges for Services	132,768	150,513	17,745
Fines, Licenses and Permits	58,440	66,146	7,706
Interest	129,293	145,783	16,490
Revolving Loans	0	0	0
Other	2,731	3,199	468
<b>Total Revenues</b>	<b>2,308,796</b>	<b>2,602,712</b>	<b>293,916</b>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	1,438,075	1,397,694	40,381
Public Health Services	235,086	226,395	8,691
Basic Utility Services	4,488	3,693	795
Leisure Time Activities	141,988	140,179	1,809
Community Environment	12,923	11,825	1,098
Transportation	291,727	279,312	12,415
General Government	522,918	489,533	33,385
Other	6,831	6,279	552
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>2,654,036</b>	<b>2,554,910</b>	<b>99,126</b>
Excess of Revenues Over (Under) Expenditures	(345,240)	47,802	393,042
<u>Other Financing Sources (Uses):</u>			
Operating Transfers - In	0	0	0
Operating Transfers - Out	(5,500)	(3,764)	1,736
<b>Total Other Financing Sources (Uses)</b>	<b>(5,500)</b>	<b>(3,764)</b>	<b>1,736</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(350,740)	44,038	394,778
Fund Balances at Beginning of Year	981,594	981,594	0
Prior Year Encumbrance Appropriated	10,378	10,378	0
<b>Fund Balances at End of Year</b>	<b>\$641,232</b>	<b>\$1,036,010</b>	<b>\$394,778</b>

Special Revenue Funds			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$105,160	\$109,241	\$4,081	\$0	\$0	\$0
0	0	0	425,276	399,279	(25,997)
829,828	657,422	(172,406)	2,093,955	186,423	(1,907,532)
26,041	25,477	(564)	14,810	21,600	6,790
7,096	5,067	(2,029)	639	600	(39)
6,497	12,724	6,227	11,840	13,301	1,461
26,887	27,274	387	0	0	0
0	0	0	5,440	7,935	2,495
<u>1,001,509</u>	<u>837,205</u>	<u>(164,304)</u>	<u>2,551,960</u>	<u>629,138</u>	<u>(1,922,822)</u>
266,000	177,790	88,210	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
574,800	478,887	95,913	0	0	0
447,000	354,324	92,676	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,645,806	446,889	2,198,917
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,287,800</u>	<u>1,011,001</u>	<u>276,799</u>	<u>2,645,806</u>	<u>446,889</u>	<u>2,198,917</u>
<u>(286,291)</u>	<u>(173,796)</u>	<u>112,495</u>	<u>(93,846)</u>	<u>182,249</u>	<u>276,095</u>
4,791	3,764	(1,027)	0	0	0
0	0	0	0	(65,000)	(65,000)
<u>4,791</u>	<u>3,764</u>	<u>(1,027)</u>	<u>0</u>	<u>(65,000)</u>	<u>(65,000)</u>
(281,500)	(170,032)	111,468	(93,846)	117,249	211,095
590,076	590,076	0	719,443	719,443	0
0	0	0	300	300	0
<u>\$308,576</u>	<u>\$420,044</u>	<u>\$111,468</u>	<u>\$625,897</u>	<u>\$836,992</u>	<u>\$211,095</u>

(Continued)

**City of Logan, Ohio**  
 Combined Statement of Revenues, Expenditures and Changes  
 in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund (Continued)  
 For the Year Ended December 31, 2000

	Debt Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Municipal Income Taxes	0	0	0
Intergovernmental	0	0	0
Charges for Services	0	0	0
Fines, Licenses and Permits	0	0	0
Interest	0	0	0
Revolving Loans	0	0	0
Other	0	0	0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Expenditures:</u>			
Current:			
Security of Persons and Property	0	0	0
Public Health Services	0	0	0
Basic Utility Services	0	0	0
Leisure Time Activities	0	0	0
Community Environment	0	0	0
Transportation	0	0	0
General Government	0	0	0
Other	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	56,501	56,501	0
Interest and Fiscal Charges	8,499	8,499	0
<b>Total Expenditures</b>	<b>65,000</b>	<b>65,000</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(65,000)	(65,000)	0
<u>Other Financing Sources (Uses):</u>			
Operating Transfers - In	65,000	65,000	0
Operating Transfers - Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>65,000</b>	<b>65,000</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	0	0	0
Fund Balances at Beginning of Year	0	0	0
Prior Year Encumbrance Appropriated	0	0	0
<b>Fund Balances at End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

See accompanying notes to the general purpose financial statements



Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$226,643	\$248,001	\$21,358
0	0	0	1,842,876	1,996,395	153,519
0	0	0	3,370,264	1,345,040	(2,025,224)
0	0	0	173,619	197,590	23,971
0	0	0	66,175	71,813	5,638
3,500	3,110	(390)	151,130	174,918	23,788
0	0	0	26,887	27,274	387
0	0	0	8,171	11,134	2,963
<u>3,500</u>	<u>3,110</u>	<u>(390)</u>	<u>5,865,765</u>	<u>4,072,165</u>	<u>(1,793,600)</u>
0	0	0	1,704,075	1,575,484	128,591
4,500	465	4,035	239,586	226,860	12,726
0	0	0	4,488	3,693	795
0	0	0	141,988	140,179	1,809
0	0	0	587,723	490,712	97,011
0	0	0	738,727	633,636	105,091
0	0	0	522,918	489,533	33,385
0	0	0	6,831	6,279	552
0	0	0	2,645,806	446,889	2,198,917
0	0	0	56,501	56,501	0
0	0	0	8,499	8,499	0
<u>4,500</u>	<u>465</u>	<u>4,035</u>	<u>6,657,142</u>	<u>4,078,265</u>	<u>2,578,877</u>
<u>(1,000)</u>	<u>2,645</u>	<u>3,645</u>	<u>(791,377)</u>	<u>(6,100)</u>	<u>785,277</u>
0	0	0	69,791	68,764	(1,027)
0	0	0	(5,500)	(68,764)	(63,264)
0	0	0	64,291	0	(64,291)
(1,000)	2,645	3,645	(727,086)	(6,100)	720,986
12,108	12,108	0	2,303,221	2,303,221	0
0	0	0	10,678	10,678	0
<u>\$11,108</u>	<u>\$14,753</u>	<u>\$3,645</u>	<u>\$1,586,813</u>	<u>\$2,307,799</u>	<u>\$720,986</u>

**City of Logan, Ohio**  
 Combined Statement of Revenues,  
 Expenses and Changes in Fund Equity  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
<u>Operating Revenues:</u>				
Charges for Services	\$1,558,475	\$552,861	\$0	\$2,111,336
Tap-in Fees	5,850	0	0	5,850
Other	1,051	0	0	1,051
Total Operating Revenues	1,565,376	552,861	0	2,118,237
<u>Operating Expenses:</u>				
Personal Services	640,107	0	0	640,107
Fringe Benefits	219,483	0	0	219,483
Contractual Services	178,678	119,847	0	298,525
Supplies and Materials	204,216	0	0	204,216
Claims	0	493,811	0	493,811
Depreciation	239,250	0	0	239,250
Other	927	0	0	927
Total Operating Expenses	1,482,661	613,658	0	2,096,319
Operating Income	82,715	(60,797)	0	21,918
<u>Non-Operating Expenses:</u>				
Interest and Fiscal Charges	(290,393)	0	0	(290,393)
Net Loss	(207,678)	(60,797)	0	(268,475)
Retained Earnings/Fund Balance at Beginning of Year	5,222,128	5,329	65,034	5,292,491
Retained Earnings (Deficit)/Fund Balance at End of Year	5,014,450	(55,468)	65,034	5,024,016
Contributed Capital at Beginning and End of Year	133,444	0	0	133,444
Total Fund Equity (Deficit) at End of Year	\$5,147,894	(\$55,468)	\$65,034	\$5,157,460

See accompanying notes to the general purpose financial statements

**City of Logan, Ohio**  
 Combined Statement of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2000

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$1,667,606	\$1,587,843	(\$79,763)
Tap-in Fees	6,089	5,850	(239)
Other	105	101	(4)
Total Revenues	<u>1,673,800</u>	<u>1,593,794</u>	<u>(80,006)</u>
<u>Expenses:</u>			
Personal Services	645,517	632,181	13,336
Fringe Benefits	236,841	228,162	8,679
Contractual Services	210,217	185,019	25,198
Supplies and Materials	216,639	205,515	11,124
Other	973	927	46
Capital Outlay	84,312	73,875	10,437
Debt Service:			
Principal Retirement	254,997	254,438	559
Interest and Fiscal Charges	300,503	299,821	682
Total Expenses	<u>1,949,999</u>	<u>1,879,938</u>	<u>70,061</u>
Excess of Revenues Over (Under) Expenses	(276,199)	(286,144)	(9,945)
Fund Equity at Beginning of Year	707,883	707,883	0
Prior Year Encumbrances Appropriated	<u>20,114</u>	<u>20,114</u>	<u>0</u>
Fund Equity at End of Year	<u>\$451,798</u>	<u>\$441,853</u>	<u>(\$9,945)</u>

(Continued)

**City of Logan, Ohio**  
 Combined Statement of Revenues, Expenses and  
 Changes in Fund Equity - Budget and Actual (Budget Basis)  
 All Proprietary Fund Types and Similar Trust Fund (Continued)  
 For the Year Ended December 31, 2000

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$560,540	\$526,696	(\$33,844)
Tap-in Fees	0	0	0
Other	0	0	0
<b>Total Revenues</b>	<b>560,540</b>	<b>526,696</b>	<b>(33,844)</b>
<u>Expenses:</u>			
Personal Services	0	0	0
Fringe Benefits	0	0	0
Contractual Services	561,000	547,736	13,264
Supplies and Materials	0	0	0
Other	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenses</b>	<b>561,000</b>	<b>547,736</b>	<b>13,264</b>
Excess of Revenues Over (Under) Expenses	(460)	(21,040)	(20,580)
Fund Equity at Beginning of Year	21,040	21,040	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Equity at End of Year</b>	<b>\$20,580</b>	<b>\$0</b>	<b>(\$20,580)</b>

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,228,146	\$2,114,539	(\$113,607)
0	0	0	6,089	5,850	(239)
0	0	0	105	101	(4)
0	0	0	2,234,340	2,120,490	(113,850)
0	0	0	645,517	632,181	13,336
0	0	0	236,841	228,162	8,679
0	0	0	771,217	732,755	38,462
0	0	0	216,639	205,515	11,124
0	0	0	973	927	46
0	0	0	84,312	73,875	10,437
0	0	0	254,997	254,438	559
0	0	0	300,503	299,821	682
0	0	0	2,510,999	2,427,674	83,325
0	0	0	(276,659)	(307,184)	(30,525)
65,034	65,034	0	793,957	793,957	0
0	0	0	20,114	20,114	0
<u>\$65,034</u>	<u>\$65,034</u>	<u>\$0</u>	<u>\$537,412</u>	<u>\$506,887</u>	<u>(\$30,525)</u>

**City of Logan, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Year Ended December 31, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Increase (Decrease) in <u>Cash and Cash Equivalents</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$1,598,881	\$0	\$0	\$1,598,881
Cash Received from Quasi-External Transactions with Other Funds	0	526,696	0	526,696
Cash Payments for Employee Services and Benefits	(860,343)	0	0	(860,343)
Cash Payments to Suppliers for Goods and Services	(388,853)	(93,785)	0	(482,638)
Cash Payments for Claims	0	(453,951)	0	(453,951)
Other Non-Operating Revenues	101	0	0	101
Other Operating Expenses	(927)	0	0	(927)
 Net Cash Provided by (Used for) Operating Activities	 <u>348,859</u>	 <u>(21,040)</u>	 <u>0</u>	 <u>327,819</u>
 <u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Capital Assets	(73,875)	0	0	(73,875)
Principal Paid on Debt	(254,438)	0	0	(254,438)
Interest Paid on Debt	(299,821)	0	0	(299,821)
 Net Cash Used for Capital and Related Financing Activities	 <u>(628,134)</u>	 <u>0</u>	 <u>0</u>	 <u>(628,134)</u>
 Net Decrease in Cash and Cash Equivalents	 (279,275)	 (21,040)	 0	 (300,315)
 Cash and Cash Equivalents Beginning of Year	 <u>727,997</u>	 <u>21,040</u>	 <u>0</u>	 <u>749,037</u>
 Cash and Cash Equivalents End of Year	 <u><u>\$448,722</u></u>	 <u><u>\$0</u></u>	 <u><u>\$0</u></u>	 <u><u>\$448,722</u></u>

(Continued)

**City of Logan, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Type and Similar Trust Fund (Continued)  
 For the Year Ended December 31, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Reconciliation of Operating Income to Net				
<u>Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss)	\$82,715	(\$60,797)	\$0	\$21,918
Adjustments to Reconcile Operating Income to Net				
<u>Cash Provided by (Used for) Operating Activities</u>				
Depreciation	239,250	0	0	239,250
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	33,596	350	0	33,946
Decrease in Intergovernmental Receivables	10	0	0	10
Increase in Inventory	(5,998)	0	0	(5,998)
Increase Decrease in Prepaid Items	(1,866)	26,141	0	24,275
Increase in Accounts Payable	1,693	0	0	1,693
Decrease in Contracts Payable	(1,785)	0	0	(1,785)
Decrease in Accrued Salaries Payable	(3,235)	0	0	(3,235)
Decrease in Intergovernmental Payables	(6,682)	(79)	0	(6,761)
Decrease in Deferred Revenue	0	(26,515)	0	(26,515)
Increase in Compensated Absences	11,161	0	0	11,161
Increase in Claims Payable	0	39,860	0	39,860
Net Cash Provided by (Used by) Operating Activities	<u>\$348,859</u>	<u>(\$21,040)</u>	<u>\$0</u>	<u>\$327,819</u>
Cash and Cash Equivalents - All Fiduciary Funds				
		\$42,047		
Cash and Cash Equivalents - Agency Fund and Expendable Trust				
		<u>42,047</u>		
Cash and Cash Equivalents - Non-Expendable Trust Fund				
		<u>\$0</u>		

See accompanying notes to the general purpose financial statements

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION**

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 the late 1800's.

The municipal government is known 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. He appoints all department heads. The City Auditor is responsible to the Mayor for the proper administration of all financial affairs of the City.

**A. Reporting Entity**

The City utilizes Governmental Accounting Standards Board Statement 14 for determining the reporting entity.

The financial reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments that are not legally separate from the City. Services provided by the primary government include police and fire protection, street maintenance and repairs, community and economic development, parks and recreation, and water and sewer services. A staff provides support (i.e., payroll processing, accounts payable, revenue collection) to the service providers. The operation and control of these activities is provided by the City Council through the budgetary process and by the City Auditor through administrative and managerial requirements and procedures.

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 includes organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes for the organization. No potential component units met these criteria.

The following potential component units have been excluded from the City's financial statements because the City is not financially accountable for them nor are the entities fiscally dependent on the City:

Logan-Hocking Local School District  
Logan-Hocking County District Library

The City is associated with certain organizations which are defined as jointly governed organizations and an insurance purchasing pool. These organizations are presented in Notes 17 and 18 to the General Purpose Financial Statements. The organizations are:

Hocking Metropolitan Housing Authority  
Hocking County Council on Aging, Incorporated  
Hocking County Regional Planning Commission  
Buckeye Hills-Hocking Valley Regional Development District  
South Central Ohio Insurance Consortium



**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION** (continued)

**B. Basis of Presentation - Fund Accounting**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

**Governmental Fund Types:**

Governmental funds are those through which most governmental functions typically are financed. The acquisition, use, and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and non-expendable trust fund) are accounted for through governmental funds. The following are the City's governmental fund types.

**General Fund** - This fund is the operating fund of the City and is used to account for all financial resources except those required to be 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 and the Charter of the City.

**Special Revenue Funds** - These funds are established to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specific purposes.

**Capital Projects Funds** - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and non-expendable trust fund).

**Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Proprietary Fund Types:**

The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered or financed primarily through user charges or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Internal Service Fund** - This fund is used to account for operations that are financed on a cost-reimbursement basis for goods or services provided by one department to other departments within the City.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION** (continued)

**Fiduciary Fund Types:**

Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The following are the City's fiduciary fund types:

**Expendable Trust Fund** - This fund is accounted for in essentially the same manner as governmental funds.

**Non-Expendable Trust Fund** - This fund is accounted for in essentially the same manner as proprietary funds; the principal of the trust must be preserved.

**Agency Fund** - This fund is purely custodial (assets equal liabilities) and thus does not involve measurement of results of operations.

**Account Groups:**

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

**General Fixed Assets Account Group** - to account for all general fixed assets of the City other than those accounted for in proprietary funds.

**General Long-Term Obligations Account Group** - to account for all unmatured general long-term indebtedness of the City that is not a specific liability of the proprietary funds.

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

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The City applies Financial Accounting Standards Board statements and interpretations issued on or before November 30, 1989, to proprietary activities provided they do not conflict with Governmental Accounting Standards Board statements and interpretations.

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

**A. Measurement Focus and Basis of Accounting**

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and the non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Basis of accounting refers to the time when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

All governmental fund types, the expendable trust fund, and the agency fund are accounted for using the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, and employer-withheld income tax.

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period employees earn them.

The proprietary funds and the non-expendable trust fund are reported using the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end.

**B. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the agency fund, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level (personal services and other expenditures) within each fund, program, and department. Budgetary modifications may only be made by resolution of the City Council. The Cemetery Endowment Non-Expendable Trust Fund was not budgeted because the City did not anticipate any financial activity within the fund.

**Tax Budget**

A tax budget of estimated revenues and expenditures for all budgeted funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

**Estimated Resources**

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if revenues are estimated to be greater or less than amounts previously certified. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

**Appropriations**

A temporary appropriations measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriations ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriations ordinance fixes spending authority at the fund, department, and object level. The appropriations ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year only by an ordinance of Council. During the year several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**Encumbrances**

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

**Lapsing of Appropriations**

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

**C. Cash and Cash Equivalents**

To improve cash management, cash received by the City is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the combined balance sheet.

During 2000, investments were limited to STAR Ohio, repurchase agreements, and nonnegotiable certificates of deposit. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2000.

Investment procedures are restricted by the provisions of the Ohio Revised Code. Interest is credited to the general fund, certain special revenue funds, capital projects funds, expendable trust funds, and non-expendable trust funds. Interest revenue credited to the general fund during 2000 amounted to \$150,545, which includes \$94,974 assigned from other City funds.

The City has a segregated bank account for monies held separate from the City's central bank account. This bank account is presented in the combined balance sheet as "Cash and Cash Equivalents in Segregated Account" since it is not required to be deposited into the City treasury.

For purposes of the combined statement of cash flows and for presentation of the combined balance sheet, 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 initial maturity of more than three months not purchased from the pool are reported as investments.

**D. Inventory of Supplies**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used. Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**E. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2000, 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.

**F. Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fund fixed assets (assets used to provide services accounted for in proprietary funds) are capitalized in the fund that uses them.

All purchased fixed assets are valued at cost when historical records are available and at estimated historical cost when no historical records exist. For certain assets estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are valued at their estimated fair market value on the date received. Assets valued at \$500 or more are capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Assets in the general fixed assets account group are not depreciated. Depreciation in the proprietary fund type is computed using the straight-line method over the following useful lives:

Buildings	50 years
Improvements Other than Buildings	20 years
Equipment and Furniture	6-15 years
Vehicles	5 years
Sewer Lines	40 years
Water Lines	40 years

**G. Compensated Absences**

Vacation benefits 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 City records a liability for accumulated unused vacation time when earned for all employees with more than six months of service.

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 employees with seventeen or more years of service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**H. Long-Term Debt Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year end are generally considered not to have been paid with current available financial resources. Bonds and long-term loans are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

Long-term liabilities are being repaid from the following funds:

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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

Obligation	Fund
Compensated Absences	The fund from which the employee's salary is paid
Pension Obligations	The fund from which the employee's salary is paid
Police Station General Obligation Bond	Police Station Debt Service Fund
Water Mortgage Revenue Bonds	Water Enterprise Fund
OWDA Loans	Sewer Enterprise Fund

**I. Contributed Capital**

Contributed capital represents resources from private sources provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the City had not prepared financial statements in accordance with generally accepted accounting principles prior to 1994, the exact amount of contributed capital at December 31, 1993, pertaining to years prior to 1993 could not be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

**J. Capitalization of Interest**

The City's policy is to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investments of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in proprietary funds were not material.

**K. Reservations of Fund Equity**

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, revolving loans, and endowments.

**L. Intergovernmental Revenues**

In governmental funds, grants awarded on a non-reimbursement basis, shared revenues, and entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are made.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Grants received for proprietary fund operations are recognized as revenues when measurable and earned. Such resources restricted for the construction of capital assets are recorded as contributed capital. No such contributions have been received.

**M. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions are reported as transfers.

**N. Total Columns on General Purpose Financial Statements**

Total columns on the General Purpose Financial Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - COMPLIANCE**

**A. Fund Deficit**

At December 31, 2000, the Industrial Park Capital Projects Fund and the Medical Insurance Internal Service Fund had deficit fund balances/retained earnings of \$13,720 and \$55,468, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however this is done when cash is needed rather than when accruals occur.

**B. Statutory Compliance**

The following account had expenditures plus encumbrances in excess of appropriations contrary to Section 5705.41(B), Revised Code:

	<u>Excess</u>
Special Revenue Funds:	
Economic Development	
Contractual Services	\$2,626

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law accounts for transactions on a basis of cash receipts, disbursements, and encumbrances.

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Similar Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), All Proprietary Fund Types and Similar Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:



**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as a reservation of fund balance for governmental fund types or note disclosure for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
6. Revenues received by year end and not posted to cash (budget basis) are recorded as revenue (GAAP basis).

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

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types				
	General	Special Revenue	Capital Projects	Expendable Trust
GAAP Basis	(\$77,702)	(\$155,380)	\$55,477	\$3,401
Revenue Accruals	93,716	17,889	10,109	(756)
Expenditure Accruals	34,161	(66,466)	54,580	0
Revolving Loans	0	27,274	0	0
Prepaid Items	(4,566)	(96)	0	0
Unreported Cash	0	6,747	0	0
Encumbrances	(1,571)	0	(2,917)	0
Budget Basis	<u>\$44,038</u>	<u>(\$170,032)</u>	<u>\$117,249</u>	<u>\$2,645</u>

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** (continued)

	Net Loss/Excess of Revenues and Operating Transfers Under Expenses Proprietary Fund Types	
	Enterprise	Internal Service
GAAP Basis	(\$207,678)	(\$60,797)
Revenue Accruals	23,230	(26,165)
Expense Accruals	(4,646)	39,781
Prepays	(2,066)	26,141
Capital Outlay	(73,875)	0
Principal Retirement	(254,438)	0
Interest and Fiscal Charges	(9,428)	0
Unreported Cash	5,188	0
Depreciation Expense	239,250	0
Encumbrances	(1,681)	0
Budget Basis	(\$286,144)	(\$21,040)

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim moneys. Interim moneys are those moneys 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 pass book accounts.

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

Interim monies are to be deposited or invested in the following securities :

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons.
3. Obligations of the City.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

**Deposits**

At year end, the City had \$11,935 in undeposited cash on hand which is included on the balance sheet of the City as part of "Cash and Cash Equivalents".

At year end, the carrying amount of the City's deposits was \$619,927 and the bank balance was \$690,080. Of the bank balance, \$175,534 was covered by federal deposit insurance and \$514,546 was considered uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 5 - DEPOSITS AND INVESTMENTS** (continued)

**Investments**

GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements," requires that the City's investments be classified by category of risk. Category 1 includes investments that are insured or registered or for which the securities are held by the City or the City's agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer is unclassified since it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 2	Category 3	Carrying Amount	Fair Value
Repurchase Agreement	\$0	\$0	\$1,156,000	\$1,156,000	\$1,156,418
STAR Ohio	0	0	0	1,092,124	1,092,124
Total	<u>\$0</u>	<u>\$0</u>	<u>\$1,156,000</u>	<u>\$2,248,124</u>	<u>\$2,248,542</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents Deposits	Investments
GASB Statement 9	\$2,814,952	\$65,034
Certificates of Deposit	65,034	(65,034)
Cash on Hand	(11,935)	0
Repurchase Agreement	(1,156,000)	1,156,000
STAR Ohio	(1,092,124)	1,092,124
GASB Statement 3	<u>\$619,927</u>	<u>\$2,248,124</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenue received during 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 taxes collected from real property taxes (other than public utility) are levied after October 1, 2000 on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State Law at 35 percent of appraised market value. 2000 real property taxes are intended to finance 2001. All property is required to be revalued every six years. The last revaluation was completed in 1998. 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.

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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

2000 taxes collected on tangible personal property (other than public utility) are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

2000 public utility real and tangible personal property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes. Public utility tangible personal property currently is at varying percentages of true value; public utility real property is assessed at 35 percent of true value.

The County Treasurer collects property taxes on behalf of all taxing districts in the County, including the City of Logan. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is offset by deferred revenue.

The full tax rate for all City operations for the year ended December 31, 2000, was \$3.40 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

Real Property	\$65,517,730
Public Utility Real Property	13,150
Public Utility Tangible Personal Property	4,543,260
Tangible Personal Property	16,580,067
Total Assessed Value	\$86,654,207

**NOTE 7 - INCOME TAX**

The City levies a municipal income tax of one and one-half percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality equal to 50 percent of the amount obtained by multiplying the lower of the tax rate of such other municipality or of the City by the taxable income earned in or attributable to the municipality of employment or business activity.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration semi-annually.

Income tax proceeds are to be used for the purposes of general municipal operations, maintenance, new equipment, extension and enlargement of municipal services and facilities, and capital improvements of the City of Logan. In 2000, the General Fund received \$1,556,683 and the Capital Improvements Capital Projects Fund received \$389,170 in income tax revenue.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 8 - RECEIVABLES**

Receivables at December 31, 2000, consisted primarily of taxes; intergovernmental receivables arising from grants, entitlements, and shared revenues; interest on investments; and utility accounts. Loans receivable of \$100,249 and \$56,896 reported in the Economic Development and the Community Development Block Grant Special Revenue Funds, respectively, represent low interest loans for development projects granted to eligible businesses under the Federal Economic Development Assistance and the Community Development Block Grant programs. All receivables are considered fully collectible.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
General Fund:	
Estate Tax	\$2,183
Local Government	2,874
Local Government Revenue Assistance	3,858
Corporate Income and Sales Tax	12,066
Municipal Court Fines	2,785
Miscellaneous	35
Total General Fund	23,801
Special Revenue Funds:	
Street	
Gas Tax	6,966
Motor Vehicle License Tax	2,738
State Highway	
Gas Tax	565
Motor Vehicle License Tax	222
Section 18	
Ohio Department of Transportation Grant	10,140
Law Enforcement Trust	
Municipal Court Fines	315
COPS Grant	
U.S. Department of Justice	24,769
Total Special Revenue Funds	45,715
Enterprise Fund	
Sewer Services	3,693
Total Enterprise Fund	3,693
Total Intergovernmental Receivables	\$73,209

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 9 - FIXED ASSETS**

A summary of the enterprise funds' property, plant, and equipment at December 31, 2000, follows:

Asset Category	Water	Sewer	Total
Land	\$84,000	\$132,600	\$216,600
Infrastructure	706,881	521,562	1,228,443
Buildings and Improvements	3,887,886	5,696,653	9,584,539
Land Improvements	35,507	194,843	230,350
Vehicles	81,948	127,690	209,638
Equipment	192,310	134,350	326,660
Construction in Progress	0	87,420	87,420
Totals	4,988,532	6,895,118	11,883,650
Less: Accumulated Depreciation	(1,376,720)	(1,795,254)	(3,171,974)
Totals	<u>\$3,611,812</u>	<u>\$5,099,864</u>	<u>\$8,711,676</u>

A summary of the changes in general fixed assets during 2000 follows:

Asset Category	Balance at 12/31/99	Additions	Deletions	Balance at 12/31/00
Land	\$403,800	\$0	\$0	\$403,800
Buildings and Improvements	1,186,218	9,482	0	1,195,700
Land Improvements	1,702,000	10,109	0	1,712,109
Vehicles	1,151,419	80,571	0	1,231,990
Equipment	2,060,010	69,286	5,185	2,124,111
Construction in Progress	0	212,823	0	212,823
Totals	<u>\$6,503,447</u>	<u>\$382,271</u>	<u>\$5,185</u>	<u>\$6,880,533</u>

**NOTE 10 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2000, the City contracted with Wichert Insurance Services, Incorporated for all of the following insurances:

Building and Contents-replacement cost (\$500 deductible)	\$14,820,073
Boiler and Machinery (\$1,000 deductible)	4,000,000
Crime Insurance (no deductible)-Employee Dishonesty	50,000
Crime Insurance (no deductible)-Money and Securities	10,000
Automobile Liability (\$500 deductible for collision and \$100 comprehensive)	1,000,000
Uninsured Motorists	500,000

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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

General Liability Per Occurrence	1,000,000
General Liability Aggregate Limit	2,000,000
Employee Benefits Liability (\$1,000 deductible)	1,000,000
Employer's Liability Stop-Gap	1,000,000
Law Enforcement Liability (\$2,500 deductible)	1,000,000
Public Officials Liability (\$2,500 deductible)	1,000,000
Umbrella Coverage	1,000,000
Contractor's Equipment (\$500 deductible)	695,849
Electronic Data Processing (\$500 deductible)	27,749

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

For 2000, the City participated in the Ohio Municipal League of Ohio Worker's Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower worker's compensation rates while establishing safer working conditions and environments for the participants. The worker's compensation experience of the participating Cities is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its worker's compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its information. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to Cities that can meet the Plan's selection criteria. The firm of Gates McDonald provides administrative, cost control, and actuarial services to the Plan. Each year, the City pays an enrollment fee to the Plan to cover the costs of administering the program.

The City may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Worker's Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access less experience for three years following the last year of participation.

Medical insurance is offered to employees through a self-insurance internal service fund. Monthly payments are made to the fiscal agent who in turn pays the claims on the City's behalf. The claims liability of \$56,612 reported in the internal service fund at December 31, 2000, is based on an estimate provided by the third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for 1999 and 2000 are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1999	\$73,894	\$180,871	\$238,013	\$16,752
2000	16,752	493,811	453,951	56,612



**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**A. Public Employees Retirement System**

All full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple-employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially. The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$94,560, \$125,436, and \$121,632, respectively. The full amount has been contributed for 1999 and 1998. 60 percent has been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

**B. Police and Firemen's Disability and Pension Fund**

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215 - 5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$61,089 and \$54,971 for the year ended December 31, 2000, \$60,553 and \$50,941 for the year ended December 31, 1999, \$51,960 and \$52,068 for the year ended December 31, 1998. The full amount has been contributed for 1999 and 1998. 63 percent and 70 percent, respectively, have been contributed for 2000 with the remainder being reported as a liability in the general long-term obligations account group.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

**A. Public Employees Retirement System (PERS)**

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.30 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$62,172. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

**B. Police and Firemen's Disability and Pension Fund**

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to any person who receives or is eligible to receive a monthly benefit check or is a spouse or eligible dependent child of such person. An eligible dependent child is any child under the age of 18 whether or not the child is attending school or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999 the percent used to fund healthcare was 7 percent. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$36,155 for police and \$23,793 for fire. The OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

City employees earn vacation leave at varying rates depending on length of service. A maximum number of vacation hours may be accumulated based on length of service. Any unused vacation exceeding the maximum allowance is eliminated from the employee's leave balance. Accumulated, unused vacation leave is paid upon separation if the employee has six months of service with the City.

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 13 - OTHER EMPLOYEE BENEFITS** (continued)

City employees earn sick leave at the rate of four and six tenths hours per eighty hours of service. Sick leave is cumulative without limit. In the case of death or retirement of an employee who has ten years of service, an employee or his estate is paid for one-fourth of his accumulated sick leave up to a maximum of four hundred and eighty hours.

As of December 31, 2000, the liability for unpaid compensated absences was \$228,786 for the entire City.

**B. Insurance**

In 2000, the City contracted with Professional Risk Management to provide all employees with \$25,000 each in life insurance and accidental death insurance, except for the fire department employees which receive \$15,000 each in insurance.

The fire department single employees receive dental insurance coverage for a monthly premium of \$27.02 through The Guardian insurance company, which is paid by the City. The single employees of the fire department also receive vision coverage for a monthly premium of \$6.42 paid by the City through the Vision Service Plan.

**NOTE 14 - CONTRACTUAL COMMITMENTS**

As of December 31, 2000, the City had a contractual purchase commitment for three projects. The amount of the projects are as follows:

Contractor	Contract Amount	Amount Expended	Balance at 12/31/00
Richland Engineering	\$135,759	\$130,559	\$5,200
Richland Engineering	93,000	87,420	5,580
Jobes Henderson and Associates	<u>196,000</u>	<u>188,160</u>	<u>7,840</u>
Total	<u>\$424,759</u>	<u>\$406,139</u>	<u>\$18,620</u>

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 15 - LONG-TERM OBLIGATIONS**

Changes in the City's long-term obligations during 2000 consist of the following:

	Principal Outstanding 12/31/99	Additions	Deductions	Principal Outstanding 12/31/00
Enterprise Funds' Obligations:				
Mortgage Revenue Bonds:				
Water System - 5.00% 1994	\$1,665,800	\$0	\$77,200	\$1,588,600
Sewer OWDA Loan - 8.31% 1989	2,605,672	0	177,238	2,428,434
<b>Total Enterprise Fund's Long-Term Obligations</b>	<b>4,271,472</b>	<b>0</b>	<b>254,438</b>	<b>4,017,034</b>
General Long-Term Obligations:				
Police Station GO Bonds - 5.40% 1996	154,937	0	56,501	98,436
Pension Obligations	81,341	76,056	81,341	76,056
Compensated Absences	113,956	110,005	76,874	147,087
<b>Total General Long-Term Obligations</b>	<b>350,234</b>	<b>186,061</b>	<b>214,716</b>	<b>321,579</b>
<b>Total Long-Term Obligations</b>	<b>\$4,621,706</b>	<b>\$186,061</b>	<b>\$469,154</b>	<b>\$4,338,613</b>

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$9,098,692.

Annual debt service requirements to maturity for the City's general obligation bonds, including interest in the amount of \$9,082, are:

Fiscal Year Ended December 31,	General Obligation Bonds
2001	\$58,288
2002	49,230
	<u>\$107,518</u>

The police station general obligation bond represents amounts issued for the purpose of constructing, furnishing, and equipping the City's police station. The bonds will be paid from income tax revenues through the Police Building Debt Service Fund.

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 15 - LONG-TERM OBLIGATIONS** (continued)

Annual debt service requirements to maturity for the City's OWDA loan, including interest in the amount of \$1,115,487, are:

Fiscal Year Ended December 31,	General Obligation Bonds
2001	\$393,769
2002	393,769
2003	393,769
2004	393,769
2005	393,769
2006 - 2010	1,575,076
	\$3,543,921

The OWDA loans represent amounts borrowed from the Ohio Water Development Authority for the construction of the wastewater treatment plant. The loan will be paid from Sewer Enterprise Fund revenue.

Annual debt service requirements to maturity for the City's mortgage revenue bonds, including interest in the amount of \$658,195, are:

Fiscal Year Ended December 31,	General Obligation Bonds
2001	\$160,530
2002	160,475
2003	160,420
2004	160,555
2005	160,460
2006 - 2010	802,385
2011 - 2014	641,970
	\$2,246,795

The mortgage revenue bonds represent amounts borrowed from the Farmer's Home Administration for the purpose of improving the water system. The bonds will be paid from Water Enterprise Fund revenue.

The City will pay the pension obligation and compensated absences from the fund that employees' salaries are paid.

**CITY OF LOGAN, OHIO**  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2000

**NOTE 16 - SEGMENT INFORMATION**

The City's enterprise funds account for the provision of water and sewer services. Key financial information as of and for the year ended December 31, 2000, for each enterprise fund is as follows:

	Water	Sewer	Total
Operating Revenues	\$782,537	\$782,839	\$1,565,376
Depreciation	103,099	136,151	239,250
Operating Income (Loss)	(146,329)	229,044	82,715
Net Non-Operating Revenues (Expenses)	(81,186)	(209,207)	(290,393)
Net Income (Loss)	(227,515)	19,837	(207,678)
Additions to Fixed Assets	8,100	65,775	73,875
Net Working Capital	107,715	139,524	247,239
Total Assets	3,876,620	5,553,607	9,430,227
Long-Term Obligations to be Paid from Fund Revenues	1,557,937	2,253,084	3,811,021
Total Equity	2,161,590	2,986,304	5,147,894
Encumbrances Outstanding at December 31, 2000	826	855	1,681

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

**A. 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.

**B. 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.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS** (Continued)

**C. 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 2000, 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.

**D. Buckeye Hills-Hocking Valley Regional Development District**

The Buckeye Hills-Hocking Valley Regional Development District serves Hocking, Athens, Meigs, Monroe, Washington, Morgan, Noble, and Perry Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a general policy council which is composed of the mayor of each city and county seat and one county commissioner from each county maintaining membership which is 2/3 of the council and the remaining 1/3 shall be composed of private citizens. The Mayor of Logan serves on this council. The council approves the budget, memberships, by-laws, plans, policy statements, service programs, and actions of the executive committee. The fifteen member executive committee is composed of one County Commissioner from each County, one member from the City of Athens, one member from the City of Marietta, four at large members appointed from the ten government members, and one member from the minority sector. The committee's duties include recommending the budget, by-law amendments, plans, policy statements, and service programs to the council. The committee acts on behalf of the council between council sessions.

The District administers County Community Development Block Grant and Issue II monies. The continued existence of the District is not dependent on the City's continued participation and no equity interest exists.

**NOTE 18 - INSURANCE PURCHASING POOL**

**South Central Ohio Insurance Consortium**

The City participates in the South Central Ohio Insurance Consortium, an insurance purchasing pool organized under Ohio Revised Code Chapter 167. The Consortium operates to provide health insurance coverage to enrolled employees of the consortium's twelve member entities and to eligible dependents of those enrolled employees. The overall objectives of the consortium are to formulate and administer a program of health insurance for the benefit of the consortium members' employees and their dependents and to obtain lower costs for health coverage. Contributions are determined by the Consortium, who then pays all incurred claims. The governing board consists of the superintendent, council member, or other designee appointed by each of the members of the Consortium. The City does not have an ongoing financial interest in or going financial responsibility for the Consortium other than claims paid on behalf of the City for City employees.

**NOTE 19 - CONTINGENT LIABILITIES**

**A. Litigation**

As of December 31, 2000, the City had one lawsuit pending. The City is of the opinion that ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

**CITY OF LOGAN, OHIO**  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2000

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**NOTE 19 - CONTINGENT LIABILITIES** (continued)

**B. Federal and State Grants**

For the period January 1, 2000, to December 31, 2000, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.



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

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

We have audited the financial statements of the City of Logan, Ohio (the City), as of and for the year ended December 31, 2000 and have issued our report thereon dated May 23, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City in a separate letter dated May 23, 2001.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated May 23, 2001.

This report is intended for the information and use of the members of Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

*J. L. Uhrig & Associates, Inc.*

J. L. UHRIG & ASSOCIATES, INC.  
Certified Public Accountants

May 23, 2001

**CITY OF LOGAN, OHIO**  
**Schedule of Prior Audit Findings and Citations**  
**For the Year Ended December 31, 2000**

Description	Status	Comments
<b>Citations:</b>		
1. ORC 5705.36 - amended certificate of estimated resources.	Not fully corrected	The City has improved in its' monitoring of fund receipts and estimates.
2. ORC 5705.39(B) - appropriations not to exceed total estimated resources.	Corrected	N/A
3. ORC 5705.41(B) - expenditures made without appropriations.	Not fully corrected	The City has improved in this area but has disclosed one instance of noncompliance at the legal level of budgetary control in Note 3 to the general purpose financial statements.
4. ORC 5705.41(D) - blanket certificates exceeding time limit.	Not fully corrected	The City has improved in the use of blanket certificates but continues to work on obtaining certificates for all purchases.
<b>Reportable Conditions:</b>		
5. Contract parameters of City ordinance not being followed and unable to locate contracts.	Not fully corrected	The City has a new purchasing agent and is developing procedures to follow procurement policy.
6. No documentation of physical count of the inventory of meters in the Enterprise Fund.	Corrected	N/A
<b>Federal Awards:</b>		
7. City did not comply with the fifteen day rule for maintaining funds on hand.	Corrected	N/A
8. Terms of CDBG program were not followed; no new jobs were created using funds.	Not fully corrected	No new jobs were created due to the bankruptcy of the company receiving the CDBG funds. The City is investigating the possibility of recovering some of the funds given to this company.
9. Contract parameters of City ordinance not being followed and unable to locate contracts.	Not fully corrected	The City has a new purchasing agent and is developing procedures to follow procurement policy.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**CITY OF LOGAN**  
**HOCKING COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JULY 24, 2001**