

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**City of Logan, Utah  
Fiscal Year Ended, June 30, 2011**

City of Logan, Utah  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2011  
With  
Independent Auditors' Report

Prepared by



FINANCE DEPARTMENT

Richard P. Anderson CPA, CFE, CGFM, CPFO, Director of Finance  
Justin M. Zollinger, Accounting Manager  
Tyson L. Griffin, Treasurer

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November 1, 2011

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Logan:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Logan (City) for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert to the best of our knowledge and belief, that this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by management. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports can be found as listed in the table of contents.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A complements this letter of transmittal and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Logan, Utah was incorporated on January 1, 1866, and is classified as a city of the second class as defined in Title 10 of the Utah Code. The City is located in the northeastern part of the state. The City currently occupies a land area of 17 square miles and serves a population of approximately 50,000. The City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the mayor-council optional form of government since 1978, having been the first in the state to adopt this form of government. Policy-making and legislative authority are vested in the City Council consisting of five council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and confirming appointments for department heads. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various divisions and departments. The Council and Mayor are elected on a non-partisan basis. Both the Council and Mayor serve four-year terms on a staggered basis. Elections are held every two years with three council seats open during one election and the mayor and two council seats open during the other. All council members and the mayor are elected at-large.

The City of Logan provides many services to residents including construction and maintenance of highways and streets, police, fire, library, cemetery, water and sewer, electric, sanitation, golf course, public zoo and other recreational and cultural services.

Logan is the largest city in Cache County. The valley is known for its beautiful, green summers and wonderfully cold winters. Bordered on all sides by mountains, Logan offers much to outdoor enthusiasts. Logan is just minutes from fishing, mountain biking, hiking, canoeing, and skiing. The City is also host to many cultural activities and festivals. The City owns the Eccles Theatre operated by the Cache Valley Center for the Arts. The theater was renovated in 1992, and is one of the most beautifully designed theaters of its size.

Utah State University is located on Logan's east bench. USU is the State's land-grant and space-grant institution. The University has 880 faculty members and enrolls approximately 25,000 students, including 10,000 in its continuing education sites located throughout the state.

### **Factors Affecting Financial Condition**

The City of Logan benefits from a varied technological, manufacturing, and industrial base that adds to the relative stability of employment. Major employers within the City's boundaries include Utah State University, Icon Health and Fitness, Moore Business Communication, TTM Technologies, Schreiber's Foods, Thermo Fisher Scientific, Gossner Foods, Cache Valley Electric, Logan City School District, and Logan Regional Hospital.

Logan is the central city to approximately 112,000 inhabitants residing in Logan and the surrounding communities of Cache County. New local business ventures are expected to continue to be established in Logan as a result of the economic development efforts made by the City as well as the research and development activities of Utah State University's Innovation Campus. The City has taken an active role in the revitalization of the historic downtown.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Logan for its comprehensive annual financial report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The timely and efficient preparation of this report could not have been accomplished without the dedicated service of the staff of the entire Finance Department. I appreciate Hansen, Bradshaw, Malmrose & Erickson, Certified Public Accountants,

for the assistance and guidance they have provided to us. I also thank the members of the City Council, the Mayor, and other City personnel for their interest and support.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'R. Anderson', with a stylized flourish at the end.

Richard P. Anderson CPA, CFE, CGFM, CPFO  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Logan  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



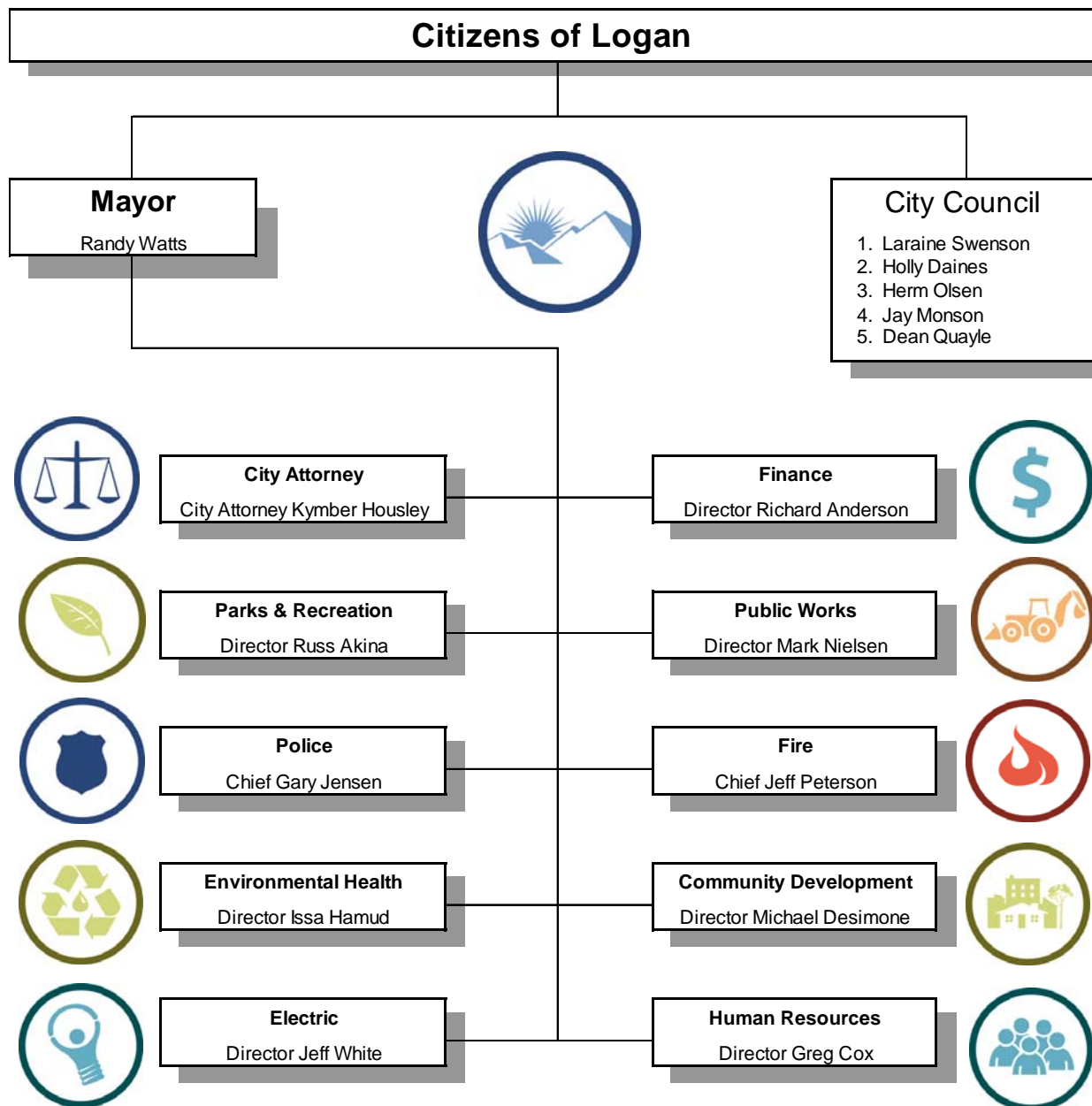
President

Executive Director



# LOGAN

CITY UNITED IN SERVICE



## Financial Section

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# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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*Members of the  
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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council  
City of Logan, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan, Utah (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan, Utah, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 19 and 62 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

October 26, 2011

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Logan's management presents to the readers of its financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the additional information provided in the letter of transmittal, which can be found on page four of this report.

**Financial Highlights**

The assets of the City of Logan (City) exceeded liabilities at the close of the current fiscal year by \$200,576,287 (net assets). Of this amount, \$58,745,183 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors.

Net assets increased by \$20,500,326.

The City's governmental funds reported a combined ending fund balance of \$21,668,427, an increase of \$4,046,289 in comparison to the prior year. The general fund reported fund balance of \$10,561,834, of which \$5,608,584 is categorized as unassigned.

The City's total bonded debt decreased by \$5,022,000.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains information in addition to the basic financial statements that will help the reader to gain a more in-depth understanding of the City.

**Government-wide financial statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's financial position, similar to consolidated financial statements in a private-sector business. These statements consist of the statement of net assets and the statement of activities.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information on how net assets changed during the current fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish between activities that are primarily supported by taxes and intergovernmental revenues (governmental activities) and activities that are primarily financed by user charges and fees (business-type activities). The governmental activities for the City include general government, public safety, public works, parks, recreation and culture, and debt service interest and fiscal charges. Business-type activities include the water and sewer, sewer treatment, electric, environmental health, storm water management, and golf course operations.

The government-wide financial statements can be found immediately following this discussion and analysis.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Fund financial statements**

A fund is a separate set of accounts used to control resources that have been segregated for a specific purpose. The City uses fund accounting to demonstrate compliance with legal and finance-related requirements.

**Governmental funds**

Governmental funds are used to account for essentially the same activities reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of financial resources and the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may be able to better understand the long-term impact of near-term financing decisions. Reconciliations from the governmental fund statements to the government-wide statements are provided to aid in the comparison.

The City maintains 11 individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and redevelopment agency fund, which are considered to be major funds. Information for the other governmental funds is combined into a single, aggregated column. Individual presentations for each of the nonmajor governmental funds are provided in the form of combining statements in the supplementary information section of this report as listed in the table of contents.

The City adopts annual appropriated budgets for its general and redevelopment agency funds. Budgetary comparison schedules are provided to demonstrate compliance with budgetary requirements. These schedules can be found in the required supplementary information section of this report as listed in the table of contents.

The basic governmental fund financial statements can be found as listed in the table of contents.

**Proprietary funds**

The City utilizes two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, sewer treatment, electric, environmental health, storm water management, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. Internal service funds are used to account for information technology, risk management, and health management operations. Because information technology, risk management, and health management support primarily governmental rather than business-type activities, these funds have been included within governmental activities in the government-wide financial statements.

Proprietary funds present the same type of information as the government-wide financial statements, except in greater detail. The proprietary fund financial statements provide separate information for the water and sewer, sewer treatment, electric, environmental health, storm water management, and golf course funds, which are considered to be major funds of the City. Internal service funds are presented as a single, aggregated presentation in the proprietary fund financial statements. Individual presentations for each of the internal service funds are provided in the form of combining statements in the supplementary information section of this report as listed in the table of contents.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

The basic proprietary fund financial statements can be found as listed in the table of contents.

**Notes to the financial statements**

The notes to the financial statements provide information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents.

City of Logan's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 35,493,947	\$ 30,858,281	\$ 59,818,665	\$ 50,740,098	\$ 95,312,612	\$ 81,598,379
Capital assets	62,254,881	63,181,804	107,332,106	101,136,898	169,586,987	164,318,702
Total assets	<u>97,748,828</u>	<u>94,040,085</u>	<u>167,150,771</u>	<u>151,876,996</u>	<u>264,899,599</u>	<u>245,917,081</u>
Current liabilities	14,637,964	14,719,795	10,742,992	7,862,757	25,380,956	22,582,552
Noncurrent liabilities	14,019,515	15,721,258	24,922,841	27,537,310	38,942,356	43,258,568
Total liabilities	<u>28,657,479</u>	<u>30,441,053</u>	<u>35,665,833</u>	<u>35,400,067</u>	<u>64,323,312</u>	<u>65,841,120</u>
Net assets:						
Invested in capital assets, net of related debt	46,646,658	45,458,112	83,696,041	70,772,026	130,342,699	116,230,138
Restricted	6,040,894	4,374,963	5,447,511	5,511,717	11,488,405	9,886,680
Unrestricted	16,403,797	13,765,957	42,341,386	40,193,186	58,745,183	53,959,143
Total net assets	<u>\$ 69,091,349</u>	<u>\$ 63,599,032</u>	<u>\$ 131,484,938</u>	<u>\$ 116,476,929</u>	<u>\$ 200,576,287</u>	<u>\$ 180,075,961</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Logan, assets exceeded liabilities by \$200,576,287 at the close of the current fiscal year.

By far the largest portion of the City's net assets is invested in capital assets (e.g., land, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens who live, work, pass through or benefit in other ways from the City. By their nature, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt typically must be provided from other sources, since the assets themselves are not typically used to liquidate these liabilities.

An additional part of net assets is assets that are subject to external restrictions on how they may be expended (debt service, capital projects, etc). The remaining unrestricted net assets can be used to meet the City's ongoing obligations to its citizens and creditors.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

	City of Logan's Changes in Net Assets					
	Governmental		Business-type		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 5,367,248	\$ 5,477,393	\$ 63,265,978	\$ 58,824,939	\$ 68,633,226	\$ 64,302,332
Operating grants and contributions	2,635,966	2,910,345	26,840	-	2,662,806	2,910,345
Capital grants and contributions	575,446	602,962	2,414,117	591,720	2,989,563	1,194,682
General revenues:						
Property tax	7,659,716	7,311,000	-	-	7,659,716	7,311,000
Sales and other taxes and fees	13,528,685	13,073,838	-	-	13,528,685	13,073,838
Grants and contributions not restricted to specific programs	966,669	986,052	-	-	966,669	986,052
Other	1,118,766	664,989	410,835	541,872	1,529,601	1,206,861
Total revenues	<u>31,852,496</u>	<u>31,026,579</u>	<u>66,117,770</u>	<u>59,958,531</u>	<u>97,970,266</u>	<u>90,985,110</u>
Expenses:						
General government	4,536,569	4,401,387	-	-	4,536,569	4,401,387
Public safety	13,410,929	12,952,205	-	-	13,410,929	12,952,205
Public works	5,618,065	5,991,429	-	-	5,618,065	5,991,429
Parks, recreation and culture	6,157,606	5,932,225	-	-	6,157,606	5,932,225
Interest and fiscal charges	722,554	807,867	-	-	722,554	807,867
Water and sewer	-	-	6,479,924	7,341,611	6,479,924	7,341,611
Sewer treatment	-	-	1,683,595	1,971,969	1,683,595	1,971,969
Electric	-	-	29,339,903	27,836,906	29,339,903	27,836,906
Environmental health	-	-	8,015,044	7,213,824	8,015,044	7,213,824
Storm water management	-	-	595,459	652,774	595,459	652,774
Golf course	-	-	910,292	990,145	910,292	990,145
Total expenses	<u>30,445,723</u>	<u>30,085,113</u>	<u>47,024,217</u>	<u>46,007,229</u>	<u>77,469,940</u>	<u>76,092,342</u>
Increase (decrease) in net assets, before transfers	1,406,773	941,466	19,093,553	13,951,302	20,500,326	14,892,768
Transfers	4,085,544	4,133,820	(4,085,544)	(4,133,820)	-	-
Increase (decrease) in net assets	5,492,317	5,075,286	15,008,009	9,817,482	20,500,326	14,892,768
Net assets, beginning	63,599,032	58,523,746	116,476,929	106,659,447	180,075,961	165,183,193
Net assets, ending	<u>\$ 69,091,349</u>	<u>\$ 63,599,032</u>	<u>\$ 131,484,938</u>	<u>\$ 116,476,929</u>	<u>\$ 200,576,287</u>	<u>\$ 180,075,961</u>

**Governmental activities**

Governmental activities net assets increased by \$5,492,317 for the current fiscal year. Key elements of this increase are as follows:

- The City's continued emphasis on risk management and health management utilizing internal service funds, resulted in an increase in net assets of nearly \$525,000.
- The City continued to improve the financial condition of the redevelopment agency fund through a planned buildup in liquid assets of approximately \$1,500,000.
- During a difficult fiscal period, the City managed expenses.

**Business-type activities**

Business-type activities net assets increased by \$15,008,009. Key elements of this increase are as follows:

- The water and sewer fund net assets increased by approximately \$2,800,000. Assets are being accumulated to address significant capital projects, including the 10<sup>th</sup> West project.
- The sewer treatment fund net assets increased by approximately \$4,000,000. This increase is due to a planned increase in current assets that are being accumulated to address significant future capital projects involving the sewer lagoons.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The electric fund net assets increased by approximately \$4,500,000. The increase is due to a planned increase in assets to address capital projects, including a new substation. The electric fund also received intergovernmental revenue to move and upgrade transmission lines along 10<sup>th</sup> West.
- The environmental health fund net assets increased by approximately \$2,200,000. This increase is due to budgeting for future capital projects including the construction of a transfer station and future landfill site.
- The storm water management fund net assets increased by approximately \$1,000,000. This increase was consistent with the prior year and expectations.

**Financial Analysis of the City of Logan's Funds**

As noted earlier, the City uses fund accounting to demonstrate compliance with legal or finance-related requirements.

**Governmental funds**

The focus of the City's governmental funds is to provide information on the near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include long-term notes receivable and inventory. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for debt service. Committed fund balance includes amounts that have been set aside by the City Council for a specific purpose prior to the end of the fiscal year. Assigned fund balance includes amounts that have been set aside by the City Council for a specific purpose, but subsequent to the end of the fiscal year. Unassigned fund balance includes all remaining amounts.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$21,668,427, with an increase of \$4,046,289 compared to the prior fiscal year. Of the total balance, \$840,464 is nonspendable, \$6,040,894 is restricted, \$9,121,795 is committed, \$56,690 is assigned, and \$5,608,584 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund reported a fund balance of \$10,561,834, of which \$840,464 is considered nonspendable, \$4,056,096 is restricted, \$56,690 is assigned, and \$5,608,584 is unassigned.

Fund balance of the general fund decreased slightly by \$129,455.

Fund balance of the redevelopment agency fund increased by \$1,472,579 due to a planned buildup of fund balance.

**Proprietary funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets in the City's major proprietary funds totaled the following: (1) \$4,738,496 in the water and sewer fund, (2) \$10,641,412 in the sewer treatment fund, (3) \$11,049,566 in the electric fund, (4) \$13,619,997 in the environmental health fund, (5) \$2,217,949 in the storm water management fund, and a negative (6) \$677,123 in the golf course fund. The finances of these funds were discussed earlier as part of the business-type activities.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

Unrestricted net assets of the golf course was negative due to financing a new clubhouse with a \$1,500,000 interfund loan. Consistent with Generally Accepted Accounting Principles, the interfund loan is not reported as part of net assets invested in capital assets, net related debt. Taking this into consideration, unrestricted net assets is consistent with prior fiscal years.

**General Fund Budgetary Highlights**

Differences between the general fund's original budget and the final amended budget amounted to a total increase in appropriations of \$5,099,084 or 15 percent. A significant part of the increase in appropriations is briefly summarized as follows:

- The City appropriated approximately \$4,200,000 for grants received from various entities.
- The City appropriated approximately \$550,000 for transfers from the general fund to the special improvement fund.

Other minor increases in appropriations were for miscellaneous items.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities amounts to \$130,342,699 (net of related debt). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, park facilities, roads, highways, and bridges.

Major capital events during the current fiscal year include the following:

- The City continued construction of the 10th West Electric Substation. Approximately \$1,600,000 was spent on this project during the year.
- The City continued construction of the Dewitt Springs Hydroelectric Turbine. Approximately \$1,025,000 was spent on this project during the year.
- The City started construction of the 10<sup>th</sup> West water and sewer project. Approximately \$1,300,000 was spent on this project during the year.
- The City started construction of the Logan River Golf Course Clubhouse. Approximately \$975,000 was spent on this project during the year.

	City of Logan's Capital Assets					
	Governmental		Business-type		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 16,132,316	\$ 15,990,214	\$ 7,382,935	\$ 7,086,884	\$ 23,515,251	\$ 23,077,098
Other nondepreciable assets	-	1,382,220	-	-	-	1,382,220
Buildings	36,850,528	36,810,259	12,670,270	10,849,030	49,520,798	47,659,289
Improvements	12,116,050	11,400,567	91,570,795	90,328,034	103,686,845	101,728,601
Equipment	15,172,728	13,548,383	52,060,842	51,901,227	67,233,570	65,449,610
Infrastructure	38,835,447	38,323,132	-	-	38,835,447	38,323,132
Accumulated depreciation	(57,558,145)	(54,717,568)	(64,598,444)	(60,720,472)	(122,156,589)	(115,438,040)
Work in progress	705,957	444,597	8,245,708	1,692,195	8,951,665	2,136,792
Total	<u>\$ 62,254,881</u>	<u>\$ 63,181,804</u>	<u>\$ 107,332,106</u>	<u>\$ 101,136,898</u>	<u>\$ 169,586,987</u>	<u>\$ 164,318,702</u>

Additional information regarding the City's capital assets can be found in the notes to the financial statements of this report.

At the end of the current fiscal year, the City had bonded debt outstanding of \$38,624,000. Of this amount, \$4,845,000 comprises debt backed by the full faith and credit of the City and \$33,779,000 represents bonds secured by specific revenue sources (i.e., sales tax, excise tax, etc.).

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

	City of Logan's Outstanding Debt General Obligation and Revenue Bonds					
	Governmental		Business-type		Total	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 4,845,000	\$ 5,270,000	\$ -	\$ -	\$ 4,845,000	\$ 5,270,000
Revenue bonds	9,894,000	11,291,000	23,885,000	27,085,000	33,779,000	38,376,000
Total	<u>\$ 14,739,000</u>	<u>\$ 16,561,000</u>	<u>\$ 23,885,000</u>	<u>\$ 27,085,000</u>	<u>\$ 38,624,000</u>	<u>\$ 43,646,000</u>

Utilizing bond insurance, rated bonds outstanding had a rating of Aaa by Moody's Investor Service at issuance. As rated by Moody's Investor Service, the City of Logan carries an underlying general obligation bond rating of Aa2.

Additional information on the City's long-term debt can be found in the notes to the financial statements of this report.

**Economic Factors and Next Year's Budgets and Rates**

In July 2011, the City raised electrical rates approximately 8 percent. In addition, storm water rates increased from \$3.50 to \$4.50 per ERU.

The City continues to approach budgeting for revenues conservatively with a focus on long-term sustainability.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Logan's finances. Questions regarding any of the information contained in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 290 North 100 West, Logan, Utah 84321.

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## Basic Financial Statements

**City of Logan**  
**Statement of Net Assets**  
**June 30, 2011**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 16,144,552	\$ 40,742,322	\$ 56,886,874
Investments	4,587,260	9,172,963	13,760,223
Accounts receivable (net of allowance)	1,056,623	3,857,055	4,913,678
Property tax receivable	8,074,571	-	8,074,571
Interest receivable	20,687	3,406	24,093
Due from other governmental units	3,160,099	171,683	3,331,782
Prepaid assets	134,925	-	134,925
Inventory	7,539	605,256	612,795
Internal balances	(841,089)	841,089	-
Total current assets	<u>32,345,167</u>	<u>55,393,774</u>	<u>87,738,941</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,954,461	4,195,331	7,149,792
Deferred costs	194,319	229,560	423,879
Capital assets:			
Land	16,132,316	7,382,935	23,515,251
Buildings	36,850,528	12,670,270	49,520,798
Improvements other than buildings	12,116,050	91,570,795	103,686,845
Equipment	15,172,728	52,060,842	67,233,570
Infrastructure	38,835,447	-	38,835,447
Less accumulated depreciation	(57,558,145)	(64,598,444)	(122,156,589)
Work in progress	705,957	8,245,708	8,951,665
Total noncurrent assets	<u>65,403,661</u>	<u>111,756,997</u>	<u>177,160,658</u>
Total assets	<u>97,748,828</u>	<u>167,150,771</u>	<u>264,899,599</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accrued liabilities	2,820,983	7,146,921	9,967,904
Deferred revenue	8,270,964	787	8,271,751
Compensated absences	1,268,812	565,052	1,833,864
Interest payable	247,496	127,232	374,728
Leases payable	154,244	-	154,244
Notes payable	3,465	-	3,465
Bonds payable	1,872,000	2,903,000	4,775,000
Total current liabilities	<u>14,637,964</u>	<u>10,742,992</u>	<u>25,380,956</u>
Noncurrent liabilities:			
Compensated absences	321,257	162,561	483,818
Leases payable	859,798	-	859,798
Bonds payable	12,838,460	20,733,065	33,571,525
Landfill closure/post-closure costs	-	4,027,215	4,027,215
Total noncurrent liabilities	<u>14,019,515</u>	<u>24,922,841</u>	<u>38,942,356</u>
Total liabilities	<u>28,657,479</u>	<u>35,665,833</u>	<u>64,323,312</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	46,646,658	83,696,041	130,342,699
Restricted for:			
Debt service	1,039,630	1,397,894	2,437,524
Capital activities	2,766,210	4,049,617	6,815,827
Redevelopment	1,784,259	-	1,784,259
Other	450,795	-	450,795
Unrestricted	16,403,797	42,341,386	58,745,183
Total net assets	<u>69,091,349</u>	<u>131,484,938</u>	<u>200,576,287</u>
Total liabilities and net assets	<u>\$ 97,748,828</u>	<u>\$ 167,150,771</u>	<u>\$ 264,899,599</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Function/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,536,569	\$ 1,692,739	\$ 16,315	\$ -	\$ (2,827,515)	\$ -	\$ (2,827,515)
Public safety	13,410,929	2,695,818	408,127	-	(10,306,984)	-	(10,306,984)
Public works	5,618,065	73,739	1,375,660	437,780	(3,730,886)	-	(3,730,886)
Parks, recreation and culture	6,157,606	904,952	835,864	137,666	(4,279,124)	-	(4,279,124)
Debt service - Interest and fiscal charges	722,554	-	-	-	(722,554)	-	(722,554)
Total governmental activities	<u>30,445,723</u>	<u>5,367,248</u>	<u>2,635,966</u>	<u>575,446</u>	<u>(21,867,063)</u>	<u>-</u>	<u>(21,867,063)</u>
Business-type activities:							
Water and sewer	6,479,924	9,415,093	17,040	449,665	-	3,401,874	3,401,874
Sewer treatment	1,683,595	5,959,987	-	-	-	4,276,392	4,276,392
Electric	29,339,903	34,991,678	-	1,586,494	-	7,238,269	7,238,269
Environmental health	8,015,044	10,974,250	-	-	-	2,959,206	2,959,206
Storm water management	595,459	1,208,046	8,310	377,958	-	998,855	998,855
Golf course	910,292	716,924	1,490	-	-	(191,878)	(191,878)
Total business-type activities	<u>47,024,217</u>	<u>63,265,978</u>	<u>26,840</u>	<u>2,414,117</u>	<u>-</u>	<u>18,682,718</u>	<u>18,682,718</u>
Total primary government	<u>\$ 77,469,940</u>	<u>\$ 68,633,226</u>	<u>\$ 2,662,806</u>	<u>\$ 2,989,563</u>	<u>(21,867,063)</u>	<u>18,682,718</u>	<u>(3,184,345)</u>
General revenues:							
Property tax					7,659,716	-	7,659,716
Sales tax and other taxes and fees					13,528,685	-	13,528,685
Grants and contributions not restricted to specific programs					966,669	-	966,669
Unrestricted investment earnings					344,296	410,835	755,131
Miscellaneous					710,155	-	710,155
Gain on sale of assets					64,315	-	64,315
Transfers					4,085,544	(4,085,544)	-
Total general revenues and transfers					<u>27,359,380</u>	<u>(3,674,709)</u>	<u>23,684,671</u>
Change in net assets					5,492,317	15,008,009	20,500,326
Net assets, beginning					63,599,032	116,476,929	180,075,961
Net assets, ending					<u>\$ 69,091,349</u>	<u>\$ 131,484,938</u>	<u>\$ 200,576,287</u>

The accompanying notes are an integral part of this statement.

**City of Logan  
Balance Sheet  
Governmental Funds  
June 30, 2011**

	<b>General</b>	<b>Redevelopment Agency</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,079,449	\$ 2,986,415	\$ 9,147,333	\$ 13,213,197
Investments	4,587,260	-	-	4,587,260
Accounts receivable (net of allowance)	92,575	359,943	604,105	1,056,623
Property tax receivable	2,624,960	3,985,214	1,464,397	8,074,571
Interest receivable	20,687	-	-	20,687
Due from other funds	775,000	-	-	775,000
Due from other governmental units	2,880,485	-	279,614	3,160,099
Prepaid assets	57,925	-	-	57,925
Inventory	7,539	-	-	7,539
Restricted assets:				
Cash and cash equivalents	2,814,838	107	139,516	2,954,461
Total assets	<u>14,940,718</u>	<u>7,331,679</u>	<u>11,634,965</u>	<u>33,907,362</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accrued liabilities	1,668,147	338,236	212,565	2,218,948
Due to other funds	-	865,000	-	865,000
Deferred revenue	2,710,737	4,344,077	2,100,173	9,154,987
Total liabilities	<u>4,378,884</u>	<u>5,547,313</u>	<u>2,312,738</u>	<u>12,238,935</u>
Fund balances:				
Nonspendable	840,464	-	-	840,464
Restricted	4,056,096	1,784,366	200,432	6,040,894
Committed	-	-	9,121,795	9,121,795
Assigned	56,690	-	-	56,690
Unassigned	5,608,584	-	-	5,608,584
Total fund balances	<u>10,561,834</u>	<u>1,784,366</u>	<u>9,322,227</u>	<u>21,668,427</u>
Total liabilities and fund balances	<u>\$ 14,940,718</u>	<u>\$ 7,331,679</u>	<u>\$ 11,634,965</u>	<u>\$ 33,907,362</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Reconciliation of the Balance Sheet - Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2011**

Total fund balances - governmental fund types		\$ 21,668,427
<p>Total net assets reported for governmental activities in the statement of net assets is different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Land	16,132,316	
Buildings	36,850,528	
Improvements other than buildings	12,116,050	
Equipment	14,222,501	
Infrastructure	38,835,447	
Work in progress	705,957	
Accumulated depreciation	<u>(56,727,662)</u>	
Total		62,135,137
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>		
Receivables and other	884,023	
Deferred costs	<u>194,319</u>	
Total		1,078,342
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Interest payable	(247,496)	
Bonds payable - current	(1,872,000)	
Bonds payable - noncurrent	(12,838,460)	
Notes payable - current	(3,465)	
Capital leases payable - current	(154,244)	
Capital leases payable - noncurrent	(859,798)	
Compensated absences payable	<u>(1,543,525)</u>	
Total		(17,518,988)
<p>Internal service funds are used by the City to charge the costs of centralized services to the individual funds. The assets and liabilities of internal service funds are included in the statement of net assets (\$2,479,520 less internal balances of \$751,089).</p>		
Net assets	<u>1,728,431</u>	
Total		1,728,431
Net assets of governmental activities		<u><u>\$ 69,091,349</u></u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property tax	\$ 2,933,285	\$ 3,092,309	\$ 1,634,122	\$ 7,659,716
Sales tax	7,638,622	-	-	7,638,622
Other taxes and fees	5,178,084	-	711,979	5,890,063
Licenses and permits	691,361	-	-	691,361
Intergovernmental	3,186,175	-	554,126	3,740,301
Administrative fees	3,660,116	-	-	3,660,116
Charges for services	2,742,742	-	971,359	3,714,101
Fines	912,313	-	49,473	961,786
Investment earnings	281,868	3,191	48,430	333,489
Miscellaneous	367,547	19,454	248,004	635,005
Total revenues	<u>27,592,113</u>	<u>3,114,954</u>	<u>4,217,493</u>	<u>34,924,560</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,732,128	-	-	5,732,128
Public safety	10,704,561	-	1,694,143	12,398,704
Public works	5,628,231	1,160,737	4,480	6,793,448
Parks, recreation and culture	3,083,968	-	2,399,779	5,483,747
Debt service:				
Principal	1,848,371	305,000	-	2,153,371
Interest	613,150	104,638	-	717,788
Capital outlay:				
General government	149,940	-	-	149,940
Public safety	182,836	-	145,608	328,444
Public works	476,624	-	250,187	726,811
Parks, recreation and culture	320,034	-	215,685	535,719
Total expenditures	<u>28,739,843</u>	<u>1,570,375</u>	<u>4,709,882</u>	<u>35,020,100</u>
Revenues over (under) expenditures	<u>(1,147,730)</u>	<u>1,544,579</u>	<u>(492,389)</u>	<u>(95,540)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,653,209	-	3,521,707	8,174,916
Transfers out	(3,691,219)	(72,000)	(326,153)	(4,089,372)
Sale of capital assets	56,285	-	-	56,285
Total other financing sources (uses)	<u>1,018,275</u>	<u>(72,000)</u>	<u>3,195,554</u>	<u>4,141,829</u>
Net change in fund balances	(129,455)	1,472,579	2,703,165	4,046,289
Fund balances, beginning	10,691,289	311,787	6,619,062	17,622,138
Fund balances, ending	<u>\$ 10,561,834</u>	<u>\$ 1,784,366</u>	<u>\$ 9,322,227</u>	<u>\$ 21,668,427</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2011**

Net changes in fund balances - total governmental funds \$ 4,046,289

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,740,914	
Depreciation expense	(3,027,334)	
Total		(1,286,420)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net assets.

Donated capital assets	437,780	
Disposal of assets	8,030	
Total		445,810

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. 75,150

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of long-term debt, net	-	
Retirement of long-term debt	2,153,371	
Total		2,153,371

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

Change in compensated absences	(158,222)	
Interest expense	(4,766)	
Total		(162,988)

Internal service funds are used by management to charge the cost of centralized services to individual funds. The net expense of the internal service funds is reported with governmental activities. 221,105

Change in net assets of governmental activities \$ 5,492,317

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental</b>	
	<b>Water and Sewer</b>	<b>Sewer Treatment</b>	<b>Electric</b>	<b>Environmental Health</b>	<b>Storm Water Management</b>	<b>Golf Course</b>	<b>Internal Service Funds</b>	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 6,190,263	\$ 9,434,004	\$ 7,419,999	\$ 14,375,082	\$ 2,311,035	\$ 1,011,939	\$ 40,742,322	\$ 2,931,355
Investments	1,078,912	856,122	4,081,999	3,155,930	-	-	9,172,963	-
Accounts receivable (net of allowance)	406,941	353,627	2,166,399	856,321	62,547	11,220	3,857,055	-
Interest receivable	60	48	2,820	478	-	-	3,406	-
Due from other funds	-	-	1,500,000	90,000	-	-	1,590,000	-
Due from other governmental units	17,040	-	144,843	-	8,310	1,490	171,683	-
Prepaid assets	-	-	-	-	-	-	-	77,000
Inventory	45,431	-	440,764	-	31,161	87,900	605,256	-
Total current assets	<u>7,738,647</u>	<u>10,643,801</u>	<u>15,756,824</u>	<u>18,477,811</u>	<u>2,413,053</u>	<u>1,112,549</u>	<u>56,142,685</u>	<u>3,008,355</u>
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	2,550,152	2	5	1,645,005	167	-	4,195,331	-
Deferred costs	124,164	66,662	19,954	-	18,780	-	229,560	-
Capital assets:								
Land	352,607	1,730,104	1,193,118	1,941,486	784,902	1,380,718	7,382,935	-
Buildings	2,933,625	278,312	4,862,824	4,025,425	-	570,084	12,670,270	-
Improvements other than buildings	50,718,209	14,491,768	11,536,972	1,808,950	9,445,020	3,569,876	91,570,795	-
Equipment	4,961,392	1,877,993	35,177,380	9,348,966	229,184	465,927	52,060,842	950,227
Less accumulated depreciation	(16,282,671)	(5,268,089)	(30,474,499)	(8,692,025)	(1,524,804)	(2,356,356)	(64,598,444)	(830,483)
Work in progress	1,851,329	4,547	4,803,877	326,180	287,849	971,926	8,245,708	-
Total noncurrent assets	<u>47,208,807</u>	<u>13,181,299</u>	<u>27,119,631</u>	<u>10,403,987</u>	<u>9,241,098</u>	<u>4,602,175</u>	<u>111,756,997</u>	<u>119,744</u>
Total assets	<u>54,947,454</u>	<u>23,825,100</u>	<u>42,876,455</u>	<u>28,881,798</u>	<u>11,654,151</u>	<u>5,714,724</u>	<u>167,899,682</u>	<u>3,128,099</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accrued liabilities	1,805,696	48,046	4,406,986	594,661	39,987	251,545	7,146,921	602,035
Due to other funds	-	-	-	-	-	1,500,000	1,500,000	-
Deferred revenue	-	-	-	-	-	787	787	-
Compensated absences	101,310	9,191	238,120	183,225	4,208	28,998	565,052	37,140
Interest payable	78,501	9,170	13,600	-	25,961	-	127,232	-
Bonds payable	1,168,000	490,000	960,000	-	285,000	-	2,903,000	-
Total current liabilities	<u>3,153,507</u>	<u>556,407</u>	<u>5,618,706</u>	<u>777,886</u>	<u>355,156</u>	<u>1,781,330</u>	<u>12,242,992</u>	<u>639,175</u>
Noncurrent liabilities:								
Compensated absences	29,146	2,644	68,506	52,713	1,210	8,342	162,561	9,404
Bonds payable	14,092,610	4,675,455	-	-	1,965,000	-	20,733,065	-
Landfill closure/post-closure costs	-	-	-	4,027,215	-	-	4,027,215	-
Total noncurrent liabilities	<u>14,121,756</u>	<u>4,678,099</u>	<u>68,506</u>	<u>4,079,928</u>	<u>1,966,210</u>	<u>8,342</u>	<u>24,922,841</u>	<u>9,404</u>
Total liabilities	<u>17,275,263</u>	<u>5,234,506</u>	<u>5,687,212</u>	<u>4,857,814</u>	<u>2,321,366</u>	<u>1,789,672</u>	<u>37,165,833</u>	<u>648,579</u>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	29,273,881	7,949,180	26,139,672	8,758,982	6,972,151	4,602,175	83,696,041	119,744
Restricted for:								
Debt service	1,397,887	2	5	-	-	-	1,397,894	-
Capital activities	2,261,927	-	-	1,645,005	142,685	-	4,049,617	-
Unrestricted	4,738,496	10,641,412	11,049,566	13,619,997	2,217,949	(677,123)	41,590,297	2,359,776
Total net assets	<u>\$ 37,672,191</u>	<u>\$ 18,590,594</u>	<u>\$ 37,189,243</u>	<u>\$ 24,023,984</u>	<u>\$ 9,332,785</u>	<u>\$ 3,925,052</u>	<u>\$ 130,733,849</u>	<u>\$ 2,479,520</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Reconciliation of the Statement of Net Assets - Proprietary**  
**Funds to the Statement of Net Assets**  
**June 30, 2011**

Total net assets for proprietary funds	\$ 130,733,849
Internal service fund allocation for prior year	487,236
Internal service fund allocation for current year	263,853
Total business-type net assets	<u>\$ 131,484,938</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental</b>	
	<b>Water and Sewer</b>	<b>Sewer Treatment</b>	<b>Electric</b>	<b>Environmental Health</b>	<b>Storm Water Management</b>	<b>Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
Operating revenues:								
Charges for services	\$ 8,896,136	\$ 5,879,845	\$ 33,809,711	\$ 10,856,792	\$ 1,186,983	\$ 712,769	\$ 61,342,236	\$ 5,313,700
Connection fees	108,379	-	554,678	-	-	-	663,057	-
Miscellaneous	398,884	80,140	627,065	108,759	17,485	3,057	1,235,390	142,815
Total operating revenues	<u>9,403,399</u>	<u>5,959,985</u>	<u>34,991,454</u>	<u>10,965,551</u>	<u>1,204,468</u>	<u>715,826</u>	<u>63,240,683</u>	<u>5,456,515</u>
Operating expenses:								
Salaries and wages	1,754,521	144,743	2,800,438	3,286,484	63,925	455,846	8,505,957	752,130
Administrative fees	1,114,628	227,462	1,027,090	1,018,104	21,503	-	3,408,787	-
Operating and maintenance	1,782,154	681,576	23,948,916	2,739,421	211,904	317,138	29,681,109	4,136,509
Landfill closure/post-closure costs	-	-	-	95,424	-	-	95,424	-
Depreciation and amortization	1,335,969	370,311	1,557,941	1,009,528	207,289	126,485	4,607,523	93,725
Total operating expenses	<u>5,987,272</u>	<u>1,424,092</u>	<u>29,334,385</u>	<u>8,148,961</u>	<u>504,621</u>	<u>899,469</u>	<u>46,298,800</u>	<u>4,982,364</u>
Operating income (loss)	<u>3,416,127</u>	<u>4,535,893</u>	<u>5,657,069</u>	<u>2,816,590</u>	<u>699,847</u>	<u>(183,643)</u>	<u>16,941,883</u>	<u>474,151</u>
Nonoperating revenues (expenses):								
Intergovernmental revenue	17,040	-	1,586,494	-	8,310	1,490	1,613,334	-
Investment earnings	99,255	56,422	125,003	142,449	11,848	1,153	436,130	10,807
Gain (loss) on sale of assets	-	-	(2,944)	10,744	-	-	7,800	-
Interest expense	(554,361)	(269,366)	(59,930)	-	(96,865)	(16,548)	(997,070)	-
Total nonoperating revenue (expense)	<u>(438,066)</u>	<u>(212,944)</u>	<u>1,648,623</u>	<u>153,193</u>	<u>(76,707)</u>	<u>(13,905)</u>	<u>1,060,194</u>	<u>10,807</u>
Income (loss) before contributions and transfers	2,978,061	4,322,949	7,305,692	2,969,783	623,140	(197,548)	18,002,077	484,958
Capital contributions	449,665	-	-	-	377,958	-	827,623	-
Transfers in	72,000	-	-	-	-	372,600	444,600	-
Transfers out	(691,840)	(314,161)	(2,761,408)	(762,735)	-	-	(4,530,144)	-
Change in net assets	2,807,886	4,008,788	4,544,284	2,207,048	1,001,098	175,052	14,744,156	484,958
Total net assets, beginning	34,864,305	14,581,806	32,644,959	21,816,936	8,331,687	3,750,000	115,989,693	1,994,562
Total net assets, ending	<u>\$ 37,672,191</u>	<u>\$ 18,590,594</u>	<u>\$ 37,189,243</u>	<u>\$ 24,023,984</u>	<u>\$ 9,332,785</u>	<u>\$ 3,925,052</u>	<u>\$ 130,733,849</u>	<u>\$ 2,479,520</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Reconciliation of the Statement of Revenues, Expenses, and Changes**  
**in Net Assets - Proprietary Funds to the Statement of Activities**  
**For the Year Ended June 30, 2011**

Total changes in net assets proprietary funds	\$ 14,744,156
Internal service fund allocation for current year	263,853
Total changes in business-type net assets	<u>\$ 15,008,009</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	Business-Type Activities - Enterprise Funds						Governmental	
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Total	Internal Service Funds
<b>Cash Flows From Operating Activities</b>								
Receipts from customers and users	\$ 9,467,436	\$ 5,845,174	\$ 34,806,668	\$ 10,933,709	\$ 1,203,255	\$ 704,606	\$ 62,960,848	\$ 5,471,609
Payments for services and supplies	(1,809,334)	(949,972)	(25,308,926)	(5,663,155)	(316,749)	(592,719)	(34,640,855)	(5,116,200)
Payments for interfund services used	(1,114,628)	(227,462)	(1,027,090)	(1,018,104)	(21,503)	-	(3,408,787)	-
Net cash provided (used) by operating activities	<u>6,543,474</u>	<u>4,667,740</u>	<u>8,470,652</u>	<u>4,252,450</u>	<u>865,003</u>	<u>111,887</u>	<u>24,911,206</u>	<u>355,409</u>
<b>Cash Flows From Noncapital Financing Activities</b>								
Transfers from (to) other funds	(619,840)	(314,161)	(2,761,408)	(762,735)	-	372,600	(4,085,544)	-
Changes to interfund receivables and payables	-	-	(1,500,000)	-	-	1,500,000	-	-
Net cash provided (used) by noncapital and related financing activities	<u>(619,840)</u>	<u>(314,161)</u>	<u>(4,261,408)</u>	<u>(762,735)</u>	<u>-</u>	<u>1,872,600</u>	<u>(4,085,544)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>								
Proceeds from capital grants	-	-	1,441,651	-	-	10,500	1,452,151	-
Proceeds from sale of capital assets	-	-	2,738	34,848	-	-	37,586	-
Purchases of capital assets	(4,030,887)	-	(3,854,054)	(817,108)	(334,188)	(968,659)	(10,004,896)	(7,412)
Principal paid on debt	(1,136,248)	(473,206)	(979,340)	-	(270,000)	(360,000)	(3,218,794)	-
Interest and fees paid on capital debt	(547,675)	(263,479)	(54,141)	-	(96,851)	(16,101)	(978,247)	-
Net cash provided (used) by capital and related financing activities	<u>(5,714,810)</u>	<u>(736,685)</u>	<u>(3,443,146)</u>	<u>(782,260)</u>	<u>(701,039)</u>	<u>(1,334,260)</u>	<u>(12,712,200)</u>	<u>(7,412)</u>
<b>Cash Flows From Investing Activities</b>								
Purchase of investments	(1,294,875)	(17,185)	(1,070,614)	(6,161,296)	-	-	(8,543,970)	-
Sale of investments	2,366,189	-	1,000,000	8,115,246	-	-	11,481,435	-
Interest and dividends received	100,566	56,421	124,967	145,376	11,848	1,153	440,331	10,807
Net cash provided (used) by investing activities	<u>1,171,880</u>	<u>39,236</u>	<u>54,353</u>	<u>2,099,326</u>	<u>11,848</u>	<u>1,153</u>	<u>3,377,796</u>	<u>10,807</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>1,380,704</u>	<u>3,656,130</u>	<u>820,451</u>	<u>4,806,781</u>	<u>175,812</u>	<u>651,380</u>	<u>11,491,258</u>	<u>358,804</u>
<b>Cash and cash equivalents - beginning</b>	<u>7,359,711</u>	<u>5,777,876</u>	<u>6,599,553</u>	<u>11,213,306</u>	<u>2,135,390</u>	<u>360,559</u>	<u>33,446,395</u>	<u>2,572,551</u>
<b>Cash and cash equivalents - ending</b>	<u>8,740,415</u>	<u>9,434,006</u>	<u>7,420,004</u>	<u>16,020,087</u>	<u>2,311,202</u>	<u>1,011,939</u>	<u>44,937,653</u>	<u>2,931,355</u>
<b>Shown in the financial statements as:</b>								
Cash and cash equivalents	6,190,263	9,434,004	7,419,999	14,375,082	2,311,035	1,011,939	40,742,322	2,931,355
Restricted cash and cash equivalents	2,550,152	2	5	1,645,005	167	-	4,195,331	-
<b>Total</b>	<u>8,740,415</u>	<u>9,434,006</u>	<u>7,420,004</u>	<u>16,020,087</u>	<u>2,311,202</u>	<u>1,011,939</u>	<u>44,937,653</u>	<u>2,931,355</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>								
Operating income (loss)	3,416,127	4,535,893	5,657,069	2,816,590	699,847	(183,643)	16,941,883	474,151
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation and amortization expenses	1,335,969	370,311	1,557,941	1,009,528	207,289	126,485	4,607,523	93,725
(Increase) decrease in receivables	64,037	(114,811)	(184,786)	(31,842)	(1,213)	(11,220)	(279,835)	15,094
(Increase) decrease in inventory and prepaids	79,870	-	42,145	-	6,525	(1,476)	127,064	5,500
Increase (decrease) in accrued liabilities	1,647,471	(123,653)	1,398,283	362,750	(47,445)	181,741	3,419,147	(233,061)
Landfill closure costs	-	-	-	95,424	-	-	95,424	-
Total adjustments	<u>3,127,347</u>	<u>131,847</u>	<u>2,813,583</u>	<u>1,435,860</u>	<u>165,156</u>	<u>295,530</u>	<u>7,969,323</u>	<u>(118,742)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 6,543,474</u>	<u>\$ 4,667,740</u>	<u>\$ 8,470,652</u>	<u>\$ 4,252,450</u>	<u>\$ 865,003</u>	<u>\$ 111,887</u>	<u>\$ 24,911,206</u>	<u>\$ 355,409</u>
<b>Noncash Transactions</b>								
Contribution of capital assets	\$ 449,665	\$ -	\$ -	\$ -	\$ 377,958	\$ -	\$ 827,623	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**Note 1 – Summary of Significant Accounting Policies**

Reporting Entity

The City of Logan, Utah (the City) is a municipal corporation governed by an elected mayor and a five-member council. The accompanying financial statements present the primary government and its component units. Blended component units, although legally separate entities, are part of the City's operations.

Blended Component Units

The City established a Redevelopment Agency (RDA) pursuant to state code and designated the City Council and the Mayor as the Redevelopment Agency Board. The City has adopted redevelopment plans for the Logan Downtown, Logan River, Logan South Main, Logan Northwest, Logan North Main, Logan North Retail redevelopment project areas, and the Logan 600 West economic development project area. The financial statements of the Redevelopment Agency are included as part of the Comprehensive Annual Financial Report of the City (by blended presentation) and are included as a major governmental fund.

The City established the Logan City Housing Authority pursuant to state code. The Mayor subsequently appointed members of the City Council as the Board of Commissioners. Originally, the Housing Authority was established to receive and administer federal funds and City funds for low cost income rental subsidization. During fiscal year 2006, all remaining assets and liabilities of the Housing Authority were transferred to the general fund, and the Authority was placed into dormancy.

The City established a Municipal Building Authority pursuant to state code. The Governing Board of the Building Authority is comprised of the Mayor and members of the City Council. The purpose of the Authority is to serve the City as a financing agency for debt financed projects. During fiscal year 2004, all remaining assets and liabilities of the Authority were transferred to the general fund, and the Authority was placed into dormancy. The only debt outstanding at that time was the State Permanent Community Impact Bonds. As both the dollar amount outstanding as well as the annual debt service on these bonds are insignificant, the decision was made to service these bonds out of the general fund.

Interlocal Agreements

The City has entered into interlocal agreements with Cache County, Logan City School District, and various other entities to provide services or operate facilities. The following is a description of the significant agreements:

Logan-Cache Airport Authority

The Logan-Cache Airport Authority was organized as a separate legal entity to provide airport services to the entire Cache County area. The airport is jointly funded by the City of Logan and Cache County. The Authority is governed by a board composed of seven members; the Logan Mayor (or designee), the Cache County Executive (or designee), two members appointed by the City of Logan, two members appointed by Cache County, and one member elected at-large by the previously mentioned six members. The City participates by contributing a fixed sum of money according to the agreement, as does the County. The Authority is included as a component unit of Cache County.

Cache County Emergency Medical Services Authority (CEEMS)

CEEMS was organized as a separate legal entity to provide emergency medical services to the residents of Cache County. CEEMS began operations on January 1, 2005. The responsibility for financial management of CEEMS is retained by the governing board composed of three members from Cache County, three members from the City of Logan, and one member elected at-large from one of the other affected municipalities. The Authority is included as a component unit of Cache County. The City is expressly not obligated for CEEMS debt. The City is a service provider to CEEMS. Through the agreement with CEEMS, the City is compensated a set fee for emergency medical services provided to County and City residents.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

North Park Interlocal Cooperative (NPIC)

NPIC was organized as a separate legal entity to facilitate the construction of a recreational ice arena. The cooperative members are Cache County, Hyde Park City, the City of North Logan, and the City of Logan. Cache County appoints three board members and each city appoints two board members. The primary funding of the NPIC is from an allocation of restaurant tax collections from Cache County and dedicated sales tax collections from the other cities within the county limits, including the City of Logan. The County accounts for the dedicated sales tax collections. NPIC is included as a component unit of Cache County. NPIC originally issued \$2,017,000 in revenue bonds. At the time of issuing the bonds, NPIC entered into a lease agreement with members of NPIC with the annual rent to be paid from the dedicated tax allocations described above. The City is not obligated for the debt beyond the dedicated sales tax. The dedicated sales tax payments ceased on July 1, 2010.

Logan Community Recreation Center Joint Use and Operations Agreement

The City of Logan and the Logan City School District have agreed to share in the maintenance of the Recreation Center. The City provides for the operating expenses and is entitled to the operating revenue. The City and the School District share equally in the maintenance of the building, and as a result, the district is able to use the facility for educational purposes. The City and the School District agree to the maintenance budget each year. The recreation center maintenance fund is a nonmajor governmental fund of the City of Logan.

Communication Center 911 Fund

The City of Logan Communication Center functions as the 911 emergency dispatch center for all public safety agencies in Cache County. Municipalities within Cache County have adopted resolutions authorizing the City of Logan to collect 911 fees generated within their respective jurisdictions and to provide emergency dispatch services. The communication center fund is a nonmajor governmental fund of the City of Logan.

Utah Associated Municipal Power Systems (UAMPS)

UAMPS was established in 1980 under the Utah Interlocal Cooperation Act, and is a political subdivision of the State of Utah. UAMPS' purposes include the planning, financing, development, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission, and management of electric energy for the benefit of its members. Members are located in Utah, Arizona, Idaho, Nevada, New Mexico, California, Wyoming, and Oregon. UAMPS is a stand-alone entity that issues its own financial statements. For a copy of their financial statements contact UAMPS at 155 North 400 Suite 480, Salt Lake City, Utah 84103, or call 801-566-3938, or visit their website at [www.uamps.com](http://www.uamps.com). For more information regarding the City's contracts with UAMPS, see Note 17.

Related Organization

In 2006 the Logan Transit District (a special revenue fund of the City) was annexed into the Cache Valley Transit District (CVTD). CVTD is a separate legal entity that issues its own financial statements. The City of Logan appoints a voting majority of the board members of CVTD; however, the City is not financially accountable for, nor does it have access to, CVTD resources such that CVTD should be included as a component unit of the City. Transit districts are formed either by county or by participating municipalities. CVTD was formed by participating municipalities adopting a mass transit sales tax, in the case of the City of Logan of 0.30 percent, which is collected by the State of Utah and sent directly to CVTD. To maintain comparability with other cities in Utah, sales tax is not recorded by the City of Logan, but instead is recorded directly by CVTD.

Jointly Governed Organization

The City is a member of the Northern Utah Regional Landfill Authority through the environmental health fund. The jointly governed organization was created by the City of Logan, Box Elder County, Weber County, and Wasatch Integrated Waste Management District to provide effective, efficient, and economical disposal of non-hazardous solid waste. All members

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

contributed equally to the establishment of the authority; however, it is anticipated that operational costs will be supported by user fees. By agreement, any member who wishes to withdraw from the authority has no claim to any portion of the authority's net assets. As such, no equity interest in the authority is reported in the environmental health fund. The authority may issue bonds or notes. Any such bonds or notes would not be a liability of the environmental health fund.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for services.

The statement of activities is presented to show the extent program revenues of a given activity support direct expenses. Direct expenses are those that are clearly identifiable with a specific activity or program. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given activity or program, and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular activity or program. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, other taxes and fees, intergovernmental revenue, and investment earnings are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when cash is received.

Major Governmental Funds

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Redevelopment Agency accounts for the activities of the Logan Downtown, Logan River, Logan South Main, Logan Northwest, Logan North Main, Logan North Retail redevelopment project areas, and the Logan 600 West economic development area.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Major Proprietary Funds

The water and sewer fund accounts for the activities associated with the water distribution system and the sewage pumping stations and collection systems for the regional area.

The sewer treatment fund accounts for the activities associated with operating a sewer lagoon and wetland system for the regional area.

The electric fund accounts for electricity generation and distribution operations.

The environmental health fund accounts for the activities associated with refuse collection for all of Cache County. The environmental health fund also manages and operates a landfill.

The storm water management fund accounts for the collection and management of storm water runoff.

The golf course fund accounts for the operation of the Logan River Golf Course.

The City utilizes three internal service funds. The information technology fund accounts for the cost of providing technology services. The risk management fund accounts for insurance and risk mitigation costs. The health management fund accounts for the costs associated with providing health and wellness benefits for City employees. Internal service funds are presented as a single, aggregated presentation in the proprietary fund financial statements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed for enterprise funds to the extent that those standards do not conflict with, nor contradict, guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for the City's water and sewer, electric, and environmental health services to the various other departments of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

Amounts reported as program revenues include (1) charges to customers for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted net assets are available for use, it is the City's policy to use restricted net assets first, then unrestricted as they are needed.

Fund Balance

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned.

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Fund balance is committed by the City Council by passage of a budget resolution presented by the Mayor prior to the end of the fiscal year. Rescinding or changing committed fund balance would similarly require a subsequent budget resolution. Fund balance is assigned by the City Council by passage of a budget resolution presented by the Mayor subsequent to the end of the fiscal year.

This policy was established and may be changed by the City Council by passage of a resolution.

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is approximately the same as the fair value of the pool shares.

The City Treasurer invests all temporarily idle cash. The City invests in interest earning investments that are approved under the Utah Money Management Act.

Most bond funds are not under the control of the City. These amounts are invested by the bond trustee in accordance with the terms of the bond resolutions, which designate the types of investments in which idle funds may be placed.

Interest earnings on the general investment account under the control of the City are distributed to various funds based on their respective monthly balances.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All other outstanding balances between funds are reported as "interfund receivables/payables - pooled cash" and represent residual balances outstanding between the governmental activities and business-type activities for pooled cash activities. All interfund loans are considered current. Interfund loans are allocated interest based on the amount outstanding at year end.

Receivables are shown net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on professional judgment and historical information.

Property Taxes

All taxable property is required to be assessed and taxed at a uniform and equal rate based on its fair market value. The State Tax Commission is required to assess certain types of property including public utilities and mining property. The County Assessor is required to assess all other taxable property. The property tax lien date is January 1. The County is required to complete the tax rolls by May 15. Property taxes are levied through the passage of a resolution by the City Council in June of each year. By July 21, the County is to mail assessed value and tax notices to property owners. After the time of petition, tax notices are mailed to property owners with a due date and collection date of November 30.

Motor vehicle tax is a fee in lieu of tax and is distributed based on property tax rates. Motor vehicle tax is reported as part of property tax revenue.

Inventory

Inventory held by the enterprise funds and the general fund is valued using the first in, first out method. Inventory held in the other funds is insignificant and expensed.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Prepaid Assets

Prepaid assets are generally accounted for using the consumption method.

Restricted Assets

Certain resources of the City are classified as restricted assets on the balance sheet. These funds are maintained in separate accounts and their use is limited by applicable bond covenants or agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000, or improvements with a total cost of more than \$10,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repair that does not add to the value of the asset or significantly extend the asset life is expensed.

In enterprise funds, interest incurred during the construction phase of a capital asset is included as part of the capitalized value of the asset constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<b>Capital Asset Category</b>	<b>Useful Life</b>
Buildings	20 to 30 years
Improvements	3 to 50 years
Equipment	3 to 40 years
Infrastructure	20 to 50 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused personal leave and short-term disability benefits. There is no liability for accrued short-term disability leave as the City does not payout unused balances at separation. All personal leave is accrued when earned in the government-wide and proprietary fund financial statements. The current portion of the liability for compensated absences is estimated using three-year historical trend information.

Long-Term Obligations

In the government-wide financial statements and proprietary fund statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are reported as deferred costs and amortized over the term of the related debt. Refundings of debt result in deferred gains or losses. The difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense using the straight-line method.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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NOTES TO THE FINANCIAL STATEMENTS

Use of Estimates

The preparation of the financial statements in accordance with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from the estimates used.

**Note 2 – Compliance and Accountability**

Excess of Expenditures/Expenses Over Appropriations

Section 10-6-123 of Utah Code Annotated, requires that for governmental funds "City Officers shall not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended." As of June 30, 2011, no departments exceeded expenditure budgets.

**Note 3 – Deposits and Investments**

The State of Utah Money Management Council is responsible for advising the State Treasurer concerning investment policies, measures and rules that assist in strengthening the banking and credit structure of the State, and rules adopted by the State of Utah Money Management Act that relate to the deposit and investment of public funds. The City of Logan follows the requirements of the Utah Money Management Act in handling its depository and investment transactions.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires the depositing of funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2011, \$1,902,347 of the City's bank balance of \$2,152,347 was uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

State statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares of certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

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NOTES TO THE FINANCIAL STATEMENTS

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF, and details the types of authorized investments. Deposits in the PTIF are not insured nor otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

The City has investments held by a trustee in a money market mutual fund (MMMF). The mutual fund invests exclusively in United States government securities.

The City has investments with bank certificates of deposit. The CDs mature within five years.

The City has invested in the debt instruments of two corporations. Each of these corporate notes meets the high standards of quality required by the Utah Money Management Act as stated above. All notes mature within five years.

The City participates in a repurchase agreement. To maximize interest earnings, overnight balances are sold to the bank in exchange for a security. The bank then repurchases the security from the City the next day. The interest earnings on the security are greater than the interest earnings on the deposit. The investments underlying the repurchase agreement were direct obligations of, or were guaranteed by, the United States, its agencies or instrumentalities.

At June 30, 2011, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1 to 5	6 to 10	More than 10
PTIF	\$ 58,939,444	\$ 58,939,444	\$ -	\$ -	\$ -
MMMF	76,334	76,334	-	-	-
Bank CDs	9,759,030	5,170,770	4,587,260	-	-
Corporate Notes	4,001,193	4,001,193	-	-	-
Rep Agreement	3,031,338	3,031,338	-	-	-
Total	\$ 75,807,339	\$ 71,219,079	\$ 4,587,260	\$ -	\$ -

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. Except for funds of Institutions of Higher Education acquired by gifts, grants, or the corpus of funds functioning as endowments, the Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 to 365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing exposure to credit risk is to comply with the Money Management Act as previously discussed. The Act only allows for investment in securities with the lowest risk of default.

At June 30, 2011, the City had the following investments and quality ratings:

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NOTES TO THE FINANCIAL STATEMENTS

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF	\$ 58,939,444	\$ -	\$ -	\$ -	\$ 58,939,444
MMMF	76,334	-	-	-	76,334
Bank CDs	9,759,030	-	-	-	9,759,030
Corporate Notes	4,001,193	-	3,003,087	998,106	-
Rep Agreement	3,031,338	3,031,338	-	-	-
Total	<u>\$ 75,807,339</u>	<u>\$ 3,031,338</u>	<u>\$ 3,003,087</u>	<u>\$ 998,106</u>	<u>\$ 68,774,808</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for managing this risk is to comply with the rules of the Money Management Council. The Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to five to ten percent depending upon the total dollar amount held in the portfolio. The size of the City's portfolio allows for no more than five percent of total cash and investments to be invested in any one issuer of commercial paper or corporate obligations. The City's investment policy also states that investments should be spread across industries and institutions to reduce concentration of credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy for managing custodial credit risk is to adhere to the Money Management Act, which provides a list of certified investment dealers. At June 30, 2011, \$20,381,517 was held by the counterparty's trust department or agent in the City's name. These deposits are not covered by depository insurance and are not collateralized.

**Note 4 – Receivables and Payables**

Receivables

Allowances for doubtful accounts are as follows:

Allowances related to water and sewer receivables	\$ 17,000
Allowances related to electric receivables	25,000
Allowances related to environmental health receivables	12,000
Total	<u>\$ 54,000</u>

Revenues of the water and sewer, sewer treatment, electric, environmental health, and storm water management funds are recorded net of uncollectible amounts. The uncollectible amounts related to revenues of the current period are as follows:

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Uncollectibles related to communication center	\$ 2,770
Uncollectibles related to water and sewer	37,176
Uncollectibles related to sewer treatment	13,512
Uncollectibles related to electric	92,192
Uncollectibles related to environmental health	19,881
Uncollectibles related to storm water management	6,444
Total	<u>\$ 171,975</u>

Governmental funds report deferred revenue in connection with accounts receivable that are not considered to be available (not collected within 60 days of year end) to liquidate liabilities of the current period. Governmental funds also defer revenue in connection with resources that have been received, but are not earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Fund	Unavailable	Unearned
General fund:		
Property tax	\$ 2,624,960	\$ -
Justice court bail	-	26,187
Miscellaneous	-	59,590
Redevelopment agency:		
Property tax	3,985,214	-
Notes receivable	358,863	-
Other governmental:		
Property tax	1,464,397	-
Assessments receivable	525,160	-
Miscellaneous	-	110,616
Total	<u>\$ 8,958,594</u>	<u>\$ 196,393</u>

Receivables not expected to be collected within one year include the following:

RDA notes	\$ 358,863
Other governmental fund assessments	479,133
Total	<u>\$ 837,996</u>

The RDA has four notes receivable from specific businesses located in the Northwest RDA. As part of agreements to develop land, the RDA sold land in exchange for a note receivable. The notes are to be forgiven as property tax increment is collected from the development of the land. If the business fails to generate property tax increment sufficient to cover the note, the business is responsible for the repayment.

Payables

Within accrued liabilities is accrued payroll payable. As of June 30, 2011, the City had the following accrued payroll liabilities:

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Fund	Amount
General fund	\$ 924,137
Other governmental	124,312
Golf course	30,805
Water and sewer	84,999
Sewer treatment	6,598
Electric	142,297
Environmental health	154,388
Storm water management	3,663
Internal service	41,442
Total	<u>\$ 1,512,641</u>

**Note 5 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 15,990,214	\$ 142,102	\$ -	\$ -	\$ 16,132,316
Book collection	1,382,220	-	-	(1,382,220)	-
Construction in progress	444,597	507,376	-	(246,016)	705,957
Total capital assets, not being depreciated	<u>17,817,031</u>	<u>649,478</u>	<u>-</u>	<u>(1,628,236)</u>	<u>16,838,273</u>
Capital assets, being depreciated:					
Buildings	36,810,259	86,058	(45,789)	-	36,850,528
Improvements other than buildings	11,400,567	469,467	-	246,016	12,116,050
Equipment	13,548,383	482,386	(240,261)	1,382,220	15,172,728
Infrastructure	38,323,132	512,315	-	-	38,835,447
Total capital assets being depreciated	<u>100,082,341</u>	<u>1,550,226</u>	<u>(286,050)</u>	<u>1,628,236</u>	<u>102,974,753</u>
Less accumulated depreciation for:					
Buildings	(19,665,842)	(1,165,854)	45,789	-	(20,785,907)
Improvements other than buildings	(1,937,059)	(240,995)	-	-	(2,178,054)
Equipment	(9,928,211)	(1,118,768)	234,693	-	(10,812,286)
Infrastructure	(23,186,456)	(595,442)	-	-	(23,781,898)
Total accumulated depreciation	<u>(54,717,568)</u>	<u>(3,121,059)</u>	<u>280,482</u>	<u>-</u>	<u>(57,558,145)</u>
Total capital assets, being depreciated, net	<u>45,364,773</u>	<u>(1,570,833)</u>	<u>(5,568)</u>	<u>1,628,236</u>	<u>45,416,608</u>
Governmental activities capital assets, net	<u>\$ 63,181,804</u>	<u>\$ (921,355)</u>	<u>\$ (5,568)</u>	<u>\$ -</u>	<u>\$ 62,254,881</u>

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:					
Land	\$ 7,086,884	\$ 296,051	\$ -	\$ -	\$ 7,382,935
Construction in progress	1,692,195	6,771,578	-	(218,065)	8,245,708
Total capital assets, not being depreciated	<u>8,779,079</u>	<u>7,067,629</u>	<u>-</u>	<u>(218,065)</u>	<u>15,628,643</u>
Capital assets, being depreciated:					
Buildings	10,849,030	1,603,175	-	218,065	12,670,270
Improvements other than buildings	90,328,034	1,253,791	(11,030)	-	91,570,795
Equipment	51,901,227	907,924	(748,309)	-	52,060,842
Total capital assets being depreciated	<u>153,078,291</u>	<u>3,764,890</u>	<u>(759,339)</u>	<u>218,065</u>	<u>156,301,907</u>
Less accumulated depreciation for:					
Buildings	(5,827,272)	(444,215)	-	-	(6,271,487)
Improvements other than buildings	(22,800,180)	(1,865,873)	5,348	-	(24,660,705)
Equipment	(32,093,020)	(2,297,435)	724,203	-	(33,666,252)
Total accumulated depreciation	<u>(60,720,472)</u>	<u>(4,607,523)</u>	<u>729,551</u>	<u>-</u>	<u>(64,598,444)</u>
Total capital assets, being depreciated, net	<u>92,357,819</u>	<u>(842,633)</u>	<u>(29,788)</u>	<u>218,065</u>	<u>91,703,463</u>
Business-type activities capital assets, net	<u>\$ 101,136,898</u>	<u>\$ 6,224,996</u>	<u>\$ (29,788)</u>	<u>\$ -</u>	<u>\$ 107,332,106</u>

Depreciation expense is charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 487,776
Public safety	968,183
Public works	850,253
Parks, recreation and culture	721,122
Capital assets held by internal service funds	93,725
Total	<u>\$ 3,121,059</u>
<b>Business-type activities:</b>	
Water and sewer	\$ 1,335,969
Sewer treatment	370,311
Electric	1,557,941
Environmental health	1,009,528
Storm water management	207,289
Golf course	126,485
Total	<u>\$ 4,607,523</u>

**Note 6 – Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2011, is as follows:

Receivable fund	Payable fund	Amount	Not Expected to be Repaid Within 1 Year
General fund	Redevelopment agency	\$ 775,000	\$ 775,000
Environmental health fund	Redevelopment agency	90,000	90,000
Electric fund	Golf course	1,500,000	1,500,000
Total		<u>\$ 2,365,000</u>	<u>\$ 2,365,000</u>

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Due from and due to balances result from interfund loans and are recorded as current assets and liabilities in the financial statements.

**Note 7 – Interfund Transfers**

The City routinely budgets transfers to various funds to finance operating costs in those funds. In addition, the City routinely transfers amounts from the enterprise funds to the general fund as a return on investment for those operations.

Transfers Out	Transfers In				Total
	Governmental		Business-type		
	General Fund	Nonmajor Governmental	Water and Sewer	Golf Course	
General fund	\$ -	\$ 3,318,619	\$ -	\$ 372,600	\$ 3,691,219
Redevelopment agency	-	-	72,000	-	72,000
Nonmajor governmental	123,065	203,088	-	-	326,153
Water and sewer	691,840	-	-	-	691,840
Sewer treatment	314,161	-	-	-	314,161
Electric	2,761,408	-	-	-	2,761,408
Environmental health	762,735	-	-	-	762,735
Total	\$ 4,653,209	\$ 3,521,707	\$ 72,000	\$ 372,600	\$ 8,619,516

**Note 8 – Leases**

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. The terms of these leases range from three to twelve years with interest rates from 3.99 to 4.88 percent. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of inception.

Assets currently under capital lease are as follows:

Asset	Governmental Activities
Machinery and equipment	\$ 1,407,450
Less: accumulated depreciation	(493,728)
Total	\$ 913,722

The future minimum lease obligations as of June 30, 2011, are as follows:

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NOTES TO THE FINANCIAL STATEMENTS

Fiscal Year	Governmental Activities
2012	\$ 201,477
2013	201,477
2014	201,478
2015	152,812
2016	79,132
2017-2021	395,658
Total minimum lease payments	1,232,034
Less: amounts representing interest	(217,992)
Present value of minimum lease payments	<u>\$ 1,014,042</u>

**Note 9 – Long-Term Debt**

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 5,270,000	\$ -	\$ (425,000)	\$ 4,845,000	\$ 450,000
Revenue bonds	11,291,000	-	(1,397,000)	9,894,000	1,422,000
Deferred amounts:					
Deferred loss on refunding	(221,741)	-	36,957	(184,784)	-
Premium	186,492	-	(30,248)	156,244	-
Total bonds payable	<u>16,525,751</u>	<u>-</u>	<u>(1,815,291)</u>	<u>14,710,460</u>	<u>1,872,000</u>
Notes payable	129,810	-	(126,345)	3,465	3,465
Capital leases	1,219,068	-	(205,026)	1,014,042	154,244
Compensated absences	1,429,771	1,275,596	(1,115,298)	1,590,069	1,268,812
Governmental activity long-term liabilities	<u>\$ 19,304,400</u>	<u>\$ 1,275,596</u>	<u>\$ (3,261,960)</u>	<u>\$ 17,318,036</u>	<u>\$ 3,298,521</u>
<b>Business-type activities:</b>					
Bonds payable:					
Revenue bonds	27,085,000	-	(3,200,000)	23,885,000	2,903,000
Deferred amounts:					
Deferred loss on refunding	(279,481)	-	30,546	(248,935)	-
Total bonds payable	<u>26,805,519</u>	<u>-</u>	<u>(3,169,454)</u>	<u>23,636,065</u>	<u>2,903,000</u>
Capital leases	49,340	-	(49,340)	-	-
Compensated absences	639,186	577,511	(489,084)	727,613	565,052
Business-type activity long-term liabilities	<u>\$ 27,494,045</u>	<u>\$ 577,511</u>	<u>\$ (3,707,878)</u>	<u>\$ 24,363,678</u>	<u>\$ 3,468,052</u>

For governmental funds, compensated absences are typically liquidated through the general fund.

**General Obligation Bonds**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

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In August 2005, the City issued \$6,820,000 in General Obligation Refunding Bonds. Proceeds from the bonds were used to refund all of the outstanding 1999 General Obligation bonds. The bonds bear interest rates of 3.75 to 5.00 percent. The refunding will save the City \$250,456 of debt service expense over the life of the bonds, and will result in an economic gain of \$223,040. The refunded 1999 Parks and Recreation General Obligation Bonds were issued for the construction of parks, trails, a skate park, and an outdoor swimming pool facility, which are related to governmental activities. Refunded 1999 bonds in the amount of \$4,285,000 were outstanding as of June 30, 2011.

Annual debt service requirements to maturity for the general obligation bonds are as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2012	\$ 450,000	\$ 197,760
2013	475,000	177,010
2014	485,000	155,385
2015	510,000	130,510
2016	535,000	104,385
2017-2020	2,390,000	187,332
Total	<u>\$ 4,845,000</u>	<u>\$ 952,382</u>

Revenue Bonds

The City issues revenue bonds to finance the purchase of major capital items and the acquisition or construction of major capital facilities.

In June 2008, the City obtained approval for the issuance of \$3,000,000 in Water Revenue Bonds. The bonds were deemed federally taxable. The bonds were purchased by the State Drinking Water Board and funds were to be delivered to the City through a process of advances into a trustee account as expenses were incurred. In fiscal year 2008, \$1,500,000 of bond proceeds were advanced to the City. In fiscal year 2009, \$1,309,000 of bond proceeds were advanced to the City for a total of \$2,809,000 outstanding. The remaining balance of \$191,000 was not utilized. The bonds bear an interest rate of 1.14 percent. Proceeds of the bonds were used to repair and reconstruct the Dewitt Springs water line.

In June 2008, the City issued \$7,035,000 in Water Revenue Bonds. The bonds bear an interest rate of 4.04 percent. Proceeds of the bonds were used to repair and reconstruct the Dewitt Springs water line.

In October 2007, the City issued \$3,032,000 in Storm Water Revenue Bonds. The bonds bear an interest rate of 3.96 percent. Proceeds of the bonds were used to construct the Dry Canyon debris dam.

In November 2006, the City issued \$3,485,000 in Sewer Revenue Refunding Bonds. The bonds bear an interest rate of 3.93 percent. The bonds were issued to advance refund part of the 2002 Sewer Revenue Bonds. The refunded 2002 bonds will be redeemed on June 15, 2012.

In November 2006, the City issued \$2,595,000 in Water Revenue Refunding Bonds. The bonds bear an interest rate of 3.93 percent. The bonds were issued to advance refund part of the 1998 Water Revenue Bonds.

In August 2006, the City issued \$3,290,000 in Excise Tax Revenue Bonds. The bonds bear an interest rate of 4.26 percent. The bonds were issued for the construction of roads and related improvements.

In September 2004, the City issued \$5,000,000 in Water Revenue Bonds. The bonds were deemed federally taxable. The bonds were purchased by the State Drinking Water Board and funds were to be delivered to the City through a process of advances into a trustee account as expenses were incurred. The State Drinking Water Board also agreed to forgive eight percent of the incremental bond issuance or \$400,000 of debt, for a net debt of \$4,600,000. Proceeds from the bonds were

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used to finance a portion of the costs of design, acquisition, and construction of a water storage tank, water mains, and other improvements. The bonds bear an interest rate of 2.57 percent.

In January 2004, the City issued \$9,715,000 in Sales Tax Revenue Refunding Bonds. The bonds bear interest rates of 1.80 to 3.90 percent. The bonds were issued to advance refund three previously issued Municipal Building Authority bonds.

Bond trust indentures of certain revenue bonds specify the City maintain net revenue to debt service coverage ratios. As of June 30, 2011, the City has met this requirement.

Revenue bonds outstanding as of June 30, 2011, are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
2008 Water & Sewer	4.04%	\$ 5,935,000
2008 State Drinking Water	1.14%	2,539,000
2007 Storm Water	3.96%	2,250,000
2006 Excise Tax	4.26%	2,255,000
2004A-B Sales Tax	1.80% - 3.90%	5,020,000
2003B-C RDA Sales Tax	1.58% - 4.00%	2,475,000
1992 PCIB	4.50%	144,000
2006 Sewer Treatment	3.93%	3,425,000
2006 Water & Sewer	3.93%	2,535,000
2005A Water & Sewer	4.50%	411,000
2004 State Drinking Water	2.57%	3,800,000
2004 Electric	3.00% - 3.50%	960,000
2002 Sewer Treatment - partial defeasance	3.00% - 4.80%	1,900,000
1998 Water & Sewer - partial defeasance	3.70% - 4.65%	130,000
Total		<u>\$ 33,779,000</u>

Revenue bond debt service requirements to maturity are as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2012	\$ 1,422,000	\$ 369,999	\$ 2,903,000	\$ 806,988
2013	1,504,000	317,068	1,978,000	718,348
2014	1,477,000	260,561	2,009,000	643,077
2015	1,526,000	207,019	2,054,000	566,079
2016	1,585,000	149,543	2,091,000	486,864
2017-2021	2,380,000	96,710	9,196,000	1,391,683
2022-2026	-	-	3,350,000	206,269
2027-2028	-	-	304,000	5,073
Total	<u>\$ 9,894,000</u>	<u>\$ 1,400,900</u>	<u>\$ 23,885,000</u>	<u>\$ 4,824,381</u>

Note Payable

A note payable has been issued for the purchase of land and buildings in the governmental activities. The interest rate of the note and its balance is as follows:

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Purpose	Interest Rates	Amount
Zann Horlacher	10.50%	\$ 3,465
Total		<u>\$ 3,465</u>

The note payable debt service requirement to maturity is as follows:

Fiscal Year	Governmental Activities	
	Principal	Interest
2012	\$ 3,465	\$ 43
Total	<u>\$ 3,465</u>	<u>\$ 43</u>

**Note 10 – Restricted Assets**

According to bond requirements, the City often uses a trustee to make periodic bond payments. The balances held by the trustee at year end are restricted for debt service.

**Note 11 – Risk Management**

The City is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Accordingly, the City participates in the Utah Local Governments Insurance Trust, a public entity risk pool. The City has a \$250,000 liability deductible and insurance cap of \$10,000,000. The City also has \$50,000,000 in earthquake insurance. The City accounts for its risk management activities through an internal service fund.

The City has not incurred claims settlements in excess of insurance coverage for the past three years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact science as it depends on many factors including professional judgment, changes in legal doctrines, and damage awards. Changes in the balances of claims liabilities are as follows:

Claims Liabilities	June 30, 2011	June 30, 2010
Unpaid claims, beginning	\$ 346,520	\$ 238,267
Incurred claims & changes in estimates (including IBNR)	88,960	332,075
Claims paid	(178,500)	(223,822)
Unpaid claims, ending	<u>\$ 256,980</u>	<u>\$ 346,520</u>

**Note 12 – Commitments and Contingencies**

Redevelopment Projects

The City has established six redevelopment projects and one economic development project. Certain projects have received interfund loans from other funds to make various improvements within the project areas. Interfund loans are to be repaid from property tax increment. The funds that have made loans to the redevelopment projects bear the risk that future tax increment may not be sufficient to repay the loans. At June 30, 2011, the redevelopment projects have interfund loans payable of \$865,000 to other City funds.

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State statutes applicable to four redevelopment projects require 20 percent of the tax increment generated within the project area to be restricted for low-income housing. The Logan 600 West economic development project and the Logan Downtown development project require 20 percent of the increment generated to be restricted for low-income housing as it is collected. As of June 30, 2011, \$394,520 has been collected and set aside for this purpose. The Logan North Main project and the Logan North Retail project have housing allocations that are back-loaded; that is, the increment is not required to be restricted until the last five years of the project. As of June 30, 2011, these projects have collected \$3,590,582 of tax increment, 20 percent of which is \$718,116. The final years of operation for the Logan North Main project and the Logan North Retail project are 2016 and 2017, respectively.

**Tax Increment Rebates**

The City has entered into several incentive agreements with developers or businesses to pay tax rebate incentives for development within City limits. Rebate requirements vary by agreement and are contingent upon sufficient tax increment actually being received by the City. Tax rebate incentives outstanding as of June 30, 2011 are as follows:

Description	Gross Commitment	Current Year Rebate	Rebates-to- Date
Agreement #1	\$ 66,600	\$ -	\$ -
Agreement #2	52,258	3,746	52,258
Agreement #3	917,287	83,390	667,120
Agreement #4	n/a	255,441	1,595,746
Agreement #5	1,500,000	82,795	582,550
Agreement #6	687,500	68,381	478,771
Agreement #7	1,500,000	186,474	516,171
Agreement #8	4,800,000	181,658	388,326
Agreement #9	220,000	10,930	46,504
Agreement #10	225,000	32,479	103,081
Agreement #11	68,431	5,211	10,534
Agreement #12	352,827	-	-
Agreement #13	235,000	7,353	14,818
Agreement #14	250,000	18,388	27,118
Agreement #15	426,000	-	-
Agreement #16	101,029	-	-
Agreement #17	100,000	-	-
Agreement #18	98,318	-	-
Total	<u>\$ 11,600,250</u>	<u>\$ 936,246</u>	<u>\$ 4,482,997</u>

Agreement number four is a property tax increment rebate agreement with no maximum amount. The City is to remit 95 percent of the tax increment received. The agreement is in effect through fiscal year 2012.

**Note 13 – Employee Retirement Systems and Pension Plans**

Cost-sharing multiple-employer defined benefit public employee pension plan

The City contributes to a Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and a Firefighters Retirement System, all of which are defined benefit pension plans that provide retirement benefits, annual cost of living adjustments, refund, and death benefits to plan members and beneficiaries in accordance with retirement statutes. The Public Safety Contributory is an agent multiple-employer and the other plans are cost sharing multiple-employer pension plans administered by the Utah Retirement Systems (Systems).

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The Utah State Retirement Act provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the City of Logan Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Plan members in the Local Governmental Contributory division are required to contribute 6.00 percent of their salary (all of which was paid by the employer for the employee) and the City is required to contribute 9.36 percent of their annual salary. For the members in the Local Governmental Noncontributory division, the City is required to contribute 13.37 percent of their annual salary. Members in the Public Safety Contributory division are required to contribute 11.13 percent of their salary (all of which was paid by the employer for the employee) and the City is required to pay 20.95 percent of their annual salary. For the members in the Public Safety Noncontributory division, the City is required to contribute 31.49 percent of their annual salary. Members in the Firefighters System division are required to pay 16.18 percent of their salary (all of which was paid by the employer for the employee). The contribution rates are the actuarially determined rates. The contribution requirements of the system are authorized by statute and specified by the Board. All contributions were made in accordance with the plan.

The City's Public Safety Contributory systems annual pension cost of \$166,911 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include (1) 7.75 percent investment rate of return, (2) projected salary increases of 4.0 percent, and (3) 2.5 percent cost of living adjustment. Both (1) and (2) above include an inflation component of 3.0 percent. The City's unfunded actuarial accrued liability is being amortized over an open 25 year amortization period. Amortized payments are designed to remain level as a percent of payroll.

Local Governmental System - Contributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2011	\$ -	\$ 6,705	\$ 10,460	\$ 111,752
2010	-	6,517	8,309	108,620
2009	-	5,992	7,600	99,872

Local Governmental System - Noncontributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2011	\$ -	\$ -	\$ 1,678,529	\$ 12,554,447
2010	-	-	1,463,302	12,549,752
2009	-	-	1,471,544	12,663,885

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Public Safety – Contributory

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
2011	\$ -	\$ 57,909	\$ 109,002	\$ 520,297
2010	-	57,143	91,439	513,412
2009	-	56,648	74,360	508,965

Public Safety - Noncontributory

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
2011	\$ -	\$ -	\$ 682,370	\$ 2,166,943
2010	-	-	614,165	2,214,005
2009	-	-	550,487	2,160,467

Utah Firefighters Retirement System

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
2011	\$ -	\$ 417,069	\$ -	\$ 2,577,685
2010	-	233,728	-	2,414,542
2009	-	230,571	-	2,381,928

Public Safety - Contributory Three-Year Trend Information (Agent-Multiple Plan)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 166,911	100%	\$ -
2010	148,582	100%	-
2009	131,008	100%	-

Schedule of Funding Progress for Logan City Public Safety

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (B-A)	Funded Ratios (A/B)	Covered Payroll (C)	UAAL Covered Payroll ((B-A)/C)
12/31/2010	\$ 19,635,000	\$ 25,410,000	\$ 5,775,000	77%	\$ 2,710,000	213%
1/1/2010	19,334,000	24,095,000	4,761,000	80%	2,890,000	165%
1/1/2009	18,949,000	22,792,000	4,366,000	83%	2,482,000	155%

Defined Contribution Retirement Plan

The City also participates in defined contribution plans (401(k), 457, and IRAs) sponsored and administered by the Utah Retirement Systems. The plans are available as supplemental plans to the basic defined benefit plans and cover all employees

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eligible for the defined benefit plans. Voluntary contributions may be made into the plans subject to plan and Internal Revenue Code limitations. The City also contributes to the plans. All of the assets and income of the plans are held in trust for the exclusive benefit of the participants or their beneficiaries. Contributions to the plans were as follows:

457 Contributions

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>
2011	\$ 220,224	\$ 107,181
2010	232,406	87,765
2009	184,354	43,862

401(k) Contributions

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>
2011	\$ 676,763	\$ 425,776
2010	646,574	408,357
2009	715,569	445,676

Traditional IRA Contributions

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>
2011	\$ 200	\$ -
2010	-	-
2009	-	-

Roth IRA Contributions

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>
2011	\$ 8,739	\$ -
2010	9,291	-
2009	2,609	-

The City also offers a defined contribution retirement pension plan that covers the appointed City officials that are permitted by state law to withdraw from the Utah State Retirement System. Contributions to the plan are based on the same rates of contributions that were being paid to the Utah State Retirement System defined benefit plans. For fiscal year 2011, the employer contributions were \$127,116.

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**Note 14 – Economic Dependency**

Utah State University is a significant customer of the City's enterprise funds. During fiscal year 2011, sales to Utah State University totaled \$2,390,747.

**Note 15 – Environmental Health Landfill Closure and Post-Closure Costs**

The City owns and operates a landfill that manages solid waste for the entire county. State and federal laws require the City to close the landfill when it reaches capacity and to monitor and maintain the site for thirty subsequent years. The City recognizes a portion of these costs in each operating period even though actual payouts will not occur until the landfill is closed. The amount recognized each year is based on the percent landfill capacity used as of the balance sheet date. There are several methodologies used to close a landfill, which result in varying costs and landfill capacities. The following cost estimates are based on the current methodology, which includes a dome-shaped landfill cap.

As of June 30, 2011, the City had incurred a liability of \$4,027,215 which represents the cost reported to date based on a 55.6 percent estimate of the landfill capacity used. Closure and post-closure costs were estimated to be \$7,247,477 in a 2007 engineering study. The remaining estimated liability is \$3,220,262, which will be recognized as the remaining capacity is used (estimated closing date is 2023). The estimated cost of closure and post-closure care is subject to change.

According to state and federal law, the City is required to establish a trust fund with an independent third party to accumulate assets needed for the payout of closure costs. Currently, assets reported as restricted assets totaling \$1,645,005 are held for this purpose.

Annually, the City files a financial assurance report for closure and post-closure costs with the Utah Department of Environmental Quality. The Department of Environmental Quality subsequently analyzes the sufficiency of reserve funds to meet future costs.

**Note 16 – Redevelopment Agency**

In accordance with the Utah State Code, municipalities having established Redevelopment Agencies are required to disclose certain revenues and expenditures associated with the various project areas. The revenues and expenditures associated with the City's redevelopment areas are as follows:

<b>Logan Downtown RDA</b>		
Revenues:		
Tax increment collected	\$	225,241
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		66,533
Tax increment rebate		12,564
Debt:		
City of Logan		-

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<b>Logan River RDA</b>		
Revenues:		
Tax increment collected	\$	607,221
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		25,324
Tax increment rebate		-
Debt:		
Revenue bonds		2,475,000

<b>Logan South Main RDA</b>		
Revenues:		
Tax increment collected	\$	772,537
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		31,799
Tax increment rebate		236,271
Debt:		
City of Logan		580,000

<b>Logan Northwest RDA</b>		
Revenues:		
Tax increment collected	\$	361,841
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		15,333
Tax increment rebate		-
Debt:		
City of Logan		120,000

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<b>Logan North Main RDA</b>		
Revenues:		
Tax increment collected	\$	89,757
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		-
Tax increment rebate		-
Debt:		
City of Logan		165,000

<b>Logan North Retail RDA</b>		
Revenues:		
Tax increment collected	\$	420,656
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		20,027
Tax increment rebate		421,626
Debt:		
City of Logan		-

<b>Logan 600 West RDA</b>		
Revenues:		
Tax increment collected	\$	615,056
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		65,476
Tax increment rebate		265,785
Debt:		
City of Logan		-

**Note 17 – Investments in Power Projects and Related Contracts**

Colorado River Storage Project (CRSP)

The Colorado River Storage Project is managed by Western Area Power Authority, which is a division of the Department of Energy. Logan City is a preference customer of CRSP and has an allocation and a right to use a proportionate share of the hydro-electric power generated from the project. The City has the right to 22 MW of winter and 17 MW of summer capacity, when the project is producing the rated amount of electricity. The generation is primarily based on water flow.

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Intermountain Power Association (IPA)

The City has entered into a power sales contract that expires in June 2027, to purchase 2.47 percent of the output of the Intermountain Power Project Units 1 & 2. As long as any of the Intermountain Power Agency Bonds are outstanding, the contract cannot be terminated nor amended in a manner that will impair or adversely affect the rights of any of the members.

Deseret Generation and Transmission Cooperative (DG&T)

The City entered in to a wholesale power contract with Deseret Generation and Transmission in June 2004. The contract is a long-term sale of 15 MW of unit firm capacity and associated energy from DG&T's Bonanza unit 1 for the period June 30, 2004 through June 30, 2015. Under the terms of the contract, DG&T has committed capacity from Bonanza and will deliver associated energy based on scheduling instructions provided by the City.

Utah Associated Municipal Power Systems (UAMPS)

UAMPS is a governmental agency that provides comprehensive wholesale electric services, on a nonprofit basis, to municipalities throughout the Intermountain West. The City is obligated to UAMPS through power service contracts for the consequences of "take-or-pay" contracts with UAMPS customers. UAMPS service charges to the City include the City's proportionate obligation for the following items:

UAMPS Hunter II Project

In June 1982, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Hunter Project Revenue and Refunding Bonds have been paid, or (2) the final shut down date of the Hunter Steam Electric Generating Unit No. 2 (Hunter II), or (3) June 1, 2032. The contract entitles the City to approximately 2.95 percent of the output of the project. As a participant in the project, the City is obligated for 20.02 percent of the debt service on approximately \$1,210,000 in revenue bonds outstanding at June 30, 2011.

UAMPS Craig-Mona Transmission Project

In January 1989, the City entered into a transmission service contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Craig-Mona Transmission Project Refunding and Revenue Bonds have been paid, or (2) UAMPS shall no longer have any rights with respect to the project under the applicable participation agreements, or (3) November 6, 2030. The contract entitles the City to approximately 1.22 percent of the transmission capability of the Craig to Bonanza 345 KV transmission line and approximately 4.4 MW of transmission capability of the Bonanza to Mona 345 KV transmission line and associated facilities.

UAMPS Payson (Nebo) Project

In March 2003, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Payson Revenue Bonds have been paid, or (2) the date of the final payment of all obligations under the Project Agreements, or (3) April 1, 2026. The contract entitles the City to 12.92 percent of the scheduled output of the Payson Generating Station. As a participant in the UAMPS Payson Project, the City is obligated for 12.41 percent of the debt service on approximately \$81,710,000 in Revenue Bonds outstanding at June 30, 2011. In addition, the City is obligated for 40.54 percent of the debt service on approximately \$2,038,000 of debt also outstanding on this project.

UAMPS Pleasant Valley PPM Energy Wind Project

In January 2004, the City entered into a power sales contract with UAMPS that expires in January 2029. The City agreed to purchase two MW of power at a fixed rate of \$48.11 per MWH. In March 2008, the City acquired an additional two MW of

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wind power, for a total of four MW. The City agreed to purchase the power on a percentage-of-availability basis as it is generated.

All-In Cost Pool

UAMPS Pool Project Participants formed the “All-In” Pool in a desire to more cooperatively and efficiently manage member load and resource situations. The pool provides an environment that encourages participants to jointly acquire resources as needed, thus taking advantage of economies of scale. Each of the participants in the pool has agreed to sell their excess power to and purchase additional power needs from the pool at cost. Any additional power needs for the group may be purchased in one large block at market prices. In addition, any excess power to be sold may be sold in a similar manner.

**Note 18 – Industrial Revenue Bonds**

The City authorized the issuance of Industrial Revenue Bonds to Sunshine Terrace, a health care facility. Sunshine Terrace is responsible for all bond payments and neither the City nor its resources are liable for repayment. On December 12, 1996, \$3,825,000 in City of Logan, Cache County, Utah Assisted Living Mortgage Revenue Bonds, Series 1996 were issued. The bonds are scheduled to mature on December 1, 2016.

On June 1, 1999, the City authorized the issuance of Industrial Revenue Bonds, which have been assumed by Young Electric Sign Company (YESCO). YESCO is responsible for all bond payments and neither the City nor its resources are liable for repayment. On June 3, 1999, \$3,385,000 in Logan City, Cache County, Utah Variable Rate Demand/Fixed Rate Tax-Exempt Revenue Bonds, Series 1999A were issued. Principal payments began in 2006. The bonds are scheduled to mature on June 1, 2012.

On December 17, 2001, the City authorized the issuance of Industrial Revenue Bonds to Scientific Technology Incorporated in the amount of \$2,100,000. In July 2006, the City Council approved the transfer of liability from Scientific Technology Incorporated to Ardenwood LLC. Ardenwood LLC is responsible for all bond payments and neither the City nor its resources are liable for repayment. The bonds are scheduled to mature on August 1, 2031.

**Note 19 – Fund Balances**

Fund balance is categorized as follows:

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<b>Fund Balances</b>	<b>General</b>	<b>Redevelopment Agency</b>	<b>Other Governmental funds</b>	<b>Total</b>
Nonspendable:				
Inventory	\$ 7,539	\$ -	\$ -	\$ 7,539
Interfund receivables	775,000	-	-	775,000
Prepaid assets	57,925	-	-	57,925
Restricted for:				
Debt service	1,039,523	107	-	1,039,630
Capital activities	2,766,210	-	-	2,766,210
Law enforcement	250,363	-	6,224	256,587
Parks and recreation	-	-	49,885	49,885
Library	-	-	144,323	144,323
Redevelopment	-	1,784,259	-	1,784,259
Committed to:				
Library	-	-	540,938	540,938
Recreation Center maintenance	-	-	225,276	225,276
Willow Park Zoo	-	-	131,886	131,886
Communications Center	-	-	1,279,803	1,279,803
Special improvements	-	-	2,207	2,207
Cemetery	-	-	317,198	317,198
Capital projects	-	-	6,624,487	6,624,487
Assigned to:				
Law enforcement	7,000	-	-	7,000
Public works	49,690	-	-	49,690
Unassigned:	5,608,584	-	-	5,608,584
<b>Total</b>	<b>\$ 10,561,834</b>	<b>\$ 1,784,366</b>	<b>\$ 9,322,227</b>	<b>\$ 21,668,427</b>

Required Supplementary Information

**City of Logan  
General Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 2,909,925	\$ 2,909,925	\$ 2,933,285	\$ 23,360
Sales tax	7,220,837	7,220,837	7,638,622	417,785
Other taxes and fees	4,780,000	4,780,000	5,178,084	398,084
Licenses and permits	643,500	643,500	691,361	47,861
Intergovernmental	2,192,052	6,014,474	3,186,175	(2,828,299)
Administrative fees	3,693,209	3,660,116	3,660,116	-
Charges for services	2,505,750	2,542,759	2,742,742	199,983
Fines	945,000	946,240	912,313	(33,927)
Investment earnings	142,000	142,000	281,868	139,868
Miscellaneous	60,000	62,800	367,547	304,747
Total revenues	<u>25,092,273</u>	<u>28,922,651</u>	<u>27,592,113</u>	<u>(1,330,538)</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Municipal council	136,286	126,286	121,965	4,321
Administration	1,289,866	1,322,488	1,212,122	110,366
Non-departmental	765,759	610,402	516,090	94,312
Finance	1,302,533	1,312,410	1,281,702	30,708
City attorney	513,534	518,434	504,808	13,626
Human resources	326,354	328,286	260,429	67,857
Community development	1,859,480	2,359,605	1,984,952	374,653
Total general government	<u>6,193,812</u>	<u>6,577,911</u>	<u>5,882,068</u>	<u>695,843</u>
Public safety:				
Police department	6,213,559	6,684,651	6,308,085	376,566
Fire department	4,628,341	4,725,989	4,579,312	146,677
Total public safety	<u>10,841,900</u>	<u>11,410,640</u>	<u>10,887,397</u>	<u>523,243</u>
Public works:				
Public works department	6,262,500	9,140,191	6,104,855	3,035,336
Total public works	<u>6,262,500</u>	<u>9,140,191</u>	<u>6,104,855</u>	<u>3,035,336</u>
Parks and recreation:				
Parks and recreation department	3,020,808	3,736,701	3,404,002	332,699
Total parks and recreation	<u>3,020,808</u>	<u>3,736,701</u>	<u>3,404,002</u>	<u>332,699</u>
Debt service:				
Principal	1,848,371	1,848,371	1,848,371	-
Interest	623,118	623,118	613,150	9,968
Total debt service	<u>2,471,489</u>	<u>2,471,489</u>	<u>2,461,521</u>	<u>9,968</u>
Total expenditures	<u>28,790,509</u>	<u>33,336,932</u>	<u>28,739,843</u>	<u>4,597,089</u>
Revenues over (under) expenditures	<u>(3,698,236)</u>	<u>(4,414,281)</u>	<u>(1,147,730)</u>	<u>3,266,551</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,530,144	4,653,210	4,653,209	(1)
Transfers out	(4,171,908)	(4,724,569)	(3,691,219)	1,033,350
Sale of fixed assets	-	-	56,285	56,285
Total other financing sources (uses)	<u>358,236</u>	<u>(71,359)</u>	<u>1,018,275</u>	<u>1,089,634</u>
Net change in fund balance	(3,340,000)	(4,485,640)	(129,455)	4,356,185
Fund balance, beginning	10,691,289	10,691,289	10,691,289	-
Fund balance, ending	<u>\$ 7,351,289</u>	<u>\$ 6,205,649</u>	<u>\$ 10,561,834</u>	<u>\$ 4,356,185</u>

**City of Logan  
Redevelopment Agency  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 3,692,338	\$ 3,692,338	\$ 3,092,309	\$ (600,029)
Investment earnings	1,024	1,024	3,191	2,167
Miscellaneous	16,243	16,243	19,454	3,211
Total revenues	<u>3,709,605</u>	<u>3,709,605</u>	<u>3,114,954</u>	<u>(594,651)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	1,326,225	1,492,368	1,160,737	331,631
Debt Service:				
Principal	305,000	305,000	305,000	-
Interest	106,638	106,638	104,638	2,000
Capital Outlay:				
Public works	775,351	997,351	-	997,351
Total expenditures	<u>2,513,214</u>	<u>2,901,357</u>	<u>1,570,375</u>	<u>1,330,982</u>
Revenues over (under) expenditures	<u>1,196,391</u>	<u>808,248</u>	<u>1,544,579</u>	<u>736,331</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(72,000)	(72,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(72,000)</u>	<u>(72,000)</u>
Net change in fund balance	1,196,391	808,248	1,472,579	664,331
Fund balance, beginning	311,787	311,787	311,787	-
Fund balance, ending	<u>\$ 1,508,178</u>	<u>\$ 1,120,035</u>	<u>\$ 1,784,366</u>	<u>\$ 664,331</u>

CITY OF LOGAN  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

**Note 1 – Budgetary Information**

The City is required by state statute and the Uniform Fiscal Procedures Act for Utah Cities to adopt annual budgets for the general fund, special revenue funds, capital projects funds, and enterprise funds. Budgets for the general fund, special revenue funds, and capital projects funds are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the enterprise funds are prepared on the modified accrual basis. These budgets are, therefore, adopted on a non-GAAP basis.

On or before May 1st, the Mayor submits to the City Council a proposed budget for the fiscal year beginning July 1st. The budget includes proposed expenditures or expenses and the means of financing them. Prior to formal adoption of the budget, the Council holds budget workshop meetings, which are open to the public. In addition, the Council holds a public hearing at which time taxpayer comments are heard. Copies of the proposed budget are made available for public inspection prior to the public hearing. At the conclusion of the hearings, on or before June 22nd, the budget as amended is legally adopted through the passage of a resolution.

The Uniform Fiscal Procedures Act for Utah Cities states a city may appropriate the portion of the fund balance that exceeds five percent of the estimated revenues of the general fund; however, five percent of revenues must be maintained as an emergency reserve. The state auditor's office has determined that accumulated committed, assigned and unassigned fund balance cannot exceed 18 percent of estimated revenues. If the accumulated committed, assigned and unassigned fund balance in the general fund exceeds 18 percent of the estimated revenues, the City is required to include that portion that exceeds 18 percent in the subsequent year's expenditure budget.

During a fiscal year, departments may make transfers of appropriations within a department with the approval of the Mayor. Transfers of appropriations between departments, however, require the approval of the Council. In addition, if a department desires to exceed its total budget appropriation, a budget resolution amending the original adopted budget must be passed by the City Council. Public hearings are required on all such amendments to the original adopted budget.

Generally, unexpended appropriations lapse at year-end. The City will reappropriate specific encumbrances on a case-by-case basis through a budget resolution.

The City is required to present budgetary comparisons for the general fund and for major individual special revenue funds for which annual budgets are adopted. As such, budgetary schedules have been prepared for the general fund and for the redevelopment agency fund.

Supplementary Information

**City of Logan  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011**

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 440,976	\$ 258,849	\$ 260,861	\$ 1,186,485	\$ 2,207	\$ 317,198	\$ 56,109	\$ 6,360,247	\$ 264,401	\$ 9,147,333
Accounts receivable (net of allowance)	4,000	-	-	74,945	525,160	-	-	-	-	604,105
Property tax receivable	1,464,397	-	-	-	-	-	-	-	-	1,464,397
Due from other governmental units	159,761	-	-	119,853	-	-	-	-	-	279,614
Restricted assets:										
Cash and cash equivalents	139,516	-	-	-	-	-	-	-	-	139,516
<b>Total assets</b>	<b>2,208,650</b>	<b>258,849</b>	<b>260,861</b>	<b>1,381,283</b>	<b>527,367</b>	<b>317,198</b>	<b>56,109</b>	<b>6,360,247</b>	<b>264,401</b>	<b>11,634,965</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accrued liabilities	58,992	33,573	18,359	101,480	-	-	-	161	-	212,565
Deferred revenue	1,464,397	-	110,616	-	525,160	-	-	-	-	2,100,173
<b>Total liabilities</b>	<b>1,523,389</b>	<b>33,573</b>	<b>128,975</b>	<b>101,480</b>	<b>525,160</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>2,312,738</b>
Fund balances:										
Restricted	144,323	-	-	-	-	-	56,109	-	-	200,432
Committed	540,938	225,276	131,886	1,279,803	2,207	317,198	-	6,360,086	264,401	9,121,795
<b>Total fund balances</b>	<b>685,261</b>	<b>225,276</b>	<b>131,886</b>	<b>1,279,803</b>	<b>2,207</b>	<b>317,198</b>	<b>56,109</b>	<b>6,360,086</b>	<b>264,401</b>	<b>9,322,227</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,208,650</b>	<b>\$ 258,849</b>	<b>\$ 260,861</b>	<b>\$ 1,381,283</b>	<b>\$ 527,367</b>	<b>\$ 317,198</b>	<b>\$ 56,109</b>	<b>\$ 6,360,247</b>	<b>\$ 264,401</b>	<b>\$ 11,634,965</b>

**City of Logan**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2011**

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>REVENUES</b>										
Property tax	\$ 1,634,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,634,122
Other taxes and fees	-	-	-	711,979	-	-	-	-	-	711,979
Intergovernmental	22,494	202,508	167,692	91,486	-	-	-	69,946	-	554,126
Charges for services	5,829	-	374	935,876	-	29,280	-	-	-	971,359
Fines	49,473	-	-	-	-	-	-	-	-	49,473
Investment earnings	2,727	1,059	1,115	5,661	94	1,583	-	36,191	-	48,430
Miscellaneous	50,051	5,869	67,596	19	47,202	-	77,224	43	-	248,004
Total revenues	<u>1,764,696</u>	<u>209,436</u>	<u>236,777</u>	<u>1,745,021</u>	<u>47,296</u>	<u>30,863</u>	<u>77,224</u>	<u>106,180</u>	<u>-</u>	<u>4,217,493</u>
<b>EXPENDITURES</b>										
Current:										
Public safety	-	-	-	1,694,143	-	-	-	-	-	1,694,143
Public works	-	-	-	-	4,480	-	-	-	-	4,480
Parks, recreation and culture	1,671,039	405,525	323,215	-	-	-	-	-	-	2,399,779
Capital outlay:										
Public safety	-	-	-	53,608	-	-	-	-	92,000	145,608
Public works	-	-	-	-	-	-	-	200,188	49,999	250,187
Parks, recreation and culture	52,909	-	-	-	-	-	-	112,776	50,000	215,685
Total expenditures	<u>1,723,948</u>	<u>405,525</u>	<u>323,215</u>	<u>1,747,751</u>	<u>4,480</u>	<u>-</u>	<u>-</u>	<u>312,964</u>	<u>191,999</u>	<u>4,709,882</u>
Revenues over (under) expenditures	<u>40,748</u>	<u>(196,089)</u>	<u>(86,438)</u>	<u>(2,730)</u>	<u>42,816</u>	<u>30,863</u>	<u>77,224</u>	<u>(206,784)</u>	<u>(191,999)</u>	<u>(492,389)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	259,308	2,900	-	552,661	-	-	2,250,438	456,400	3,521,707
Transfers out	-	-	-	-	(246,267)	-	(79,886)	-	-	(326,153)
Total other financing sources (uses)	<u>-</u>	<u>259,308</u>	<u>2,900</u>	<u>-</u>	<u>306,394</u>	<u>-</u>	<u>(79,886)</u>	<u>2,250,438</u>	<u>456,400</u>	<u>3,195,554</u>
Net change in fund balances	40,748	63,219	(83,538)	(2,730)	349,210	30,863	(2,662)	2,043,654	264,401	2,703,165
Fund balances - beginning	644,513	162,057	215,424	1,282,533	(347,003)	286,335	58,771	4,316,432	-	6,619,062
Fund balances - ending	<u>\$ 685,261</u>	<u>\$ 225,276</u>	<u>\$ 131,886</u>	<u>\$ 1,279,803</u>	<u>\$ 2,207</u>	<u>\$ 317,198</u>	<u>\$ 56,109</u>	<u>\$ 6,360,086</u>	<u>\$ 264,401</u>	<u>\$ 9,322,227</u>

**City of Logan**  
**Library Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 1,645,333	\$ 1,645,333	\$ 1,634,122	\$ (11,211)
Intergovernmental	-	22,494	22,494	-
Charges for services	6,000	6,000	5,829	(171)
Fines	53,000	53,000	49,473	(3,527)
Investment earnings	10,000	10,000	2,727	(7,273)
Miscellaneous	5,000	8,074	50,051	41,977
Total revenues	<u>1,719,333</u>	<u>1,744,901</u>	<u>1,764,696</u>	<u>19,795</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	1,691,401	1,762,982	1,671,039	91,943
Capital outlay:				
Parks, recreation and culture	-	75,000	52,909	22,091
Total expenditures	<u>1,691,401</u>	<u>1,837,982</u>	<u>1,723,948</u>	<u>114,034</u>
Revenues over (under) expenditures	<u>27,932</u>	<u>(93,081)</u>	<u>40,748</u>	<u>133,829</u>
Net change in fund balance	27,932	(93,081)	40,748	133,829
Fund balance, beginning	644,513	644,513	644,513	-
Fund balance, ending	<u>\$ 672,445</u>	<u>\$ 551,432</u>	<u>\$ 685,261</u>	<u>\$ 133,829</u>

**City of Logan**  
**Recreation Center Maintenance Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 202,508	\$ 202,508	\$ 202,508	\$ -
Investment earnings	504	504	1,059	555
Miscellaneous	6,193	6,193	5,869	(324)
Total revenues	<u>209,205</u>	<u>209,205</u>	<u>209,436</u>	<u>231</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	458,413	458,413	405,525	52,888
Total expenditures	<u>458,413</u>	<u>458,413</u>	<u>405,525</u>	<u>52,888</u>
Revenues over (under) expenditures	<u>(249,208)</u>	<u>(249,208)</u>	<u>(196,089)</u>	<u>53,119</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	259,308	259,308	259,308	-
Total other financing sources (uses)	<u>259,308</u>	<u>259,308</u>	<u>259,308</u>	<u>-</u>
Net change in fund balance	10,100	10,100	63,219	53,119
Fund balance, beginning	162,057	162,057	162,057	-
Fund balance, ending	<u>\$ 172,157</u>	<u>\$ 172,157</u>	<u>\$ 225,276</u>	<u>\$ 53,119</u>

**City of Logan**  
**Willow Park Zoo Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 167,692	\$ (12,308)
Charges for services	-	-	374	374
Investment earnings	-	-	1,115	1,115
Miscellaneous	33,000	33,000	67,596	34,596
<b>Total revenues</b>	<b>213,000</b>	<b>213,000</b>	<b>236,777</b>	<b>23,777</b>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	325,663	328,563	323,215	5,348
<b>Total expenditures</b>	<b>325,663</b>	<b>328,563</b>	<b>323,215</b>	<b>5,348</b>
Revenues over (under) expenditures	(112,663)	(115,563)	(86,438)	29,125
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,900	2,900	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,900</b>	<b>2,900</b>	<b>-</b>
Net change in fund balance	(112,663)	(112,663)	(83,538)	29,125
Fund balance, beginning	215,424	215,424	215,424	-
Fund balance, ending	<b>\$ 102,761</b>	<b>\$ 102,761</b>	<b>\$ 131,886</b>	<b>\$ 29,125</b>

**City of Logan**  
**Communication Center Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other taxes and fees	\$ 723,565	\$ 723,565	\$ 711,979	\$ (11,586)
Intergovernmental	-	101,753	91,486	(10,267)
Charges for services	914,220	914,220	935,876	21,656
Investment earnings	41,365	41,365	5,661	(35,704)
Miscellaneous	1,000	1,000	19	(981)
Total revenues	<u>1,680,150</u>	<u>1,781,903</u>	<u>1,745,021</u>	<u>(36,882)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,680,150	1,821,903	1,694,143	127,760
Capital outlay:				
Public safety	105,000	65,000	53,608	11,392
Total expenditures	<u>1,785,150</u>	<u>1,886,903</u>	<u>1,747,751</u>	<u>139,152</u>
Revenues over (under) expenditures	<u>(105,000)</u>	<u>(105,000)</u>	<u>(2,730)</u>	<u>102,270</u>
Net change in fund balance	(105,000)	(105,000)	(2,730)	102,270
Fund balance, beginning	1,282,533	1,282,533	1,282,533	-
Fund balance, ending	<u>\$ 1,177,533</u>	<u>\$ 1,177,533</u>	<u>\$ 1,279,803</u>	<u>\$ 102,270</u>

**City of Logan**  
**Special Improvement Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 94	\$ 94
Miscellaneous	50,901	50,901	47,202	(3,699)
Total revenues	<u>50,901</u>	<u>50,901</u>	<u>47,296</u>	<u>(3,605)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	5,500	5,500	4,480	1,020
Debt service:				
Interest	18,328	18,328	-	18,328
Total expenditures	<u>23,828</u>	<u>23,828</u>	<u>4,480</u>	<u>19,348</u>
Revenues over (under) expenditures	<u>27,073</u>	<u>27,073</u>	<u>42,816</u>	<u>15,743</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	552,661	552,661	-
Transfers out	-	(321,580)	(246,267)	75,313
Total other financing sources (uses)	<u>-</u>	<u>231,081</u>	<u>306,394</u>	<u>75,313</u>
Net change in fund balance	27,073	258,154	349,210	91,056
Fund balance, beginning	(347,003)	(347,003)	(347,003)	-
Fund balance, ending	<u>\$ (319,930)</u>	<u>\$ (88,849)</u>	<u>\$ 2,207</u>	<u>\$ 91,056</u>

**City of Logan  
Cemetery Perpetual Care Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 29,280	\$ 29,280
Investment earnings	-	-	1,583	1,583
Total revenues	<u>-</u>	<u>-</u>	<u>30,863</u>	<u>30,863</u>
Net change in fund balance	-	-	30,863	30,863
Fund balance, beginning	286,335	286,335	286,335	-
Fund balance, ending	<u>\$ 286,335</u>	<u>\$ 286,335</u>	<u>\$ 317,198</u>	<u>\$ 30,863</u>

**City of Logan**  
**Community Donations Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 59,100	\$ 77,224	\$ 18,124
Total revenues	<u>-</u>	<u>59,100</u>	<u>77,224</u>	<u>18,124</u>
Revenues over (under) expenditures	<u>-</u>	<u>59,100</u>	<u>77,224</u>	<u>18,124</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(79,886)	(79,886)	-
Total other financing sources (uses)	<u>-</u>	<u>(79,886)</u>	<u>(79,886)</u>	<u>-</u>
Net change in fund balance	-	(20,786)	(2,662)	18,124
Fund balance, beginning	58,771	58,771	58,771	-
Fund balance, ending	<u>\$ 58,771</u>	<u>\$ 37,985</u>	<u>\$ 56,109</u>	<u>\$ 18,124</u>

**City of Logan  
Capital Projects Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 83,981	\$ 69,946	\$ (14,035)
Investment earnings	-	-	36,191	36,191
Miscellaneous	-	-	43	43
Total revenues	<u>-</u>	<u>83,981</u>	<u>106,180</u>	<u>22,199</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Public safety	570,000	570,000	-	570,000
Public works	-	275,500	200,188	75,312
Parks, recreation and culture	-	126,811	112,776	14,035
Total expenditures	<u>570,000</u>	<u>972,311</u>	<u>312,964</u>	<u>659,347</u>
Revenues over (under) expenditures	<u>(570,000)</u>	<u>(888,330)</u>	<u>(206,784)</u>	<u>681,546</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,340,000</u>	<u>2,615,500</u>	<u>2,250,438</u>	<u>(365,062)</u>
Total other financing sources (uses)	<u>2,340,000</u>	<u>2,615,500</u>	<u>2,250,438</u>	<u>(365,062)</u>
Net change in fund balance	1,770,000	1,727,170	2,043,654	316,484
Fund balance, beginning	4,316,432	4,316,432	4,316,432	-
Fund balance, ending	<u>\$ 6,086,432</u>	<u>\$ 6,043,602</u>	<u>\$ 6,360,086</u>	<u>\$ 316,484</u>

**City of Logan  
Capital Equipment Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES</b>				
Capital outlay:				
Public safety	\$ 100,000	\$ 100,000	\$ 92,000	\$ 8,000
Public works	50,000	50,000	49,999	1
Parks, recreation and culture	50,000	50,000	50,000	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>191,999</u>	<u>8,001</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>(200,000)</u>	<u>(191,999)</u>	<u>8,001</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,200,000</u>	<u>1,200,000</u>	<u>456,400</u>	<u>(743,600)</u>
Total other financing sources (uses)	<u>1,200,000</u>	<u>1,200,000</u>	<u>456,400</u>	<u>(743,600)</u>
Net change in fund balance	1,000,000	1,000,000	264,401	(735,599)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 264,401</u>	<u>\$ (735,599)</u>

**City of Logan**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2011**

	<u>Information Technology</u>	<u>Risk Management</u>	<u>Health Management</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 791,440	\$ 1,320,360	\$ 819,555	\$ 2,931,355
Prepaid assets	77,000	-	-	77,000
Total current assets	<u>868,440</u>	<u>1,320,360</u>	<u>819,555</u>	<u>3,008,355</u>
Noncurrent assets:				
Capital assets:				
Equipment	950,227	-	-	950,227
Less accumulated depreciation	(830,483)	-	-	(830,483)
Total noncurrent assets	<u>119,744</u>	<u>-</u>	<u>-</u>	<u>119,744</u>
Total assets	<u>988,184</u>	<u>1,320,360</u>	<u>819,555</u>	<u>3,128,099</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accrued liabilities	75,561	290,958	235,516	602,035
Compensated absences	29,074	8,066	-	37,140
Total current liabilities	<u>104,635</u>	<u>299,024</u>	<u>235,516</u>	<u>639,175</u>
Noncurrent liabilities:				
Compensated absences	7,362	2,042	-	9,404
Total noncurrent liabilities	<u>7,362</u>	<u>2,042</u>	<u>-</u>	<u>9,404</u>
Total liabilities	<u>111,997</u>	<u>301,066</u>	<u>235,516</u>	<u>648,579</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	119,744	-	-	119,744
Unrestricted	756,443	1,019,294	584,039	2,359,776
Total net assets	<u>\$ 876,187</u>	<u>\$ 1,019,294</u>	<u>\$ 584,039</u>	<u>\$ 2,479,520</u>

**City of Logan**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2011**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
Operating revenues:				
Charges for services	\$ 1,126,049	\$ 1,266,296	\$ 2,921,355	\$ 5,313,700
Miscellaneous	3,942	138,873	-	142,815
Total operating revenues	<u>1,129,991</u>	<u>1,405,169</u>	<u>2,921,355</u>	<u>5,456,515</u>
Operating expenses:				
Salaries and wages	513,617	238,513	-	752,130
Operating and maintenance	564,562	646,255	2,925,692	4,136,509
Depreciation and amortization	93,725	-	-	93,725
Total operating expenses	<u>1,171,904</u>	<u>884,768</u>	<u>2,925,692</u>	<u>4,982,364</u>
Operating income (loss)	<u>(41,913)</u>	<u>520,401</u>	<u>(4,337)</u>	<u>474,151</u>
Nonoperating revenues (expenses):				
Investment earnings	3,790	4,381	2,636	10,807
Total nonoperating revenue (expense)	<u>3,790</u>	<u>4,381</u>	<u>2,636</u>	<u>10,807</u>
Change in net assets	(38,123)	524,782	(1,701)	484,958
Total net assets, beginning	914,310	494,512	585,740	1,994,562
Total net assets, ending	<u>\$ 876,187</u>	<u>\$ 1,019,294</u>	<u>\$ 584,039</u>	<u>\$ 2,479,520</u>

**City of Logan**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2011**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 1,129,991	\$ 1,405,169	\$ 2,936,449	\$ 5,471,609
Payments for services and supplies	(1,049,625)	(947,859)	(3,118,716)	(5,116,200)
Net cash provided (used) by operating activities	<u>80,366</u>	<u>457,310</u>	<u>(182,267)</u>	<u>355,409</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchases of capital assets	(7,412)	-	-	(7,412)
Net cash provided (used) by capital and related financing activities	<u>(7,412)</u>	<u>-</u>	<u>-</u>	<u>(7,412)</u>
<b>Cash Flows From Investing Activities</b>				
Interest and dividends received	3,790	4,381	2,636	10,807
Net cash provided (used) by investing activities	<u>3,790</u>	<u>4,381</u>	<u>2,636</u>	<u>10,807</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	76,744	461,691	(179,631)	358,804
<b>Cash and cash equivalents - beginning</b>	714,696	858,669	999,186	2,572,551
<b>Cash and cash equivalents - ending</b>	<u>791,440</u>	<u>1,320,360</u>	<u>819,555</u>	<u>2,931,355</u>
<b>Shown in the financial statements as:</b>				
Cash and cash equivalents	791,440	1,320,360	819,555	2,931,355
<b>Total</b>	<u>791,440</u>	<u>1,320,360</u>	<u>819,555</u>	<u>2,931,355</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	(41,913)	520,401	(4,337)	474,151
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	93,725	-	-	93,725
(Increase) decrease in receivables	-	-	15,094	15,094
(Increase) decrease in inventories and prepaids	5,500	-	-	5,500
Increase (decrease) in accrued liabilities	23,054	(63,091)	(193,024)	(233,061)
Total adjustments	<u>122,279</u>	<u>(63,091)</u>	<u>(177,930)</u>	<u>(118,742)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 80,366</u>	<u>\$ 457,310</u>	<u>\$ (182,267)</u>	<u>\$ 355,409</u>

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## **Statistical Section**

(Unaudited)

This part of the City of Logan's comprehensive annual financial report presents detailed information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources, the property tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**City of Logan**  
**Net Assets by Component**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities									
Invested in capital assets, net of related debt	\$ 35,069,244	\$ 35,630,820	\$ 33,827,064	\$ 33,547,443	\$ 32,063,095	\$ 37,017,827	\$ 44,175,005	\$ 45,458,112	\$ 46,646,658
Restricted	486,286	744,598	3,407,503	4,395,122	5,490,087	4,309,531	5,527,716	4,374,963	6,040,894
Unrestricted	(1,682,392)	(1,887,474)	2,080,296	7,375,465	11,661,764	13,066,078	8,821,025	13,765,957	16,403,797
Total governmental activities net assets	<u>33,873,138</u>	<u>34,487,944</u>	<u>39,314,863</u>	<u>45,318,030</u>	<u>49,214,946</u>	<u>54,393,436</u>	<u>58,523,746</u>	<u>63,599,032</u>	<u>69,091,349</u>
Business-type activities									
Invested in capital assets, net of related debt	39,269,033	47,723,085	53,030,441	54,218,641	60,912,030	69,182,015	70,349,483	70,772,026	83,696,041
Restricted	1,360,259	4,127,056	3,515,899	3,369,056	3,645,224	5,253,402	5,325,737	5,511,717	5,447,511
Unrestricted	9,289,486	4,238,336	4,967,851	11,534,517	13,913,031	19,606,826	30,984,227	40,193,186	42,341,386
Total business-type activities net assets	<u>49,918,778</u>	<u>56,088,477</u>	<u>61,514,191</u>	<u>69,122,214</u>	<u>78,470,285</u>	<u>94,042,243</u>	<u>106,659,447</u>	<u>116,476,929</u>	<u>131,484,938</u>
Primary government									
Invested in capital assets, net of related debt	74,338,277	83,353,905	86,857,505	87,766,084	92,975,125	106,199,842	114,524,488	116,230,138	130,342,699
Restricted	1,846,545	4,871,654	6,923,402	7,764,178	9,135,311	9,562,933	10,853,453	9,886,680	11,488,405
Unrestricted	7,607,094	2,350,862	7,048,147	18,909,982	25,574,795	32,672,904	39,805,252	53,959,143	58,745,183
Total primary government net assets	<u>\$ 83,791,916</u>	<u>\$ 90,576,421</u>	<u>\$ 100,829,054</u>	<u>\$ 114,440,244</u>	<u>\$ 127,685,231</u>	<u>\$ 148,435,679</u>	<u>\$ 165,183,193</u>	<u>\$ 180,075,961</u>	<u>\$ 200,576,287</u>

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 34, governments are not required to report prior years.

**City of Logan**  
**Changes in Net Assets**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

<b>Expenses</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Governmental activities:</b>									
General government	\$ 3,816,925	\$ 3,576,623	\$ 4,610,847	\$ 4,154,311	\$ 4,030,030	\$ 4,167,912	\$ 4,066,767	\$ 4,401,387	\$ 4,536,569
Public safety	10,444,466	11,726,379	10,431,786	10,645,906	11,708,483	11,904,427	16,068,594	12,952,205	13,410,929
Public works	8,841,738	10,731,937	9,483,377	9,218,137	8,917,654	6,698,981	6,163,514	5,991,429	5,618,065
Parks, recreation and culture	6,270,288	5,792,722	5,695,681	5,513,037	5,880,219	5,972,206	6,021,405	5,932,225	6,157,606
Interest on long-term debt	1,206,689	995,108	995,073	883,013	1,066,533	937,438	897,827	807,867	722,554
<b>Total governmental activities expenses</b>	<b>30,580,106</b>	<b>32,822,769</b>	<b>31,216,764</b>	<b>30,414,404</b>	<b>31,602,919</b>	<b>29,680,964</b>	<b>33,218,107</b>	<b>30,085,113</b>	<b>30,445,723</b>
<b>Business-type activities:</b>									
Water and sewer	5,938,452	4,453,375	4,984,878	5,329,864	5,995,831	5,956,156	6,391,287	7,341,611	6,479,924
Sewer treatment	-	1,507,918	1,592,069	1,516,309	1,323,435	1,678,112	1,838,810	1,971,969	1,683,595
Electric	22,883,148	25,218,929	26,661,065	28,154,670	27,057,794	28,509,970	26,954,988	27,836,906	29,339,903
Environmental health	4,999,035	5,792,364	6,437,766	6,832,097	8,406,574	7,363,667	7,630,579	7,213,824	8,015,404
Storm water management	-	122,146	31,156	146,376	268,693	416,460	653,373	652,774	595,459
Golf course	1,109,669	962,228	1,067,436	950,401	964,478	1,039,064	1,082,298	990,145	910,292
<b>Total business-type activities expenses</b>	<b>34,930,304</b>	<b>38,056,960</b>	<b>40,774,370</b>	<b>42,929,717</b>	<b>44,016,805</b>	<b>44,963,429</b>	<b>44,551,335</b>	<b>46,007,229</b>	<b>47,024,217</b>
<b>Total primary government expenses</b>	<b>65,510,410</b>	<b>70,879,729</b>	<b>71,991,134</b>	<b>73,344,121</b>	<b>75,619,724</b>	<b>74,644,393</b>	<b>77,769,442</b>	<b>76,092,342</b>	<b>77,469,940</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	971,291	1,014,502	1,696,466	2,442,210	2,156,641	2,225,184	1,840,998	1,805,623	1,692,739
Public safety	2,776,405	3,080,412	3,024,525	3,072,579	2,522,034	2,542,265	2,707,185	2,663,369	2,695,818
Public works	750,691	828,585	99,141	108,824	77,599	65,795	76,508	245,452	73,739
Parks, recreation and culture	1,396,225	1,440,889	1,198,062	1,137,552	1,064,335	959,230	833,265	762,949	904,952
Operating grants and contributions	2,036,291	3,122,508	2,347,991	3,624,830	3,731,879	3,432,063	5,633,575	2,910,345	2,635,966
Capital grants and contributions	617,458	1,087,746	4,616,339	1,759,227	1,901,121	2,646,992	1,081,431	602,962	575,446
<b>Total governmental activities program revenues</b>	<b>8,548,361</b>	<b>10,574,642</b>	<b>12,982,524</b>	<b>12,145,222</b>	<b>11,453,609</b>	<b>11,871,529</b>	<b>12,172,962</b>	<b>8,990,700</b>	<b>8,578,660</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Water and sewer	7,483,377	7,419,420	7,141,975	8,053,733	9,232,454	9,175,918	9,422,487	9,020,423	9,415,093
Sewer treatment	-	2,788,190	2,933,363	3,314,190	3,615,552	3,812,998	3,746,692	4,009,174	5,959,987
Electric	27,474,803	28,649,795	28,655,369	31,994,373	32,831,865	35,123,701	33,511,951	33,093,119	34,991,678
Environmental health	6,934,738	7,305,379	8,060,982	8,778,028	10,587,302	11,029,581	10,839,020	10,686,702	10,974,250
Storm water management	-	-	-	917,264	1,093,681	1,222,361	1,223,386	1,169,523	1,208,046
Golf course	851,897	806,988	792,129	854,770	927,906	942,152	929,632	845,998	716,924
Operating grants and contributions	-	217	-	4,100	5,089	5,190	-	-	26,840
Capital grants and contributions	155,478	958,158	465,695	851,185	613,893	4,852,635	1,027,388	591,720	2,414,117
<b>Total business-type activities program revenues</b>	<b>42,900,293</b>	<b>47,928,147</b>	<b>48,049,513</b>	<b>54,767,643</b>	<b>58,907,742</b>	<b>66,164,536</b>	<b>60,700,556</b>	<b>59,416,659</b>	<b>65,706,935</b>
<b>Total primary government program revenue</b>	<b>51,448,654</b>	<b>58,502,789</b>	<b>61,032,037</b>	<b>66,912,865</b>	<b>70,361,351</b>	<b>78,036,065</b>	<b>72,873,518</b>	<b>68,407,359</b>	<b>74,285,595</b>
<b>Net (expense) revenue</b>									
Governmental activities	(22,031,745)	(22,248,127)	(18,234,240)	(18,269,182)	(20,149,310)	(17,809,435)	(21,045,145)	(21,094,413)	(21,867,063)
Business-type activities	7,969,989	9,871,187	7,275,143	11,837,926	14,890,937	21,201,107	16,149,221	13,409,430	18,682,718
<b>Total primary government net expense</b>	<b>(14,061,756)</b>	<b>(12,376,940)</b>	<b>(10,959,097)</b>	<b>(6,431,256)</b>	<b>(5,258,373)</b>	<b>3,391,672</b>	<b>(4,895,924)</b>	<b>(7,684,983)</b>	<b>(3,184,345)</b>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes</b>									
Property taxes	3,569,309	4,588,551	4,906,390	4,717,759	5,515,223	6,243,004	6,615,903	7,311,000	7,659,716
Sales and other taxes and fees	10,981,652	11,870,600	13,107,750	14,205,757	15,285,145	14,132,410	13,288,294	13,073,838	13,528,685
Unrestricted grants and contributions	558,766	658,743	202,675	78,334	171,205	-	-	986,052	966,669
Unrestricted investment earnings	105,174	-	99,548	411,453	872,221	777,448	473,635	405,243	344,296
Miscellaneous	495,792	1,347,804	2,803,611	485,882	411,034	778,342	459,727	259,746	710,155
Gain (loss) on sale of assets	-	-	-	143,261	133,456	(240,273)	124,616	-	64,315
Special item	-	-	-	-	(2,419,473)	(2,693,766)	-	-	-
Transfers	4,193,993	4,397,235	1,941,185	4,229,903	4,077,415	3,990,760	4,213,280	4,133,820	4,085,544
<b>Total general revenues and transfers</b>	<b>19,904,686</b>	<b>22,862,933</b>	<b>23,061,159</b>	<b>24,272,349</b>	<b>24,046,226</b>	<b>22,987,925</b>	<b>25,175,455</b>	<b>26,169,699</b>	<b>27,359,380</b>
<b>Business-type activities:</b>									
Unrestricted investment earnings	626,687	695,747	91,756	-	-	861,611	681,263	541,872	410,835
Special item	-	-	-	-	-	(2,500,000)	-	-	-
Transfers	(4,193,993)	(4,397,235)	(1,941,185)	(4,229,903)	(4,077,415)	(3,990,760)	(4,213,280)	(4,133,820)	(4,085,544)
<b>Total general revenues and transfers</b>	<b>(3,567,306)</b>	<b>(3,701,488)</b>	<b>(1,849,429)</b>	<b>(4,229,903)</b>	<b>(4,077,415)</b>	<b>(5,629,149)</b>	<b>(3,532,017)</b>	<b>(3,591,948)</b>	<b>(3,674,709)</b>
<b>Total primary government</b>	<b>16,337,380</b>	<b>19,161,445</b>	<b>21,211,730</b>	<b>20,042,446</b>	<b>19,968,811</b>	<b>17,358,776</b>	<b>21,643,438</b>	<b>22,577,751</b>	<b>23,684,671</b>
<b>Change in Net Assets</b>									
Governmental activities	(2,127,059)	614,806	4,826,919	6,003,167	3,896,916	5,178,490	4,130,310	5,075,286	5,492,317
Business-type activities	4,402,683	6,169,699	5,425,714	7,608,023	10,813,522	15,571,958	12,617,204	9,817,482	15,008,009
<b>Total primary government</b>	<b>\$ 2,275,624</b>	<b>\$ 6,784,505</b>	<b>\$ 10,252,633</b>	<b>\$ 13,611,190</b>	<b>\$ 14,710,438</b>	<b>\$ 20,750,448</b>	<b>\$ 16,747,514</b>	<b>\$ 14,892,768</b>	<b>\$ 20,500,326</b>

**Notes:**

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 34, governments are not required to report prior years.

**City of Logan**  
**Governmental Activities Tax Revenues by Source**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Other Taxes and Fees</b>	<b>Total</b>
2003	\$ 3,569,309	\$ 7,587,074	\$ 1,085,484	\$ 12,241,867
2004	3,429,923	8,374,627	3,495,973	15,300,523
2005	3,586,748	8,701,002	4,406,748	16,694,498
2006	3,116,869	9,656,503	4,549,254	17,322,626
2007	3,836,056	9,790,578	5,494,567	19,121,201
2008	4,199,800	8,588,366	5,544,044	18,332,210
2009	4,205,723	7,801,445	5,486,849	17,494,017
2010	4,504,947	7,278,283	5,795,555	17,578,785
2011	4,567,407	7,638,622	5,890,063	18,096,092

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 34, governments are not required to report prior years.

Excludes redevelopment agency revenue.

**City of Logan**  
**Fund Balances of Governmental Funds**  
**Last Fiscal Year**  
**(modified accrual basis of accounting)**

	<u>2011</u>
General fund	
Nonspendable	\$ 840,464
Restricted	4,056,096
Committed	-
Assigned	56,690
Unassigned	<u>5,608,584</u>
Total general fund	<u>\$ 10,561,834</u>
Other governmental funds	
Nonspendable	\$ -
Restricted	1,984,798
Committed	9,121,795
Assigned	-
Unassigned	-
Total other governmental funds	<u>\$ 11,106,593</u>

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 54, governments are not required to report prior years.

**City of Logan**  
**Changes in Fund Balances of Governmental Funds**  
**Last Nine Fiscal Years**  
**(modified accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>									
Taxes and fees	\$ 12,241,867	\$ 16,459,151	\$ 18,014,140	\$ 18,923,516	\$ 20,800,368	\$ 20,375,414	\$ 19,904,197	\$ 20,384,838	\$ 21,188,401
Licenses and permits	912,676	1,004,591	884,225	1,444,976	957,844	1,118,841	709,501	743,139	691,361
Intergovernmental	3,041,925	4,926,897	4,954,586	4,591,346	4,069,543	3,332,786	5,678,084	4,105,042	3,740,301
Administrative fees	1,772,005	1,782,501	1,783,657	2,961,293	3,265,018	3,458,632	3,798,803	3,387,372	3,660,116
Charges for services	4,193,444	4,268,518	4,441,728	4,318,955	3,663,968	3,567,290	3,616,958	3,671,770	3,714,101
Fines	771,455	914,074	840,504	997,234	1,198,797	1,106,343	1,131,497	1,062,484	961,786
Investment earnings	95,260	65,363	92,415	387,531	837,831	744,760	456,407	397,424	333,489
Miscellaneous	2,638,906	480,460	467,084	1,056,537	772,245	791,959	660,266	508,301	635,005
<b>Total revenues</b>	<b>25,667,538</b>	<b>29,901,555</b>	<b>31,478,339</b>	<b>34,681,388</b>	<b>35,565,614</b>	<b>34,496,025</b>	<b>35,955,713</b>	<b>34,260,370</b>	<b>34,924,560</b>
<b>Expenditures</b>									
General government	4,732,030	4,428,880	5,453,694	5,611,918	5,667,274	5,776,064	5,326,007	5,567,149	5,732,128
Public safety	8,339,439	9,765,686	9,544,277	9,750,187	10,775,683	11,139,350	14,995,245	12,206,474	12,398,704
Public works	7,642,584	7,608,933	7,678,762	7,891,821	8,587,871	7,307,112	7,277,794	6,927,667	6,793,448
Parks, recreation and culture	5,285,182	5,172,578	5,195,385	5,040,564	5,374,378	5,527,458	5,433,027	5,426,351	5,483,747
Debt service:									
Principal	777,418	1,335,597	1,915,658	2,231,709	1,940,785	2,406,557	2,184,881	2,040,273	2,153,371
Interest	495,166	638,250	1,043,139	770,638	973,628	925,895	850,421	798,514	717,788
Debt issuance cost	-	273,405	-	114,371	36,000	-	-	-	-
Capital outlay	4,554,798	6,252,762	3,194,890	2,021,589	3,993,804	5,807,241	9,360,410	2,150,837	1,740,914
<b>Total expenditures</b>	<b>31,826,617</b>	<b>35,476,091</b>	<b>34,025,805</b>	<b>33,432,797</b>	<b>37,349,423</b>	<b>38,889,677</b>	<b>45,427,785</b>	<b>35,117,265</b>	<b>35,020,100</b>
Excess (deficiency) of revenues over (under) expenditures	(6,159,079)	(5,574,536)	(2,547,466)	1,248,591	(1,783,809)	(4,393,652)	(9,472,072)	(856,895)	(95,540)
<b>Other Financing sources (uses)</b>									
Transfers in	6,396,475	8,369,117	6,487,977	5,889,587	8,493,503	11,134,628	6,958,446	7,360,633	8,174,916
Transfers out	(2,928,553)	(2,477,759)	(4,246,792)	(1,659,684)	(4,416,088)	(7,143,868)	(2,745,166)	(3,158,610)	(4,089,372)
Debt issuance	389,274	15,366,101	269,387	7,013,000	3,775,000	275,000	923,634	-	-
Debt premium	-	-	-	259,265	-	-	-	-	-
Debt refinancing	-	(10,638,043)	-	(6,961,526)	-	-	-	-	-
Sale of capital assets	513,866	184,165	95,339	1,029,000	167,834	24,073	116,000	370,191	56,285
<b>Total other financing sources and uses</b>	<b>4,371,062</b>	<b>10,803,581</b>	<b>2,605,911</b>	<b>5,569,642</b>	<b>8,020,249</b>	<b>4,289,833</b>	<b>5,252,914</b>	<b>4,572,214</b>	<b>4,141,829</b>
Special item	-	-	-	-	(620,966)	-	1,085,251	-	-
<b>Net change in fund balances</b>	<b>\$ (1,788,017)</b>	<b>\$ 5,229,045</b>	<b>\$ 58,445</b>	<b>\$ 6,818,233</b>	<b>\$ 5,615,474</b>	<b>\$ (103,819)</b>	<b>\$ (3,133,907)</b>	<b>\$ 3,715,319</b>	<b>\$ 4,046,289</b>
Debt service as a percentage of noncapital expenditures	4.67%	7.69%	9.60%	9.92%	8.85%	10.07%	8.42%	8.61%	8.63%

**Note:**  
This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 34, governments are not required to report prior years.

**City of Logan**  
**Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Assessed Taxable Value (1)</b>	<b>Estimated Actual Value (2)</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value (3)</b>	<b>Total Direct Tax Rate</b>
2002	\$ 1,167,597,570	\$ 1,715,931,242	68.04%	0.001709
2003	1,218,593,608	1,786,385,500	68.22%	0.001856
2004	1,254,594,070	1,840,090,129	68.18%	0.001856
2005	1,339,618,005	1,959,880,822	68.35%	0.002296
2006	1,438,033,125	2,110,130,566	68.15%	0.002274
2007	1,526,504,696	2,231,732,012	68.40%	0.002276
2008	1,662,435,795	2,533,792,484	65.61%	0.002220
2009	1,800,462,720	2,840,002,865	63.40%	0.002189
2010	1,944,726,641	2,720,362,611	71.49%	0.002157
2011	1,858,485,639	2,713,914,284	68.48%	0.002296

**Note:**

- 1- The formula for assessing property taxes changed during the 1986 tax year. Taxable value is 55% of market value for residential property and 100% for commercial property.
- 2- Information obtained from the Cache County Auditor's Office
- 3- Information obtained from the Cache County Auditor's Office

**City of Logan  
Property Tax Rates (1)  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal year	City of Logan			Logan City	Cache County	Total
	General Operations	G.O. Bond	Library Bond	School District		
2002	0.000304	0.000575	0.000830	0.006800	0.001786	0.010295
2003	0.000472	0.000554	0.000830	0.006900	0.001754	0.010510
2004	0.000922	0.000545	0.000830	0.006926	0.002258	0.011481
2005	0.000931	0.000527	0.000838	0.007304	0.002277	0.011877
2006	0.001043	0.000429	0.000802	0.007304	0.002521	0.012099
2007	0.001043	0.000461	0.000772	0.007304	0.002425	0.012005
2008	0.001043	0.000405	0.000772	0.007304	0.002237	0.011761
2009	0.001043	0.000374	0.000772	0.007304	0.002227	0.011720
2010	0.001043	0.000343	0.000771	0.007304	0.002150	0.011611
2011	0.001110	0.000364	0.000822	0.007868	0.002294	0.012458

**Note:**

1- Information obtained from the Utah State Tax Commission

**City of Logan  
Principal Property Taxpayers (1)  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	FY 2011 taxable valuation			FY 2002 taxable valuation		
		Assessed Value	Rank	Percentage of Total City Assessed Taxable Value	Assessed Value	Rank	Percentage of Total City Assessed Taxable Value
Schreiber's Cheese	Cheese processing	\$ 69,046,140	1	3.72%	\$ -		0.00%
Icon Health and Fitness	Exercise equipment	41,401,801	2	2.23%	33,018,910	1	2.59%
Cache Valley LLC (Cache Valley Mall)	Retail shopping	32,351,557	3	1.74%	-		-
Moore Business Forms	Printing	32,275,253	4	1.74%	29,001,380	2	2.27%
IHC Health Services & Women's Clinic	Health care	30,887,269	5	1.66%	-		-
Thermo Fisher Scientific	Serum manufacturing	28,229,978	6	1.52%	14,310,705	7	1.12%
WalMart	Retail shopping	19,873,898	7	1.07%	-		-
Gossner Foods	Cheese processing	19,765,660	8	1.06%	14,982,785	6	1.17%
Riverwoods HRC LLC	Hotel	15,843,987	9	0.85%	-		-
Wasatch Conservice Dev.	Utility Management	13,041,136	10	0.70%	-		-
Quest	Telephone	-		-	20,489,695	3	1.61%
Price Development	Land Developer	-		-	20,041,050	4	-
Tyco Printed Circuit Group	Circuit board manufacturing	-		-	19,488,460	5	1.53%
Bourns	Electronic Components	-		-	11,641,340	8	0.91%
Lowe's	Home Improvement	-		-	10,266,425	9	0.80%
Questar	Natural gas supplier	-		-	8,438,765	10	0.66%
<b>Total</b>		<b>\$ 302,716,679</b>		<b>16.29%</b>	<b>\$ 181,679,515</b>		<b>12.67%</b>
Total assessed valuation					<b>\$ 1,858,485,639</b>		<b>\$ 1,276,229,910</b>

**Note:**

1- Information provided by the Cache County Treasurer

**City of Logan  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied For The Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	\$ 2,088,182	\$ 2,204,947	105.59%	\$ 35,543	\$ 2,240,491	107.29%
2003	2,621,075	2,468,612	94.18%	90,209	2,558,820	97.62%
2004	2,849,773	2,924,000	102.60%	82,060	3,006,060	105.48%
2005	2,961,755	3,048,520	102.93%	79,353	3,127,873	105.61%
2006	3,135,477	2,588,510	82.56%	76,096	2,664,606	84.98%
2007	3,352,413	3,323,130	99.13%	79,163	3,402,293	101.49%
2008	3,554,532	3,649,895	102.68%	103,465	3,753,360	105.59%
2009	3,764,331	3,658,327	97.18%	131,527	3,789,854	100.68%
2010	4,028,896	3,960,949	98.31%	151,827	4,112,776	102.08%
2011	4,063,904	4,034,132	99.27%	n/a	4,034,132	99.27%

**Note:**

Property tax is levied on a calendar year and collected on a fiscal year basis. Cache County remits property tax based on monthly estimates. In April of each year, a final reconciliation is performed and adjustments are made. Due to the timing of the estimated payments and the final reconciliation, actual collections vary.

**City of Logan**  
**Ratios of Outstanding Debt by Type**  
**Last Nine Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2003	\$7,180,000	\$10,626,000	\$985,146	\$1,489,287	\$27,876,000	\$ -	\$18,961	\$48,175,394	5.41%	\$ 1,056
2004	6,875,000	14,719,000	938,138	1,929,396	25,353,000	-	7,196	49,821,730	4.98%	1,087
2005	6,555,000	13,832,000	937,074	1,640,716	24,826,000	-	472,371	48,263,161	4.59%	1,019
2006	6,820,000	12,878,000	672,365	1,138,375	24,742,000	551,000	489,742	47,291,482	4.23%	992
2007	6,430,000	15,176,000	585,249	1,151,706	22,562,000	850,000	316,114	47,071,069	3.92%	981
2008	6,055,000	13,930,000	532,131	694,267	31,832,000	693,848	277,672	54,014,918	4.23%	1,110
2009	5,670,000	12,635,000	196,181	1,448,970	30,217,000	-	96,645	50,263,796	4.04%	1,015
2010	5,270,000	11,291,000	129,810	1,219,068	27,085,000	-	49,340	45,044,218	n/a	935
2011	4,845,000	9,894,000	3,465	1,014,042	23,885,000	-	-	39,641,507	n/a	n/a

**Note:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available implementation year of GASB 34, governments are not required to report prior years.

**City of Logan**  
**Ratios of General Bonded Debt Outstanding**  
**Last Nine Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2003	\$ 7,180,000	\$ -	\$ 7,180,000	0.59%	\$ 160
2004	6,875,000	-	6,875,000	0.55%	151
2005	6,555,000	-	6,555,000	0.49%	143
2006	6,820,000	-	6,820,000	0.47%	144
2007	6,430,000	-	6,430,000	0.42%	135
2008	6,055,000	-	6,055,000	0.36%	126
2009	5,670,000	-	5,670,000	0.31%	117
2010	5,270,000	-	5,270,000	0.27%	106
2011	4,845,000	-	4,845,000	0.26%	101

**Note:**

- 1- Includes all long-term general obligation debt
- 2- Taxable value is 55% of market value for residences and 100% for commercial property
- 3- Population data can be found in the Schedule of Demographic Statistics.

This schedule usually covers the 10 most recent fiscal years; however, since this is the information available as of the implementation year of GASB 34, governments are not required to report prior years.

**City of Logan**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2011**

<b>Jurisdiction</b>	<b>Net Outstanding Debt</b>	<b>Percentage Applicable to City of Logan</b>	<b>Amount Applicable to City of Logan</b>
Direct:			
City of Logan	\$ 14,739,000	100%	\$ 14,739,000
Overlapping:			
Logan River Redevelopment Agency	2,475,000	100%	2,475,000
Logan City School District	19,942,000	100%	19,942,000
Cache County	12,365,000	39%	4,822,350
			<u>\$ 41,978,350</u>

**Note:**

1- Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City.

This schedule estimates the portion of outstanding debt of those overlapping governments using the percent of assessed taxable property values located within the boundaries of Logan City.

**City of Logan  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Legal debt margin:										
Debt limit	\$ 97,726,863	\$ 101,974,080	\$ 104,343,646	\$ 107,169,440	\$ 115,042,650	\$ 122,120,376	\$ 132,994,864	\$ 144,037,018	\$ 155,578,131	\$ 148,678,851
Total net debt applicable to limit	<u>7,470,000</u>	<u>7,180,000</u>	<u>6,875,000</u>	<u>6,555,000</u>	<u>6,820,000</u>	<u>6,430,000</u>	<u>6,055,000</u>	<u>5,670,000</u>	<u>5,270,000</u>	<u>4,845,000</u>
Legal debt margin	<u>\$ 90,256,863</u>	<u>\$ 94,794,080</u>	<u>\$ 97,468,646</u>	<u>\$ 100,614,440</u>	<u>\$ 108,222,650</u>	<u>\$ 115,690,376</u>	<u>\$ 126,939,864</u>	<u>\$ 138,367,018</u>	<u>\$ 150,308,131</u>	<u>\$ 143,833,851</u>
Total net debt applicable to the limit as a percentage of debt limit	7.64%	7.04%	6.59%	6.12%	5.93%	5.27%	4.55%	3.94%	3.39%	3.26%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed valuations:	
Assessed value	\$ 1,858,485,639
Add back: exempt real property	n/a
Total assessed value	<u>1,858,485,639</u>
Legal debt margin	
Debt limitation - 8 percent of total assessed value	148,678,851
Debt applicable to limitation:	
Total bonded debt	4,845,000
Less: Amount available for repayment obligation bonds	<u>-</u>
Total debt applicable to limitation	<u>4,845,000</u>
Legal debt margin	<u>\$ 143,833,851</u>

**City of Logan  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Electric Bonds**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	\$ 27,116,676	\$ 25,549,921	\$ 1,566,755	\$ -	\$ 402,555	\$ 402,555	3.89
2003	27,663,153	20,818,328	6,844,825	694,000	403,800	1,097,800	6.24
2004	29,026,546	23,143,568	5,882,978	723,000	373,771	1,096,771	5.36
2005	28,791,917	24,583,531	4,208,386	1,503,000	204,969	1,707,969	2.46
2006	31,994,373	26,287,259	5,707,114	790,000	173,625	963,625	5.92
2007	32,831,865	25,394,363	7,437,502	815,000	149,237	964,237	7.71
2008	35,351,343	26,849,357	8,501,986	845,000	134,525	979,525	8.68
2009	33,695,620	25,402,995	8,292,625	860,000	107,875	967,875	8.57
2010	33,259,419	26,341,353	6,918,066	900,000	78,150	978,150	7.07
2011	36,702,951	27,839,318	8,863,633	930,000	47,520	977,520	9.07

**Water, Sewer, & Solid Waste Bonds**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	\$ 14,311,794	\$ 7,525,599	\$ 6,786,195	\$ 1,242,895	\$ 617,609	\$ 1,860,504	3.65
2003	15,055,834	8,507,409	6,548,425	1,475,000	795,006	2,270,006	2.88
2004	18,776,526	8,923,751	9,852,775	1,500,000	693,616	2,193,616	4.49
2005	18,579,395	10,000,946	8,578,449	1,510,000	705,428	2,215,428	3.87
2006	20,386,051	10,479,536	9,906,515	1,688,000	718,103	2,406,103	4.12
2007	23,137,854	12,347,964	10,789,890	1,130,000	617,621	1,747,621	6.17
2008	24,686,528	11,599,101	13,087,427	1,102,000	615,922	1,717,922	7.62
2009	24,577,346	13,267,596	11,309,750	1,464,000	857,482	2,321,482	4.87
2010	24,078,421	13,836,617	10,241,804	1,615,000	820,352	2,435,352	4.21
2011	26,654,845	13,668,244	12,986,601	1,640,000	766,190	2,406,190	5.40

**Storm Water Bonds**

Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2008	\$ 1,097,082	\$ 336,966	\$ 760,116	\$ -	\$ 45,313	\$ 45,313	16.77
2009	1,136,974	473,087	663,887	250,000	115,001	365,001	1.82
2010	1,156,154	442,008	714,146	262,000	104,874	366,874	1.95
2011	1,224,626	394,197	830,429	270,000	94,351	364,351	2.28

**Note:**

- 1- Includes operating and non-operating revenues excluding capital contributions
- 2- Includes operating and non-operating expenses excluding depreciation and amortization

**City of Logan**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in Thousands)</b>	<b>Personal Income Per Capita (2)</b>	<b>Median Age</b>	<b>Education Level in Years of Formal Schooling</b>	<b>K-12 School Enrollment</b>	<b>Unemployment Rate (3)</b>
2002	44,701	\$ 874,933	\$ 19,573	n/a	n/a	5,763	3.2%
2003	44,994	890,521	19,792	n/a	n/a	5,872	4.3%
2004	45,626	905,648	19,849	n/a	n/a	5,801	3.4%
2005	45,816	999,672	21,819	n/a	n/a	5,741	4.0%
2006	47,357	1,051,606	22,206	n/a	n/a	5,738	3.0%
2007	47,660	1,117,510	23,448	n/a	n/a	5,820	2.4%
2008	47,965	1,200,760	25,034	n/a	n/a	5,755	2.0%
2009	48,657	1,277,618	26,258	n/a	n/a	6,118	2.7%
2010	49,534	1,242,678	25,071	n/a	n/a	6,123	4.9%
2011	48,174	n/a	n/a	n/a	n/a	6,142	5.8%

**Note:**

- 1- Utah Division of Workforce Services - Cache County
- 2- Utah Division of Workforce Services - Cache County
- 3- Utah Division of Workforce Services - Cache County

**City of Logan  
Principal Employers (1)  
Current Year and Nine Years Ago**

<b>Company</b>	<b>Product</b>	<b>Fiscal Year 2011</b>			<b>Fiscal Year 2002</b>		
		<b>Number of Employees (Range)</b>	<b>Rank</b>	<b>Percent of Total City Employment</b>	<b>Number of Employees (Range)</b>	<b>Rank</b>	<b>Percent of Total City Employment</b>
Utah State University	Education	5,000-6,999	1	n/a	2,000-2,999	1	n/a
Icon Health and Fitness, Inc.	Exercise equipment	1,000-1,999	2	n/a	1,000-1,999	2	n/a
Logan Regional Hospital	Health care	1,000-1,999	3	n/a	700-999	3	n/a
Schreiber Foods, Inc.	Cheese products	1,000-1,999	4	n/a	400-499	6	n/a
Logan City School District	Education	500-999	5	n/a	n/a	-	n/a
Hyclone Laboratories, Inc.	BioGenetic components	500-999	6	n/a	n/a	-	n/a
Convergys	Telephone call center	500-999	7	n/a	n/a	-	n/a
Gossner Foods, Inc.	Cheese and dairy	250-499	8	n/a	200-299	8	n/a
Moore Business	Business forms	250-499	9	n/a	500-599	5	n/a
Space Dynamics Laboratory	Scientific research	250-499	10	n/a	n/a	-	n/a
Bourns, Inc.	Electronic components	-	-	n/a	400-499	4	n/a
Tyco Manufacturing	Electronic circuit boards	-	-	n/a	300-399	7	n/a
Sunshine Terrace Foundation	Health care	-	-	n/a	200-299	9	n/a
Herff Jones	Yearbook publishers	-	-	n/a	200-299	10	n/a
Total		n/a		n/a	n/a		n/a

**Note:**

1- Information obtained from the Utah Department of Workforce Services website, [jobs.utah.gov](http://jobs.utah.gov)

**City of Logan**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General government	73	76	72	67	67	69	64	64	67	66
Public safety:										
Police:										
Officers/staff	88	87	88	89	80	80	79	80	77	80
Administration	-	-	-	-	11	12	11	13	12	12
Fire:										
Firefighters/officers	44	49	47	47	47	46	48	45	48	48
Administration	3	3	3	2	1	1	1	1	1	1
Parks, recreation and culture	56	57	56	57	54	51	55	52	51	48
Public works:										
Engineering	13	12	13	13	12	14	13	13	12	12
Streets	34	34	38	37	35	38	32	32	32	33
Water/sewer	26	25	28	27	31	33	31	32	33	34
Environmental health	43	45	51	46	52	59	52	53	55	55
Electric	35	33	31	32	34	33	31	29	28	28
<b>Total</b>	<b>415</b>	<b>421</b>	<b>427</b>	<b>417</b>	<b>424</b>	<b>436</b>	<b>417</b>	<b>414</b>	<b>416</b>	<b>417</b>

**Note:**

1- Information obtained from Human Resources

**City of Logan  
Operating Indicators  
Last Ten Fiscal Years**

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Parks, recreation and culture:										
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	146,879	207,414	204,177	169,488	173,493	177,772	181,694	185,770	192,916	203,091
Municipal water department:										
Number of service connections	15,861	15,148	16,239	16,415	16,123	16,512	16,971	17,033	17,423	18,099
Consumption in gallons	3,260,618,000	3,121,570,000	3,568,766,000	3,074,170,000	3,455,723,000	3,786,876,000	3,681,472,000	3,592,309,000	3,351,761,000	3,192,865,000
Sewer system:										
Number of service connections	14,320	14,827	15,013	15,154	16,079	16,153	15,135	15,334	15,647	15,809
Miles of sewer lines	129	131	135	135	141	143	145	149	151	155
Municipal electric department:										
Number of service connections	15,885	16,191	18,669	17,400	17,527	18,108	18,179	18,354	18,571	18,638
Kilowatt hours consumed	388,401,000	395,018,378	396,034,000	402,499,000	419,299,598	426,326,000	419,657,000	434,143,463	400,318,341	392,866,267
Miles of distribution lines	180	192	198	199	216	216	216	225	225	230
Solid waste and disposal department:										
Number of city users	13,460	13,460	13,911	15,048	15,610	13,321	13,952	14,321	14,312	14,792
Number of county users	14,883	14,883	16,111	15,309	15,754	17,025	17,558	17,794	18,301	18,572
Cubic yards of garbage received	163,232	171,012	170,103	177,135	188,740	161,189	157,547	150,763	141,637	150,698
Building permits issued	420	472	442	433	411	417	406	345	358	369

**Note:**

1- Information obtained from various City departments

**City of Logan**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	156	161	181	136	136	138	144	145	147	147
Parks, recreation and culture:										
Parks	32	36	36	38	38	39	39	39	39	39
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	146,879	207,414	204,177	169,488	173,493	177,772	181,694	185,770	192,916	203,091
Water:										
Water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	174	176	179
Sewer:										
Sewer lines (miles)	129	131	135	135	141	143	145	149	151	155
Electric:										
Services lines (miles)	180	192	198	199	216	216	216	225	225	230

**Note:**

1- Information obtained from various City departments

**Single Audit Section**

**City of Logan**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2011**

<b>Federal Grantor/Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA No.</b>	<b>Pass Through Grant No.</b>	<b>Program or Award Amount</b>	<b>Disbursements/ Expenditures</b>
U.S. Department of Housing and Urban Development (HUD)				
Community Development Block Grant - Entitlement	14.218	B-07-MC-49-00011	\$ 606,686	\$ 1,755
Community Development Block Grant - Entitlement	14.218	B-08-MC-49-00011	584,737	124,268
Community Development Block Grant - Entitlement	14.218	B-09-MC-49-00011	591,493	168,895
Community Development Block Grant - Entitlement	14.218	B-10-MC-49-00011	640,557	443,543
Community Development Block Grant - Entitlement <b>(ARRA)</b>	14.253	B-09-MY-49-00011	158,804	14,022
<b>Total HUD</b>			<u>2,582,277</u>	<u>752,483</u>
U.S. Department of the Interior/National Park Service (DOI/NPS)				
Passed through the Utah State Dept of Parks and Recreation				
Northwest Park Phase II Grant	15.916	49-00363	138,462	61,171
<b>Total DOI/NPS</b>			<u>138,462</u>	<u>61,171</u>
U.S. Department of Justice (DOJ)				
Byrne-JAG Project Grant	16.579	2010-DJ-BX-0654	10,282	10,282
Bulletproof Vest Partnership Grant	16.607	Bulletproof Vest Grant	5,868	5,868
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Youth Alcohol Grant 2010	16.727	2009-50179-UT-AH	25,700	20,766
Passed through the Utah State Commission on Criminal and Juvenile Justice:				
Narcotics and Gang Enforcement Grant	16.738	01-DRUG-11	110,000	98,933
Narcotics and Gang Enforcement Grant	16.738	01-DRUG-10	110,000	3,275
<b>Total DOJ</b>			<u>261,850</u>	<u>139,124</u>
U.S. Department of Transportation/National Highway Traffic Safety Administration (NHTSA)				
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Distracted Driving Program	20.600	DD110802	25,000	9,325
<b>Total NHTSA</b>			<u>25,000</u>	<u>9,325</u>
U.S. Institute of Museum & Library Services (IMLS)				
Passed through the Utah State Dept of Community & Culture				
LSTA - Lender Support Program	45.310	LS-00-07-0045-07	7,642	7,642
<b>Total IMLS</b>			<u>7,642</u>	<u>7,642</u>
U.S. Environmental Protection Agency (EPA)				
Passed through the Utah Department of Environmental Quality				
DWSRF Capitalization Grant of 2010 <b>(ARRA)</b>	66.468	FS-99878410-0	700,000	700,000
<b>Total EPA</b>			<u>700,000</u>	<u>700,000</u>
U.S. Department of Energy/Energy Efficiency and Renewable Forrestal Bulding (EERR/FORS)				
Energy Efficiency & Conservation Block Grant <b>(ARRA)</b>	81.128	DE-RW0000076	214,600	33,107
<b>Total EERR/FORS</b>			<u>214,600</u>	<u>33,107</u>
U.S. Department of Health and Human Services (HHS)				
Passed through the Utah State Dept of Workforce Services				
Youth Connections Grant	93.575	Youth Connections FY11	91,500	91,500
<b>Total HHS</b>			<u>91,500</u>	<u>91,500</u>
U.S. Department of Homeland Security/Federal Emergency Management Agency (HLS/FEMA)				
Passed through the Utah State Division of Emergency Services and Homeland Security				
Emergency Public Assistance Grant	97.036	Emergency Public Assistance	207,919	207,919
Safety Grant 2010	97.042	EMPG-2010-HLS-039	10,000	5,000
Safety Grant 2009	97.042	EMPG-2009-HLS-039	8,500	60
InfoCode Geocoding Grant	97.067	DES-2010-SHSP-001	3,000	3,000
<b>Total HLS/FEMA</b>			<u>229,419</u>	<u>215,979</u>
<b>Total Federal Awards</b>			<u>\$ 4,250,750</u>	<u>\$ 2,010,331</u>

CITY OF LOGAN  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1 – Purpose of the Schedule**

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements. The Schedule is required by the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**Note 2 – Significant Accounting Policies**

Basis of Accounting

The information in the schedule is presented in accordance with OMB Circular A-133. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

CFDA Numbers

OMB Circular A-133 requires the Schedule to show the total expenditures for each of the entity's federal awards as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs. Each program included in the CFDA is assigned a five-digit program identification number (CFDA number).

Major Programs

OMB Circular A-133 establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. The federal award tested as a major program was CFDA number 66.468.

**Note 3 – Sub-recipients**

The following amounts were passed through to sub-recipients:

<u>CFDA #</u>	<u>Program</u>	<u>Amount</u>
14.218	CDBG	\$342,498

**Note 4 – Loans**

As of June 30, 2011, the City held federally-funded loan balances as follows:

<u>CFDA #</u>	<u>Program</u>	<u>Balance</u>
66.468	Capitalization Grants for Drinking Water	\$3,800,000
66.468	Capitalization Grants for Drinking Water	\$2,539,000

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE AND OTHER MATTERS ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council  
City of Logan, Utah

We have audited the basic financial statements of the City of Logan, Utah (the City), as of and for the year ended June 30, 2011, and have issued our report thereon dated October 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters 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.

This report is intended solely for the information and use of management, the City Council and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

October 26, 2011

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Members of the City Council  
City of Logan, Utah

### Compliance

We have audited the compliance of the City of Logan, Utah (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Logan, Utah's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the City Council and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

October 26, 2011

City of Logan  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2011

A. Summary of Auditors' Results:

- |    |  |               |
|----|--|---------------|
| 1. | Type of Report Issued:   | Unqualified   |
| 2. | Internal Control over Financial Reporting:   |               |
|    | Material Weaknesses Identified:  | No            |
|    | Significant Deficiencies Identified that were not Considered to be Material Weaknesses:                            | No            |
| 3. | Non-compliance Material to Financial Statements Noted:   | No            |
| 4. | Internal Control over Major Programs:  |               |
|    | Material Weaknesses Identified:  | No            |
|    | Significant Deficiencies Identified that were not Considered to be Material Weaknesses:                            | None reported |
| 5. | Type of Auditors' Report Issued on Compliance for Major Programs:  | Unqualified   |
| 6. | Any Audit Findings Disclosed That Are Required to be Reported in Accordance With Section 510(d) of Circular A-133: | None          |
| 7. | Federal Programs Tested as Major Programs:   | CFDA 66.468   |
| 8. | Dollar Threshold Used to Distinguish Between Type A and Type B Programs:   | \$ 300,000    |
| 9. | Auditee Qualification as High or Low Risk:   | Low           |

B. Findings Related to the Financial Statements Required to be Reported in Accordance with Government Auditing Standards.

None

C. Findings and Questioned Costs Related to Federal Awards Required to be Reported in Accordance with OMB Circular A-133

None

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**State Compliance Section**

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## INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS' REPORT ON COMPLIANCE IN ACCORDANCE WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

Honorable Mayor and Members of the City Council  
City of Logan, Utah

We have audited Logan City's compliance with general and major State assistance program compliance requirements described in the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2011.

The general compliance requirements applicable to the City are identified as follows:

Cash Management	B & C Road Funds
Budgetary Compliance	Other Compliance Requirements
Truth in Taxation and Property	Impact Fees
Tax Limitation	Uniform Building Code Standards
Liquor Law Enforcement	Purchasing Requirements
Public Debt	URS Compliance
Asset Forfeiture	Fund Balance

The City received the following major State assistance program from the State of Utah:

B & C Road Funds (Department of Transportation)

The management of the City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State of Utah Legal Compliance Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirement identified above. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination on the City's compliance with these requirements.

In our opinion, the City of Logan, Utah, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major State programs for the year ended June 30, 2011.

The report is intended solely for the information and use of management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

*Hansen, Bradshaw, Malmrose & Erickson, P.C.*

October 26, 2011