

CITY OF LOGAN, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008
With
INDEPENDENT AUDITORS' REPORT

Prepared by



FINANCE DEPARTMENT

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November 17, 2008

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, 2008.

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 government'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 Jones Simkins, P.C., 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, 2008, 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 and is the eleventh largest incorporated city within the state. The City currently occupies a land area of 17 square miles and serves a population of 47,965. 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 government, 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, bird watching, 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 850 faculty and enrolls approximately 24,000 students, including 10,000 in its continuing education sites located throughout the state.

Factors Affecting Financial Condition

Summary of Local Economy. The City of Logan benefits from a varied technology, manufacturing, and industrial base that adds to the relative stability of employment. The unemployment rate is approximately 2.0 percent.

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 100,000 inhabitants residing in Logan and the surrounding communities of Cache County. The region is expected to grow approximately two to three percent each year for the next several years. New local business ventures are expected to continue to be established in Logan as a result of the research and development activities of Utah State University's Innovation Campus as well as economic development efforts made by the City. The City has taken an active role in the revitalization of the historic downtown.

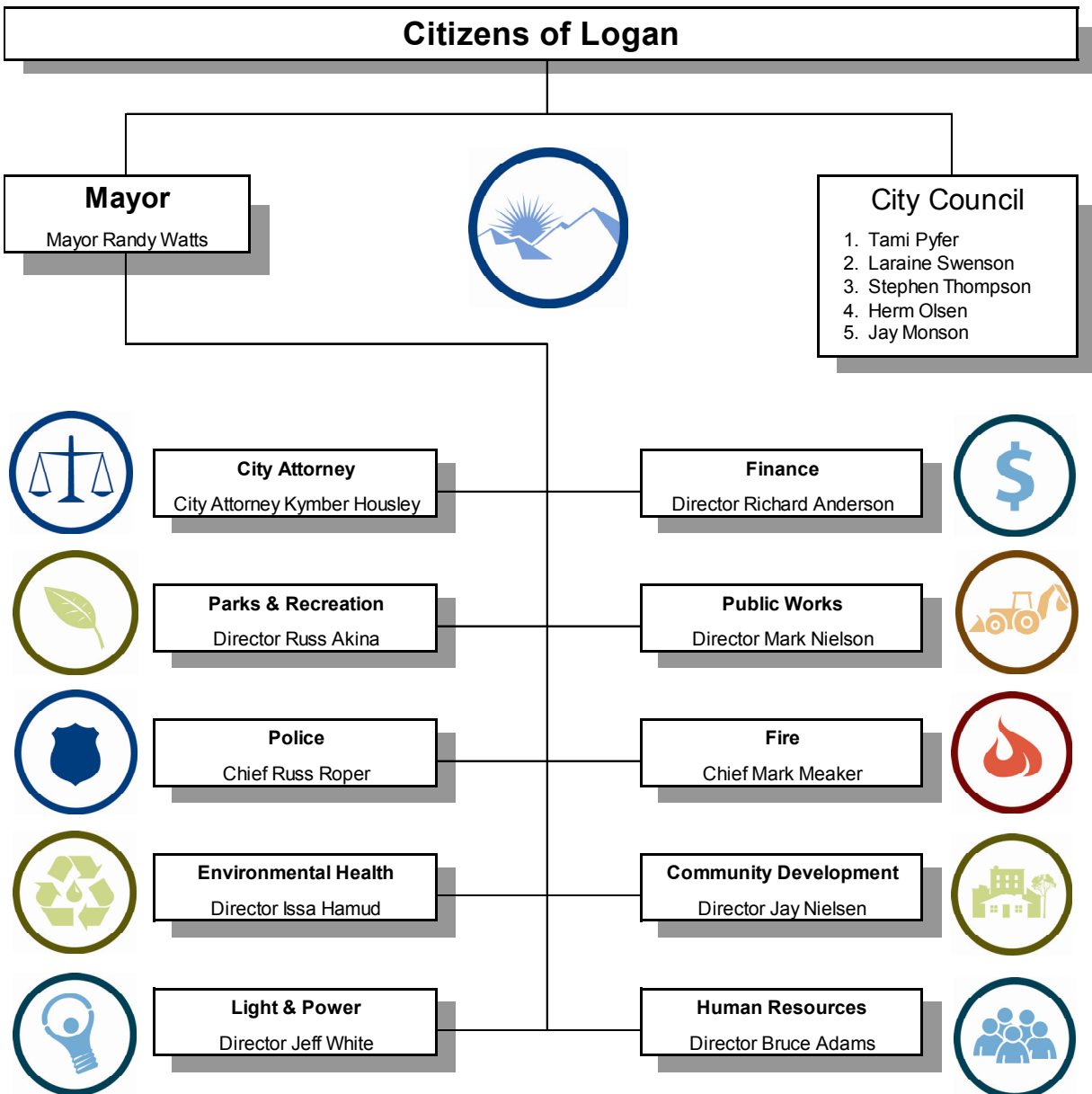
Acknowledgements

The timely and efficient preparation of this report could not have been accomplished without the dedicated service of the staff of the Finance Department. I would specifically like to thank the CAFR Team, composed of Justin Zollinger, Rueben Nelson, and Tyson Griffin, for their service in preparing this report. I appreciate Jones Simkins, P.C., 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,



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INDEPENDENT AUDITORS' REPORT

To the Mayor and 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 as of and for the year ended June 30, 2008, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall 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 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, 2008, 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 November 17, 2008, on our consideration of the City's internal control over financial reporting and on 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 conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of impact fee revenues and projected expenditures / expenses and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-profit Organizations," and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section, schedule of impact fee revenues and projected expenditures / expenses and the statistical section as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

A handwritten signature in blue ink that reads "Jones Simkins, P.C." The signature is written in a cursive, flowing style.

JONES SIMKINS, P.C.
November 17, 2008

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, 2008. 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 \$148,435,679 (net assets). Of this amount, \$32,672,904 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors.

Net assets increased by \$20,750,448. Of this amount, approximately 75 percent is a result of business-type activities.

The City's governmental funds reported a combined ending fund balance of \$17,040,726, a decrease of \$103,819 in comparison to the prior year. The general fund reported fund balance of \$10,074,383, of which \$5,029,854 is unreserved and undesignated.

The City's total bonded debt increased by \$7,649,000.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation between the governmental funds statements and the government activities in the government-wide statements to aid in the comparison.

The City maintains 10 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 the 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 these 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 an internal service fund. 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. An internal service fund is used to account for information systems. Because information systems supports primarily governmental rather than business-type activities, it has 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. As the City has only one internal service fund, it is presented individually.

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

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Government-wide Financial Analysis

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 \$148,435,679 at the close of the current fiscal year.

By far the largest portion of the City's net assets (71.6 percent) is its investment 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Logan's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 28,388,122	\$ 27,529,407	\$ 42,875,917	\$ 25,624,697	\$ 71,264,039	\$ 53,154,104
Capital assets	57,749,599	54,966,560	93,893,339	86,326,986	151,642,938	141,293,546
Total assets	<u>86,137,721</u>	<u>82,495,967</u>	<u>136,769,256</u>	<u>111,951,683</u>	<u>222,906,977</u>	<u>194,447,650</u>
Other liabilities	12,766,435	12,237,681	10,334,862	8,963,755	23,101,297	21,201,436
Long-term liabilities outstanding	18,977,850	21,043,340	32,392,151	24,517,643	51,370,001	45,560,983
Total liabilities	<u>31,744,285</u>	<u>33,281,021</u>	<u>42,727,013</u>	<u>33,481,398</u>	<u>74,471,298</u>	<u>66,762,419</u>
Net assets:						
Invested in capital assets, net of related debt	37,017,827	32,063,095	69,182,015	59,524,334	106,199,842	91,587,429
Restricted	4,309,531	5,490,087	5,253,402	3,645,224	9,562,933	9,135,311
Unrestricted	13,066,078	11,661,764	19,606,826	15,300,727	32,672,904	26,962,491
Total net assets	<u>\$ 54,393,436</u>	<u>\$ 49,214,946</u>	<u>\$ 94,042,243</u>	<u>\$ 78,470,285</u>	<u>\$ 148,435,679</u>	<u>\$ 127,685,231</u>

An additional part of net assets (6.4 percent) is assets that are subject to external restrictions on how they may be expended (debt service, capital projects, etc). The remaining 22.0 percent of 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 Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Revenues:					
Program revenues:						
Charges for services	\$ 5,792,474	\$ 5,820,609	\$ 61,306,711	\$ 56,667,763	\$ 67,099,185	\$ 62,488,372
Operating grants and contributions	3,432,063	3,731,879	5,190	5,089	3,437,253	3,736,968
Capital grants and contributions	2,646,992	1,901,121	4,852,635	1,437,778	7,499,627	3,338,899
General revenues:						
Property taxes	6,243,004	5,515,223	-	-	6,243,004	5,515,223
Sales and other taxes and fees	14,132,410	15,285,145	-	-	14,132,410	15,285,145
Grants and contributions not restricted to specific programs	-	171,205	-	-	-	171,205
Other	1,315,517	1,416,711	861,611	797,112	2,177,128	2,213,823
Total revenues	<u>33,562,460</u>	<u>33,841,893</u>	<u>67,026,147</u>	<u>58,907,742</u>	<u>100,588,607</u>	<u>92,749,635</u>
Expenses:						
General government	4,167,912	4,030,030	-	-	4,167,912	4,030,030
Public safety	11,904,427	11,708,483	-	-	11,904,427	11,708,483
Public works	6,698,981	8,917,654	-	-	6,698,981	8,917,654
Parks, recreation and culture	5,972,206	5,880,219	-	-	5,972,206	5,880,219
Interest and fiscal charges	937,438	1,066,533	-	-	937,438	1,066,533
Water and sewer	-	-	5,956,156	5,995,831	5,956,156	5,995,831
Sewer treatment	-	-	1,678,112	1,323,435	1,678,112	1,323,435
Electric	-	-	28,509,970	27,057,794	28,509,970	27,057,794
Environmental health	-	-	7,363,667	8,406,574	7,363,667	8,406,574
Storm water management	-	-	416,460	268,693	416,460	268,693
Golf course	-	-	1,039,064	964,478	1,039,064	964,478
Total expenses	<u>29,680,964</u>	<u>31,602,919</u>	<u>44,963,429</u>	<u>44,016,805</u>	<u>74,644,393</u>	<u>75,619,724</u>
Increase (decrease) in net assets, before transfers	3,881,496	2,238,974	22,062,718	14,890,937	25,944,214	17,129,911
Special item	(2,693,766)	(2,419,473)	(2,500,000)	-	(5,193,766)	(2,419,473)
Transfers	3,990,760	4,077,415	(3,990,760)	(4,077,415)	-	-
Increase (decrease) in net assets	5,178,490	3,896,916	15,571,958	10,813,522	20,750,448	14,710,438
Net assets, beginning	49,214,946	45,318,030	78,470,285	67,656,763	127,685,231	112,974,793
Net assets, ending	<u>\$ 54,393,436</u>	<u>\$ 49,214,946</u>	<u>\$ 94,042,243</u>	<u>\$ 78,470,285</u>	<u>\$ 148,435,679</u>	<u>\$ 127,685,231</u>

Governmental activities

Governmental activities net assets increased by \$5,178,490 for the current fiscal year. Key elements of this increase are as follows:

- Total revenues decreased, as compared with the prior year, due to Logan Transit District joining the Cache Valley Transit District. Fiscal year 2007 revenue included approximately \$1,500,000 in Logan Transit District sales tax revenue. Considering this event, the City's comparable increase in overall revenue was approximately \$1,300,000.
- Total expenses decreased by nearly \$2,000,000 mostly due to joining Cache Valley Transit District.
- Property tax revenue increased by approximately \$700,000, with nearly \$400,000 being attributable to the Redevelopment Agency.
- The City's governmental activities increased its investment in capital by approximately \$1,800,000 over the prior year. This investment was capitalized and will be depreciated accordingly.
- During the year, the City contributed \$2,693,766 net book value of assets to Cache Valley Transit District (see Notes to the Financial Statements).

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities

Business-type activities net assets increased by \$15,571,958. Key elements of this increase are as follows:

- The water and sewer fund net assets increased by approximately \$4,300,000. Operating revenues increased by approximately \$700,000 over the prior year. Operating revenues were used during the year to aid in the construction of water line projects. Expenses on these projects were capitalized, thereby, increasing net assets invested in capital projects; however, as a result, unrestricted net assets declined.
- The sewer treatment fund net assets increased by approximately \$2,000,000. This increase was consistent with the prior year and expectations.
- The electric fund net assets increased by approximately \$4,200,000. This increase was consistent with expectations. Operating revenues were used during the year to aid in the construction of a substation.
- The environmental health fund net assets increased by approximately \$700,000. During the year, the environmental fund contributed \$2,500,000 to NURLA (see Notes to the Financial Statements).
- The storm water management fund net assets increased by approximately \$4,000,000. Operating revenues were used during the year to aid in the construction of a debris dam. Expenses on this project were capitalized, thereby, increasing net assets invested in capital projects; however, as a result, unrestricted net assets declined.

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.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$17,040,726, with a decrease of \$103,819 compared to the prior fiscal year. Of the total balance, \$11,630,034 is unreserved and undesignated.

Reserved fund balance indicates that the funds are not available for new spending. At year end, the City had reserved fund balance in governmental funds for the following purposes: (1) encumbrances of \$1,435,252, (2) debt service of \$504,374, (3) roads (class c funds) of \$949,474, (4) capital activities (impact fees) of \$569,138 and (5) other miscellaneous amounts of \$1,952,454, which includes interfund loans of \$1,142,826.

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 \$10,074,383, of which \$5,029,854 is unreserved and undesignated. The Utah Fiscal Procedures Act states that the general fund can accumulate reserves up to 18 percent of revenues; fund balance under five percent is to be held for emergencies or to cover operations until property tax revenues are received, while amounts between five percent and 18 percent can be appropriated by the City Council. Any amount over 18 percent must be appropriated in the following fiscal year.

Fund balance of the general fund decreased by \$2,320,792. The reason for this decrease was to comply with State law. Funds were transferred to the capital projects fund.

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

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) \$1,921,468 in the water and sewer fund, (2) \$3,369,337 in the sewer treatment fund, (3) \$5,008,209 in the electric fund, (4) \$9,370,921 in the environmental health fund, (5) a negative \$315,776 in the storm water management fund, and (6) \$167,873 in the golf course fund. The finances of these funds were discussed earlier as part of the business-type activities.

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 \$12,812,072 or 42 percent. A significant part of the increase in appropriations is briefly summarized as follows:

- The City appropriated money for the construction of an addition to a City building resulting in a budget adjustment of \$3,240,000. In addition, \$2,750,000 was appropriated for other capital projects.
- The City appropriated \$2,512,000 for carry forwards of fund balance for specific projects.
- The City appropriated \$2,500,000 for a reimbursable grant.

Other minor increases in appropriations were for grants and other miscellaneous items.

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities amounts to \$106,199,842 (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 initiated construction of the new justice building. Approximately \$2,600,000 was spent on this project during the year.
- Construction continued on the Dry Canyon project. Approximately \$4,000,000 was spent on this project during the year.
- The City initiated construction of the Dewitt Springs water pipeline. Approximately \$2,240,000 was spent on this project during the year.

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Logan's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Land	\$ 14,882,601	\$ 14,289,393	\$ 5,508,139	\$ 5,397,994	\$ 20,390,740
Other nondepreciable assets	1,479,000	1,700,000	-	-	1,479,000	1,700,000
Buildings	10,530,663	14,033,200	5,818,452	6,267,467	16,349,115	20,300,667
Improvements	11,553,435	10,963,657	52,569,193	51,865,692	64,122,628	62,829,349
Equipment	3,072,848	3,076,317	21,386,466	20,704,058	24,459,314	23,780,375
Infrastructure	11,712,408	9,662,134	-	-	11,712,408	9,662,134
Work in progress	4,518,644	1,241,859	8,611,089	2,091,775	13,129,733	3,333,634
Total	\$ 57,749,599	\$ 54,966,560	\$ 93,893,339	\$ 86,326,986	\$ 151,642,938	\$ 141,293,546

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 \$51,817,000. Of this amount, \$6,055,000 comprises debt backed by the full faith and credit of the City and \$45,762,000 represents bonds secured by specific revenue sources (i.e., sales tax, excise tax, etc.).

City of Logan's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
	General obligation bonds	\$ 6,055,000	\$ 6,430,000	\$ -	\$ -	\$ 6,055,000
Revenue bonds	13,930,000	15,176,000	31,832,000	22,562,000	45,762,000	37,738,000
Total	\$ 19,985,000	\$ 21,606,000	\$ 31,832,000	\$ 22,562,000	\$ 51,817,000	\$ 44,168,000

Utilizing bond insurance, rated bonds outstanding have a rating of Aaa by Moody's Investor Service. The following bonds carry an underlying rating as follows:

Bond Issue	Moody's Investor Service
Water and sewer revenue bonds	A1
General obligation bonds	A1

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 June 2008, the City issued \$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 are incurred. As of June 30, 2008, \$1,500,000 of bonds were issued to the City. The remaining \$1,500,000 will be issued during fiscal year 2009. 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 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.

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

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

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, 255 North Main Street, Logan, Utah 84321.

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Basic Financial Statements

**City of Logan
Statement of Net Assets
June 30, 2008**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 14,587,917	\$ 19,690,782	\$ 34,278,699
Investments	2,000,000	-	2,000,000
Accounts receivable (net of allowance)	170,391	4,493,154	4,663,545
Notes receivable	1,067,211	-	1,067,211
Taxes receivable	6,359,332	-	6,359,332
Internal balances	(674,094)	674,094	-
Due from other governmental units	2,748,026	1,804,709	4,552,735
Inventory	228,366	1,187,098	1,415,464
Total current assets	<u>26,487,149</u>	<u>27,849,837</u>	<u>54,336,986</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	1,604,426	14,414,580	16,019,006
Deferred assets	296,547	380,414	676,961
Intangible assets	-	231,086	231,086
Capital assets:			
Land	14,882,601	5,508,139	20,390,740
Other nondepreciable assets	1,479,000	-	1,479,000
Buildings	27,801,271	10,897,587	38,698,858
Improvements other than buildings	13,224,696	71,635,241	84,859,937
Equipment	13,274,665	49,824,257	63,098,922
Infrastructure	33,593,630	-	33,593,630
Less accumulated depreciation	(51,024,908)	(52,582,974)	(103,607,882)
Work in progress	4,518,644	8,611,089	13,129,733
Total noncurrent assets	<u>59,650,572</u>	<u>108,919,419</u>	<u>168,569,991</u>
Total assets	<u><u>86,137,721</u></u>	<u><u>136,769,256</u></u>	<u><u>222,906,977</u></u>
LIABILITIES			
Current liabilities:			
Accrued liabilities	2,889,544	5,829,850	8,719,394
Compensated absences	978,350	483,889	1,462,239
Interest payable	308,326	222,248	530,574
Leases payable	168,931	181,027	349,958
Notes payable	335,950	693,848	1,029,798
Bonds payable	1,680,000	2,924,000	4,604,000
Deferred revenue	6,405,334	-	6,405,334
Total current liabilities	<u>12,766,435</u>	<u>10,334,862</u>	<u>23,101,297</u>
Noncurrent liabilities:			
Leases payable	525,336	96,645	621,981
Notes payable	196,181	-	196,181
Bonds payable	18,256,333	28,567,427	46,823,760
Landfill closure/post-closure costs	-	3,728,079	3,728,079
Total noncurrent liabilities	<u>18,977,850</u>	<u>32,392,151</u>	<u>51,370,001</u>
Total liabilities	<u><u>31,744,285</u></u>	<u><u>42,727,013</u></u>	<u><u>74,471,298</u></u>
NET ASSETS			
Invested in capital assets, net of related debt	37,017,827	69,182,015	106,199,842
Restricted for:			
Debt service	504,374	1,954,145	2,458,519
Roads	949,474	-	949,474
Capital activities	569,138	3,299,257	3,868,395
RDA housing	159,589	-	159,589
Emergency 911	1,705,283	-	1,705,283
Other	421,673	-	421,673
Unrestricted	13,066,078	19,606,826	32,672,904
Total net assets	<u>54,393,436</u>	<u>94,042,243</u>	<u>148,435,679</u>
Total liabilities and net assets	<u><u>\$ 86,137,721</u></u>	<u><u>\$ 136,769,256</u></u>	<u><u>\$ 222,906,977</u></u>

The accompanying notes are an integral part of this statement.

City of Logan
Statement of Activities
For the Year Ended June 30, 2008

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	
Primary government:							
Governmental activities:							
General government	\$ 4,167,912	\$ 2,225,184	\$ 544,803	\$ -	\$ (1,397,925)	\$ -	\$ (1,397,925)
Public safety	11,904,427	2,542,265	364,690	-	(8,997,472)	-	(8,997,472)
Public works	6,698,981	65,795	1,510,998	2,646,992	(2,475,196)	-	(2,475,196)
Parks, recreation and culture	5,972,206	959,230	1,011,572	-	(4,001,404)	-	(4,001,404)
Debt service - Interest and fiscal charges	937,438	-	-	-	(937,438)	-	(937,438)
Total governmental activities	29,680,964	5,792,474	3,432,063	2,646,992	(17,809,435)	-	(17,809,435)
Business-type activities:							
Water and sewer	5,956,156	9,175,918	-	1,600,368	-	4,820,130	4,820,130
Sewer treatment	1,678,112	3,812,998	-	-	-	2,134,886	2,134,886
Electric	28,509,970	35,123,701	-	-	-	6,613,731	6,613,731
Environmental health	7,363,667	11,029,581	5,190	-	-	3,671,104	3,671,104
Storm water management	416,460	1,222,361	-	3,252,267	-	4,058,168	4,058,168
Golf course	1,039,064	942,152	-	-	-	(96,912)	(96,912)
Total business-type activities	44,963,429	61,306,711	5,190	4,852,635	-	21,201,107	21,201,107
Total primary government	\$ 74,644,393	\$ 67,099,185	\$ 3,437,253	\$ 7,499,627	(17,809,435)	21,201,107	3,391,672
General revenues:							
Property tax					6,243,004	-	6,243,004
Sales tax and other taxes and fees					14,132,410	-	14,132,410
Unrestricted investment earnings					777,448	861,611	1,639,059
Miscellaneous					778,342	-	778,342
Gain (loss) on sale of assets					(240,273)	-	(240,273)
Special item					(2,693,766)	(2,500,000)	(5,193,766)
Transfers					3,990,760	(3,990,760)	-
Total general revenues, special item, and transfers					22,987,925	(5,629,149)	17,358,776
Change in net assets					5,178,490	15,571,958	20,750,448
Net assets, beginning					49,214,946	78,470,285	127,685,231
Net assets, ending					\$ 54,393,436	\$ 94,042,243	\$ 148,435,679

The accompanying notes are an integral part of this statement.

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Governmental Fund Financial Statements

General Fund

Redevelopment Agency Fund

Other Governmental Funds

**City of Logan
Balance Sheet
Governmental Funds
June 30, 2008**

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,374,943	\$ 7,172	\$ 9,356,914	\$ 13,739,029
Investments	2,000,000	-	-	2,000,000
Accounts receivable (net of allowance)	87,155	1,260	81,976	170,391
Notes receivable	8,067	669,899	389,245	1,067,211
Property tax receivable	2,436,691	2,595,000	1,327,641	6,359,332
Due from other funds	1,164,896	-	-	1,164,896
Due from other governmental units	2,606,535	-	141,491	2,748,026
Inventory	228,366	-	-	228,366
Restricted assets:				
Cash and cash equivalents	1,438,276	280	165,870	1,604,426
Total assets	<u>14,344,929</u>	<u>3,273,611</u>	<u>11,463,137</u>	<u>29,081,677</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued liabilities	1,779,786	306,385	728,039	2,814,210
Due to other funds	-	1,364,951	389,245	1,754,196
Deferred revenue	2,490,760	3,264,899	1,716,886	7,472,545
Total liabilities	<u>4,270,546</u>	<u>4,936,235</u>	<u>2,834,170</u>	<u>12,040,951</u>
Fund balances:				
Reserved for:				
Encumbrances	1,435,252	-	-	1,435,252
Debt service	503,723	651	-	504,374
Roads	949,474	-	-	949,474
Capital activities	569,138	-	-	569,138
Other	1,586,942	159,589	205,923	1,952,454
Unreserved, undesignated reported in:				
General fund	5,029,854	-	-	5,029,854
Special revenue	-	(1,822,864)	3,063,272	1,240,408
Capital projects	-	-	5,359,772	5,359,772
Total fund balances	<u>10,074,383</u>	<u>(1,662,624)</u>	<u>8,628,967</u>	<u>17,040,726</u>
Total liabilities and fund balances	<u>\$ 14,344,929</u>	<u>\$ 3,273,611</u>	<u>\$ 11,463,137</u>	<u>\$ 29,081,677</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, 2008

Total fund balances - governmental fund types \$ 17,040,726

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	14,882,601	
Other nondepreciable assets	1,479,000	
Buildings	27,801,271	
Improvements other than buildings	13,224,696	
Equipment	12,109,947	
Infrastructure	33,593,630	
Work in progress	4,518,644	
Accumulated depreciation	<u>(49,994,602)</u>	
Total		57,615,187

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Receivables and other	1,067,211	
Deferred assets	<u>296,547</u>	
Total		1,363,758

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Interest payable	(308,326)	
Bonds payable - current	(1,680,000)	
Bonds payable - noncurrent	(18,256,333)	
Notes payable - current	(335,950)	
Notes payable - noncurrent	(196,181)	
Capital leases payable - current	(168,931)	
Capital leases payable - noncurrent	(525,336)	
Compensated absences payable	<u>(951,636)</u>	
Total		(22,422,693)

An internal service fund is used by the City to charge the costs of information systems to the individual funds. The assets and liabilities of internal service funds are included in the statement of net assets (\$881,252 less internal balances of \$84,794).

Net assets	<u>796,458</u>	
Total		796,458

Net assets of governmental activities \$ 54,393,436

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, 2008

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property tax	\$ 2,739,959	\$ 2,043,204	\$ 1,459,841	\$ 6,243,004
Sales tax	8,588,366	-	-	8,588,366
Other taxes and fees	4,860,132	-	683,912	5,544,044
Licenses and permits	1,118,841	-	-	1,118,841
Intergovernmental	2,692,168	-	640,618	3,332,786
Administrative fees	3,458,632	-	-	3,458,632
Charges for services	2,510,769	-	1,056,521	3,567,290
Fines	1,052,012	-	54,331	1,106,343
Investment earnings	416,720	6,242	321,798	744,760
Contributions from private sources	-	715	98,562	99,277
Miscellaneous	538,329	43,024	111,329	692,682
Total revenues	<u>27,975,928</u>	<u>2,093,185</u>	<u>4,426,912</u>	<u>34,496,025</u>
EXPENDITURES				
Current:				
General government	5,776,064	-	-	5,776,064
Public safety	9,791,164	-	1,348,186	11,139,350
Public works	6,363,072	933,415	10,625	7,307,112
Parks, recreation and culture	2,795,193	-	2,732,265	5,527,458
Debt service:				
Principal	1,767,533	468,746	170,278	2,406,557
Interest	767,752	145,686	12,457	925,895
Capital outlay:				
Public safety	453,435	-	2,631,204	3,084,639
Public works	1,856,626	-	387,806	2,244,432
Parks, recreation and culture	268,614	-	209,556	478,170
Total expenditures	<u>29,839,453</u>	<u>1,547,847</u>	<u>7,502,377</u>	<u>38,889,677</u>
Revenues over (under) expenditures	<u>(1,863,525)</u>	<u>545,338</u>	<u>(3,075,465)</u>	<u>(4,393,652)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,217,293	-	5,917,335	11,134,628
Transfers out	(5,972,433)	(858,318)	(313,117)	(7,143,868)
Debt issuance	275,000	-	-	275,000
Sale of fixed assets	22,873	-	1,200	24,073
Total other financing sources (uses)	<u>(457,267)</u>	<u>(858,318)</u>	<u>5,605,418</u>	<u>4,289,833</u>
Net change in fund balances	(2,320,792)	(312,980)	2,529,953	(103,819)
Fund balances, beginning	12,395,175	(1,349,644)	6,099,014	17,144,545
Fund balances, ending	<u>\$ 10,074,383</u>	<u>\$ (1,662,624)</u>	<u>\$ 8,628,967</u>	<u>\$ 17,040,726</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, 2008

Net changes in fund balances - total governmental funds		\$ (103,819)
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	5,807,241	
Depreciation expense	<u>(2,801,327)</u>	
Total		3,005,914
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	2,646,992	
Disposal of assets	<u>(2,958,112)</u>	
Total		(311,120)
Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.		
Total	<u>85,664</u>	85,664
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	(275,000)	
Retirement of long-term debt	2,406,557	
Amortization	<u>-</u>	
Total		2,131,557
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	239,212	
Interest expense	<u>(11,543)</u>	
Total		227,669
An internal service fund is used by management to charge the cost of information systems to individual funds. The net expense of the internal service fund is reported with governmental activities.		
Net expenses of internal service funds	<u>142,625</u>	
Total		142,625
Change in net assets of governmental activities		<u><u>\$ 5,178,490</u></u>

The accompanying notes are an integral part of this statement.

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Proprietary Fund Financial Statements

Water and Sewer Fund

Sewer Treatment Fund

Electric Fund

Environmental Health Fund

Storm Water Management Fund

Golf Course Fund

Information Services Internal Service Fund

City of Logan
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Business-Type Activities - Enterprise Funds						Total	Governmental Activities
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course		
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 3,830,357	\$ 3,117,656	\$ 5,054,422	\$ 7,517,960	\$ -	\$ 170,387	\$ 19,690,782	\$ 848,888
Interfund receivables - pooled cash	-	-	-	920,408	-	-	920,408	-
Accounts receivable (net of allowance)	519,414	235,891	2,709,633	959,066	69,150	-	4,493,154	-
Due from other funds	78,300	-	262,400	348,046	-	-	688,746	-
Due from other governmental units	-	101,617	-	-	1,703,092	-	1,804,709	-
Inventory	339,995	-	710,834	-	42,375	93,894	1,187,098	-
Total current assets	<u>4,768,066</u>	<u>3,455,164</u>	<u>8,737,289</u>	<u>9,745,480</u>	<u>1,814,617</u>	<u>264,281</u>	<u>28,784,897</u>	<u>848,888</u>
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	9,581,554	-	152	1,592,233	3,076,411	164,230	14,414,580	-
Deferred assets	161,418	87,065	79,825	-	28,170	23,936	380,414	-
Intangible assets	-	-	231,086	-	-	-	231,086	-
Capital assets:								
Land	352,607	1,730,104	681,897	1,362,813	-	1,380,718	5,508,139	-
Buildings	1,131,060	278,312	4,892,706	4,025,425	-	570,084	10,897,587	-
Improvements other than buildings	38,398,136	14,491,768	11,018,962	1,808,950	2,347,549	3,569,876	71,635,241	-
Equipment	5,882,788	1,866,868	33,380,880	8,022,569	210,384	460,788	49,824,257	1,164,718
Less accumulated depreciation	(13,656,760)	(4,147,539)	(25,910,449)	(5,946,535)	(930,633)	(1,991,058)	(52,582,974)	(1,030,306)
Work in progress	3,790,330	4,547	-	-	4,816,212	-	8,611,089	-
Total noncurrent assets	<u>45,641,133</u>	<u>14,311,125</u>	<u>24,375,059</u>	<u>10,865,455</u>	<u>9,548,093</u>	<u>4,178,554</u>	<u>108,919,419</u>	<u>134,412</u>
Total assets	<u>50,409,199</u>	<u>17,766,289</u>	<u>33,112,348</u>	<u>20,610,935</u>	<u>11,362,710</u>	<u>4,442,835</u>	<u>137,704,316</u>	<u>983,300</u>
LIABILITIES								
Current liabilities:								
Interfund payables - pooled cash	-	-	-	-	920,408	-	920,408	-
Accrued liabilities	1,720,095	65,524	2,782,693	215,188	983,132	63,218	5,829,850	75,334
Compensated absences	79,411	8,486	208,187	156,628	6,691	24,486	483,889	26,714
Due to other funds	-	-	-	-	99,446	-	99,446	-
Interest payable	108,141	11,817	55,859	2,743	34,984	8,704	222,248	-
Leases payable	-	-	94,417	86,610	-	-	181,027	-
Notes payable	693,848	-	-	-	-	-	693,848	-
Bonds payable	974,000	490,000	860,000	-	250,000	350,000	2,924,000	-
Total current liabilities	<u>3,575,495</u>	<u>575,827</u>	<u>4,001,156</u>	<u>461,169</u>	<u>2,294,661</u>	<u>446,408</u>	<u>11,354,716</u>	<u>102,048</u>
Noncurrent liabilities:								
Leases payable	-	-	96,645	-	-	-	96,645	-
Bonds payable	16,185,354	6,095,073	2,790,000	-	2,782,000	715,000	28,567,427	-
Landfill closure/post-closure costs	-	-	-	3,728,079	-	-	3,728,079	-
Total noncurrent liabilities	<u>16,185,354</u>	<u>6,095,073</u>	<u>2,886,645</u>	<u>3,728,079</u>	<u>2,782,000</u>	<u>715,000</u>	<u>32,392,151</u>	<u>-</u>
Total liabilities	<u>19,760,849</u>	<u>6,670,900</u>	<u>6,887,801</u>	<u>4,199,248</u>	<u>5,076,661</u>	<u>1,161,408</u>	<u>43,746,867</u>	<u>102,048</u>
NET ASSETS								
Invested in capital assets, net of related debt	25,998,232	7,726,052	20,533,845	5,458,533	6,516,029	2,949,324	69,182,015	134,412
Restricted for:								
Debt service	1,789,699	-	152	-	64	164,230	1,954,145	-
Capital activities	938,951	-	682,341	1,592,233	85,732	-	3,299,257	-
Unrestricted	1,921,468	3,369,337	5,008,209	9,370,921	(315,776)	167,873	19,522,032	746,840
Total net assets	<u>\$ 30,648,350</u>	<u>\$ 11,095,389</u>	<u>\$ 26,224,547</u>	<u>\$ 16,421,687</u>	<u>\$ 6,286,049</u>	<u>\$ 3,281,427</u>	<u>\$ 93,957,449</u>	<u>\$ 881,252</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, 2008

Total net assets for proprietary funds	\$ 93,957,449
Internal service fund allocation for prior year	58,204
Internal service fund allocation for current year	26,590
	<hr/>
Total business-type net assets	<u><u>\$ 94,042,243</u></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, 2008

	Business-Type Activities - Enterprise Funds					Total	Governmental Activities
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management		
Operating revenues:							
Charges for sales and services	\$ 8,291,756	\$ 3,789,651	\$ 33,719,860	\$ 10,504,969	\$ 1,097,082	\$ 924,283	\$ 1,143,351
Connection fees	404,021	-	943,104	-	-	-	-
Total operating revenues	<u>8,695,777</u>	<u>3,789,651</u>	<u>34,662,964</u>	<u>10,504,969</u>	<u>1,097,082</u>	<u>924,283</u>	<u>1,143,351</u>
Operating expenses:							
Salaries and wages	1,587,675	117,186	2,883,568	3,095,237	63,437	427,166	463,205
Administrative fees	1,013,599	175,716	872,788	1,049,114	21,788	-	-
Contractual services	86,637	49,774	8,118	365,871	119,324	5,997	1,882
Operating and maintenance	1,791,007	523,759	23,084,883	1,753,526	52,120	425,120	509,401
Depreciation and amortization	1,173,357	429,036	1,530,225	1,114,965	80,143	137,051	33,755
Total operating expenses	<u>5,652,275</u>	<u>1,295,471</u>	<u>28,379,582</u>	<u>7,368,713</u>	<u>336,812</u>	<u>995,334</u>	<u>1,008,243</u>
Operating income (loss)	<u>3,043,502</u>	<u>2,494,180</u>	<u>6,283,382</u>	<u>3,136,256</u>	<u>760,270</u>	<u>(71,051)</u>	<u>135,108</u>
Nonoperating revenues (expenses):							
Intergovernmental revenue	26,808	-	-	5,190	3,053,717	-	-
Interest	203,757	135,172	229,841	419,328	65,457	18,514	32,688
Gain (loss) on sale of assets	950	-	3,819	(824)	-	-	-
Miscellaneous	451,112	-	454,719	454,638	49,569	6,720	1,419
Interest expense and fiscal charges	(310,007)	(384,300)	(137,419)	(3,820)	(80,297)	(45,165)	-
Total nonoperating revenue (expense)	<u>372,620</u>	<u>(249,128)</u>	<u>550,960</u>	<u>874,512</u>	<u>3,088,446</u>	<u>(19,931)</u>	<u>34,107</u>
Income (loss) before transfers	<u>3,416,122</u>	<u>2,245,052</u>	<u>6,834,342</u>	<u>4,010,768</u>	<u>3,848,716</u>	<u>(90,982)</u>	<u>169,215</u>
Transfers in	-	-	238,318	-	-	394,615	-
Transfers out	(696,059)	(269,463)	(2,845,513)	(812,658)	-	-	-
Capital contributions	1,573,560	-	-	-	198,550	-	-
Special item	-	-	-	(2,500,000)	-	-	-
Change in net assets	4,293,623	1,975,589	4,227,147	698,110	4,047,266	303,633	169,215
Total net assets, beginning	26,354,727	9,119,800	21,997,400	15,723,577	2,238,783	2,977,794	712,037
Total net assets, ending	<u>\$ 30,648,350</u>	<u>\$ 11,095,389</u>	<u>\$ 26,224,547</u>	<u>\$ 16,421,687</u>	<u>\$ 6,286,049</u>	<u>\$ 3,281,427</u>	<u>\$ 881,252</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, 2008

Total changes in net assets proprietary funds	\$ 15,545,368
Internal service fund allocation for current year	26,590
	<hr/>
Total changes in business-type net assets	<u><u>\$ 15,571,958</u></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, 2008

	Business-Type Activities - Enterprise Funds						Total	Governmental Activities
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course		
Cash Flows From Operating Activities								
Receipts from customers and users	\$ 8,794,532	\$ 3,774,290	\$ 34,958,710	\$ 10,413,425	\$ 1,088,954	\$ 924,283	\$ 59,954,194	\$ 1,145,448
Payments for services and supplies	(2,415,052)	(728,964)	(27,490,097)	(7,774,027)	690,634	(857,844)	(38,575,350)	(945,488)
Payments for interfund services used	(1,013,599)	(175,716)	(872,788)	(1,049,114)	(21,788)	-	(3,133,005)	-
Net cash provided (used) by operating activities	5,365,881	2,869,610	6,595,825	1,590,284	1,757,800	66,439	18,245,839	199,960
Cash Flows From Noncapital Financing Activities								
Miscellaneous income (expense)	700,140	-	454,720	396,656	49,567	6,720	1,607,803	1,418
Transfers from (to) other funds	(696,059)	(269,463)	(2,607,195)	(812,658)	-	394,615	(3,990,760)	-
Changes to interfund receivables and payables	24,665	(800,000)	31,000	(75,408)	875,408	-	55,665	-
Net cash provided (used) by noncapital and related financing activities	28,746	(1,069,463)	(2,121,475)	(491,410)	924,975	401,335	(2,327,292)	1,418
Cash Flows From Capital and Related Financing Activities								
Proceeds from capital grants	26,808	-	-	-	1,372,571	-	1,399,379	-
Proceeds from sale of capital assets	950	-	5,000	97,650	-	-	103,600	-
Purchases of capital assets	(2,884,094)	(4,547)	(2,754,343)	(680,618)	(4,117,932)	(37,872)	(10,479,406)	(114,675)
Proceeds from issuance of debt	8,427,870	-	142,000	-	3,000,700	-	11,570,570	-
Principal paid on debt	(768,152)	(490,000)	(942,003)	(83,439)	-	(350,000)	(2,633,594)	-
Interest and fees paid on capital debt	(291,155)	(368,323)	(144,546)	(6,462)	(45,313)	(47,615)	(903,414)	-
Net cash provided (used) by capital and related financing activities	4,512,227	(862,870)	(3,693,892)	(672,869)	2,10,026	(435,487)	(942,865)	(114,675)
Cash Flows From Investing Activities								
Interest and dividends received	203,757	135,172	229,841	419,328	65,457	18,514	1,072,069	32,688
Net cash provided (used) by investing activities	203,757	135,172	229,841	419,328	65,457	18,514	1,072,069	32,688
Net increase (decrease) in cash and cash equivalents	10,110,611	1,072,449	1,010,299	845,333	2,958,258	50,801	16,047,751	119,391
Cash and cash equivalents - beginning	3,301,300	2,045,207	4,044,275	8,264,860	118,153	283,816	18,057,611	729,497
Cash and cash equivalents - ending	13,411,911	3,117,656	5,054,574	9,110,193	3,076,411	334,617	34,105,362	848,888
Shown in the financial statements as:								
Cash and cash equivalents	3,830,357	3,117,656	5,054,422	7,517,960	-	170,387	19,690,782	848,888
Restricted cash and cash equivalents	9,581,554	-	152	1,592,233	3,076,411	164,230	14,414,580	-
Total	13,411,911	3,117,656	5,054,574	9,110,193	3,076,411	334,617	34,105,362	848,888
Reconciliation of operating income to net cash provided by (used in) operating activities:								
Operating income (loss)	3,043,502	2,494,180	6,283,382	3,136,256	760,270	(71,051)	15,646,539	135,108
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation and amortization expenses	1,173,357	429,036	1,530,225	1,114,965	80,143	137,051	4,464,777	33,755
Special item	-	-	-	(2,500,000)	-	-	(2,500,000)	-
(Increase) decrease in receivables	98,755	(15,361)	295,746	(91,544)	(8,128)	-	279,468	2,097
(Increase) decrease in inventories	81,637	-	160,772	-	(42,375)	-	176,277	-
Increase (decrease) in accrued liabilities	968,630	(38,245)	(1,674,300)	(69,393)	967,890	24,196	178,778	29,000
Total adjustments	2,322,379	375,430	312,443	(1,545,972)	997,530	137,490	2,599,300	64,852
Net cash provided (used) by operating activities	5,365,881	2,869,610	6,595,825	1,590,284	1,757,800	66,439	18,245,839	199,960
Noncash Transactions								
Contribution of fixed assets	\$ 1,573,560	\$ -	\$ -	\$ -	\$ 198,550	\$ -	\$ 1,772,110	\$ -

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, and the 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 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 has 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.

Willow Park Complex Interlocal Agreement

The Willow Park complex agreement was created for the operation of the Logan-Cache Fairgrounds, Willow Park, Willow Park Zoo, Willow Park Sports Complex, and Fairview Park. The agreement calls for the City of Logan and the County to share the costs of operation equally. The Willow Park fund is a nonmajor governmental fund of the City of Logan. On December 31, 2007, the City and the County severed joint operations of the Willow Park Fund. The City assumed operational responsibility for Willow Park, Willow Park Zoo, Willow Park Sports Complex, and Fairview Park, and the County assumed operational responsibility for the Logan-Cache Fairgrounds.

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)

The City is a participant with 52 other members in UAMPS. UAMPS is a governmental agency that provides comprehensive wholesale electric services, on a nonprofit basis, to municipalities throughout the Intermountain West. Members are located in Utah, Arizona, Idaho, Nevada, New Mexico, California, and Oregon. Together they supply energy services to nearly 150,000 business and residential customers. UAMPS is a stand-alone entity that issues its own financial statements. For a copy of their financial statements contact UAMPS at 2825 Cottonwood Parkway, Suite 200, Salt Lake City, Utah, 84121, or call 1-800-872-5961, or visit their website at www.uamps.com. For more information regarding the City's contracts with UAMPS, see Note 18.

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 economic disposal of non-hazardous solid waste. All members 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. The entity reported net assets of \$4,253 as of December 31, 2007.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 non-fiduciary 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 support.

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 instead 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, franchise taxes, and intergovernmental revenue 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 and the Logan North Retail redevelopment project areas, and the Logan 600 West economic development area.

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.

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

The electric fund accounts for electricity generation and distribution operations.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 information services fund is an internal service fund that accounts for the cost of providing information services to the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or 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 for 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 fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund 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 resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

State statutes authorize the City to invest in obligations of U.S. Treasury, certificates of deposit, and the State Treasurers' Investment Pool. The State Treasurers' Investment Pool is classified as cash and cash equivalents in the financial statements.

Investments for the City, as well as for its component units, are reported at fair value. The State Treasurers' 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 majority of the City's cash is invested through the Utah State Treasurers' Investment Pool and any remaining balances are transferred into an interest bearing sweep account at the end of each business day. The City also invests in other 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.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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. Both entities are required to assess properties prior to January 1, the assessment date. 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 of November 30.

Inventory

Inventory held by the enterprise funds and the general fund is valued using the weighted average method, which approximates cost. Inventory held in the other funds is insignificant and is expensed.

Restricted Assets

Certain proceeds of the City’s funds, as well as certain resources set aside for debt repayment, 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.

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 materially extend the asset life is expensed.

Major outlays for capital assets and improvements are capitalized as assets are constructed or purchased. 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:

Asset	Useful Life
Buildings	20 to 30 years
Improvements	50 years
Infrastructure	20 to 50 years
Equipment	5 to 10 years

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 since 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.

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 assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during 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.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

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." The City Council requires accountability at the division level for the general fund and the department level for all other funds. As of June 30, 2008, the Aquatic Center division exceeded its operating budget. However, no departments exceeded their budgets.

The redevelopment agency fund promotes economic development through the granting of incentives and other activities. The agency has borrowed money through issuing bonds and obtaining interfund loans. The agency is expected to operate at a deficit until the time it is able to pay back loans as tax increment is generated and collected. At June 30, 2008, the redevelopment agency fund had a negative fund balance of \$1,662,624.

The special improvement fund, a nonmajor governmental fund, has a negative fund balance of \$375,346. The fund obtained interfund loans to construct capital assets, which are not recorded on the fund statements. Assessments received from the property owners are expected to repay the interfund loans over time.

Note 3 - Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State,

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

and review the 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. 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.

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. As of June 30, 2008, \$1,010,874 of the City's bank balances of \$1,110,874 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 Treasurers' Investment Fund.

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

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 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. At June 30, 2008, the investments underlying the repurchase agreement were Guaranteed MBS Pass-Through Securities (Mega Certificates), backed by Fannie Mae MBS Certificates.

At June 30, 2008, the City had the following investments and maturities:

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NOTES TO THE FINANCIAL STATEMENTS

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
PTIF	\$ 40,064,587	\$ 40,064,587	\$ -	\$ -	\$ -
MMMF	7,791,854	7,791,854	-	-	-
Corporate Note	2,000,000	2,000,000	-	-	-
Rep Agreement	1,526,648	1,526,648	-	-	-
Total	\$ 51,383,089	\$ 51,383,089	\$ -	\$ -	\$ -

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.

At June 30, 2008, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF	\$ 40,064,587	\$ -	\$ -	\$ -	\$ 40,064,587
MMMF	7,791,854	-	-	-	7,791,854
Corporate Note	2,000,000	-	-	2,000,000	-
Rep Agreement	1,526,648	1,526,648	-	-	-
Total	\$ 51,383,089	\$ 1,526,648	\$ -	\$ 2,000,000	\$ 47,856,441

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.

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. At June 30, 2008, \$17,623,665 was held by the counterparty's trust department or agent but not in the government's name.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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>

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

RDA notes	\$ 643,879
Other governmental fund notes	367,175
Total	<u>\$ 1,011,054</u>

The RDA has five 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. The RDA also has one land grant for the development of land and the creation of jobs.

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

Uncollectibles related to water and sewer charges	\$ 57,090
Uncollectibles related to electric sales	111,392
Uncollectibles related to environmental health charges	24,058
Total	<u>\$ 192,540</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 taxes	\$ 2,436,691	\$ -
Justice court bail	-	38,602
Miscellaneous receipts	8,067	7,400
Redevelopment agency fund		
Property taxes	2,595,000	-
Notes receivable	669,899	-
Other governmental funds		
Property taxes	1,327,641	-
Assessments receivable	389,245	-
Total	<u>\$ 7,426,543</u>	<u>\$ 46,002</u>

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Payables

Within accrued liabilities are deposits held by the City for various purposes. The majority is held as utility deposits, with the remainder for assurance deposits and miscellaneous credit balances. It is the City's practice to require a deposit for customers without a prior history of timely utility payment. This deposit is held for one year, at which time, if the customer has displayed consistent and timely payment, the deposit is refunded. As of June, 30 2008, the City had the following deposit balances recorded in accrued liabilities:

Fund	Amount
General fund	\$ 362,029
Electric	764,509
Environmental health	3,280
Total	<u>\$ 1,129,818</u>

Within accrued liabilities is accrued payroll payable. As of June 30, 2008, the City had the following accrued payroll liabilities:

Fund	Amount
General fund	\$ 758,512
Other governmental funds	99,870
Golf course	25,445
Water and sewer	63,873
Sewer treatment	7,522
Electric	124,225
Environmental health	132,249
Storm water management	2,764
Internal service fund	20,172
Total	<u>\$ 1,234,632</u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008 is as follows:

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 14,289,393	\$ 912,945	\$ (319,737)	\$ 14,882,601
Book collection	1,700,000	-	(221,000)	1,479,000
Construction in progress	1,241,859	3,449,648	(172,863)	4,518,644
Total capital assets, not being depreciated	<u>17,231,252</u>	<u>4,362,593</u>	<u>(713,600)</u>	<u>20,880,245</u>
Capital assets, being depreciated:				
Buildings	31,808,818	139,536	(4,147,083)	27,801,271
Improvements other than buildings	12,382,023	873,859	(31,186)	13,224,696
Equipment	12,970,413	881,237	(576,985)	13,274,665
Infrastructure	31,084,959	2,508,671	-	33,593,630
Total capital assets being depreciated	<u>88,246,213</u>	<u>4,403,303</u>	<u>(4,755,254)</u>	<u>87,894,262</u>
Less accumulated depreciation for:				
Buildings	(17,775,618)	(1,262,588)	1,767,598	(17,270,608)
Improvements other than buildings	(1,418,366)	(256,689)	3,794	(1,671,261)
Equipment	(9,894,096)	(857,408)	549,687	(10,201,817)
Infrastructure	(21,422,825)	(458,397)	-	(21,881,222)
Total accumulated depreciation	<u>(50,510,905)</u>	<u>(2,835,082)</u>	<u>2,321,079</u>	<u>(51,024,908)</u>
Total capital assets, being depreciated, net	<u>37,735,308</u>	<u>1,568,221</u>	<u>(2,434,175)</u>	<u>36,869,354</u>
Governmental activities capital assets, net	<u>\$ 54,966,560</u>	<u>\$ 5,930,814</u>	<u>\$ (3,147,775)</u>	<u>\$ 57,749,599</u>

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 5,397,994	\$ 110,145	\$ -	\$ 5,508,139
Construction in progress	2,091,775	6,519,314	-	8,611,089
Total capital assets, not being depreciated	<u>7,489,769</u>	<u>6,629,459</u>	<u>-</u>	<u>14,119,228</u>
Capital assets, being depreciated:				
Buildings	10,983,607	-	(86,020)	10,897,587
Improvements other than buildings	69,474,178	2,161,063	-	71,635,241
Equipment	46,855,767	3,265,495	(297,005)	49,824,257
Total capital assets being depreciated	<u>127,313,552</u>	<u>5,426,558</u>	<u>(383,025)</u>	<u>132,357,085</u>
Less accumulated depreciation for:				
Buildings	(4,716,140)	(400,597)	37,602	(5,079,135)
Improvements other than buildings	(17,608,486)	(1,457,562)	-	(19,066,048)
Equipment	(26,151,709)	(2,535,604)	249,522	(28,437,791)
Total accumulated depreciation	<u>(48,476,335)</u>	<u>(4,393,763)</u>	<u>287,124</u>	<u>(52,582,974)</u>
Total capital assets, being depreciated, net	<u>78,837,217</u>	<u>1,032,795</u>	<u>(95,901)</u>	<u>79,774,111</u>
Business-type activities capital assets, net	<u>\$ 86,326,986</u>	<u>\$ 7,662,254</u>	<u>\$ (95,901)</u>	<u>\$ 93,893,339</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

Governmental activities:	
General government	\$ 11,439
Public safety	891,315
Highways, streets, and general infrastructure assets	1,390,422
Parks, recreation and culture	508,151
Capital assets held by the governments internal service fund are charged to the various functions based on their usage of the assets	33,755
Total depreciation - governmental activities	<u>\$ 2,835,082</u>
Business-type activities:	
Water and sewer	\$ 1,160,940
Sewer treatment	422,235
Electric	1,490,264
Environmental health	1,114,965
Storm water management	77,013
Golf course	128,346
Total depreciation - business-type activities	<u>\$ 4,393,763</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2008, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	Not Expected to be Repaid Within 1 Year
General fund	Redevelopment agency	\$ 775,651	\$ 775,651
	Other governmental	389,245	367,175
Water and sewer	Redevelopment agency	78,300	78,300
Electric	Redevelopment agency	262,400	262,400
Environmental health	Redevelopment agency	248,600	248,600
	Storm water management	99,446	49,446
	Total	<u>\$ 1,853,642</u>	<u>\$ 1,781,572</u>

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Environmental health	Storm water management	\$ 920,408
	Total	<u>\$ 920,408</u>

Interfund pooled cash balances result from the sharing of a common bank account for maximizing interest earnings. These amounts are liquidated regularly based on cash flows within the funds.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental	Enterprise Funds	
General fund	\$ -	\$ 5,577,818	\$ 394,615	\$ 5,972,433
Redevelopment agency	580,000	40,000	238,318	858,318
Nonmajor governmental	13,600	299,517	-	313,117
Water and sewer	696,059	-	-	696,059
Sewer treatment	269,463	-	-	269,463
Electric utility	2,845,513	-	-	2,845,513
Environmental health	812,658	-	-	812,658
Total	\$ 5,217,293	\$ 5,917,335	\$ 632,933	\$ 11,767,561

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.

Note 7 - Intangible Assets

The electric fund purchased rights to power for the following projects:

Project	Purchase Price	Accumulated Amortization	Net Assets
Hunter II	\$ 333,540	\$ (289,068)	\$ 44,472
PPM	195,500	(8,886)	186,614
Total	\$ 529,040	\$ (297,954)	\$ 231,086

The power rights are amortized over the length of the project.

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 eight years with interest rates from 3.30 to 4.55 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	Business-type Activities
Equipment	\$ 1,136,373	\$ 708,591
Less: accumulated depreciation	(364,630)	(350,242)
Total	\$ 771,743	\$ 358,349

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

The future minimum lease obligations as of June 30, 2008, are as follows:

Year Ended June 30	Governmental Activities	Business-type Activities
2009	\$ 198,893	\$ 192,534
2010	168,067	51,461
2011	133,337	51,462
2012	73,681	-
2013	73,681	-
2014-2018	147,362	-
Total minimum lease payments	795,021	295,457
Less: amounts representing interest	(100,754)	(17,785)
Present value of minimum lease payments	<u>\$ 694,267</u>	<u>\$ 277,672</u>

Note 9 - Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for fiscal year ended June 30, 2008, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 6,430,000	\$ -	\$ (375,000)	\$ 6,055,000	\$ 385,000
Revenue bonds	15,176,000	-	(1,246,000)	13,930,000	1,295,000
Deferred amounts:					
Deferred loss on refunding	(332,612)	-	36,957	(295,655)	-
Premium	277,236	-	(30,248)	246,988	-
Total bonds payable	<u>21,550,624</u>	<u>-</u>	<u>(1,614,291)</u>	<u>19,936,333</u>	<u>1,680,000</u>
Notes payable	585,249	275,000	(328,118)	532,131	335,950
Capital leases	1,151,706	-	(457,439)	694,267	168,931
Compensated absences	<u>1,226,741</u>	<u>711,313</u>	<u>(959,704)</u>	<u>978,350</u>	<u>978,350</u>
Governmental activity long-term liabilities	<u>24,514,320</u>	<u>986,313</u>	<u>(3,359,552)</u>	<u>22,141,081</u>	<u>3,163,231</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	22,562,000	11,567,000	(2,297,000)	31,832,000	2,924,000
Deferred amounts:					
Deferred loss	(371,119)	-	30,546	(340,573)	-
Total bonds payable	<u>22,190,881</u>	<u>11,567,000</u>	<u>(2,266,454)</u>	<u>31,491,427</u>	<u>2,924,000</u>
Notes payable	850,000	-	(156,152)	693,848	693,848
Capital leases	316,114	142,000	(180,442)	277,672	181,027
Compensated absences	<u>596,338</u>	<u>311,081</u>	<u>(423,530)</u>	<u>483,889</u>	<u>483,889</u>
Business-type activity long-term liabilities	<u>\$ 23,953,333</u>	<u>\$ 12,020,081</u>	<u>\$ (3,026,578)</u>	<u>\$ 32,946,836</u>	<u>\$ 4,282,764</u>

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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.

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 \$5,500,000 were outstanding as of June 30, 2008.

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

Year Ended June 30	Governmental Activities	
	Principal	Interest
2009	\$ 385,000	\$ 255,960
2010	400,000	239,260
2011	425,000	219,635
2012	450,000	197,760
2013	475,000	177,010
2014-2018	2,680,000	529,404
2019-2023	1,240,000	48,208
Total	\$ 6,055,000	\$ 1,667,237

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 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 June 2008, the City issued \$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 are incurred. As of June 30, 2008, \$1,500,000 of bond proceeds were issued to the City. The remaining \$1,500,000 will be issued during fiscal year 2009. 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 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. The refunded 1998 bonds will be redeemed on December 15, 2008.

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.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 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. Refunded 1998 MBA bonds in the amount of \$5,170,000 will be redeemed on or before October 1, 2008.

Revenue bonds outstanding as of June 30, 2008, are as follows:

Purpose	Interest Rates	Amount
2008 Water & Sewer	4.04%	\$ 7,035,000
2008 Water & Sewer	1.14%	1,500,000
2007 Storm Water	3.96%	3,032,000
2006 Excise Tax	4.26%	3,048,000
2004A-B Sales Tax	1.80% - 3.90%	7,175,000
2003B-C RDA Sales Tax	1.58% - 4.00%	3,370,000
1992 PCIB	4.50%	337,000
2006 Sewer	3.93%	3,470,000
2006 Water & Sewer	3.93%	2,580,000
2005A Water & Sewer	4.50%	675,000
2004 Water & Sewer	2.57%	4,230,000
2004 Electric	3.00% - 3.50%	3,650,000
2003 Golf Course Sales Tax	2.50% - 3.50%	1,065,000
2002 Sewer Treatment - partial defeasance	3.00% - 4.80%	3,325,000
1998 Water & Sewer - partial defeasance	3.70% - 4.65%	1,270,000
Total		\$ 45,762,000

Revenue bond debt service requirements to maturity are as follows:

Year Ended June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 1,295,000	\$ 509,298	\$ 2,924,000	\$ 1,115,173
2010	1,344,000	465,622	3,132,000	1,020,774
2011	1,397,000	420,038	3,200,000	905,738
2012	1,422,000	369,999	2,903,000	792,065
2013	1,504,000	317,068	1,978,000	703,426
2014-2018	6,968,000	713,833	10,449,000	2,368,230
2019-2023	-	-	6,545,000	735,537
2024-2028	-	-	701,000	27,140
Total	\$ 13,930,000	\$ 2,795,858	\$ 31,832,000	\$ 7,668,081

Notes Payable

Notes payable have been issued for the purchase of land and buildings in the governmental activities and for capital improvements in the business-type activities.

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NOTES TO THE FINANCIAL STATEMENTS

In July 2007, the City obtained a seller-financing note for \$275,000 on property for transportation right-of-way. The note was interest free and matures in July 2008.

In July 2006, the City obtained a note for \$850,000 from the Utah Department of Transportation. Proceeds from the note were used to replace aging water lines. The note bears interest of 4.25 percent and is for a term of five years.

In November 2005, the City obtained a note for \$193,000. This note is accounted for in the special improvement fund. The note will reimburse the City for costs incurred for sidewalk and lighting improvements in the business improvement district. The note will be repaid from assessments on individual property owners. The note bears interest of 5.35 percent and is for a term of 15 years. During the current fiscal year, the note was retired with a interfund loan from the general fund.

The interest rates of all notes and their balances are as follows:

Purpose	Interest Rates	Amount
Leishman Note	0.00%	\$ 275,000
UDOT Infrastructure Loan	4.25%	693,848
Thomas Budge	8.00%	193,381
Zann Horlacher	10.50%	63,750
Total		<u>\$ 1,225,979</u>

The notes payable debt service requirements to maturity are as follows:

Year ended June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 335,950	\$ 21,313	\$ 693,848	\$ 14,744
2010	66,371	15,892	-	-
2011	126,345	9,977	-	-
2012	3,465	43	-	-
Total	<u>\$ 532,131</u>	<u>\$ 47,225</u>	<u>\$ 693,848</u>	<u>\$ 14,744</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 limits listed below are aggregate limits per event, with the exception of the Finance Director Bond and Treasurer Bond. Insurance coverage maintained by the City for the fiscal year ended June 30, 2008, is as follows:

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Description	Limit
Buildings	\$ 97,141,000
Building contents	10,287,000
Contractors equipment	3,738,000
Mobile equipment	530,000
Outdoor equipment	922,000
Electronic data processing	660,000
Fine arts	1,200,000
General and auto liability	2,000,000
Finance Director bond	10,000
Treasurer bond	2,100,000

As of June 30, 2008, there were no unpaid claims. The City has not incurred claims settlements in excess of insurance coverage for the past three years.

Note 12 - Subsequent Events

In July 2008, the City increased its liability deductible from \$10,000 to \$250,000. The City also increased the insurance cap from \$2,000,000 to \$10,000,000 and obtained \$50,000,000 in earthquake insurance.

In September 2008, the City obtained lease financing of \$706,134 for the purchase of a fire engine. The term of the lease is 12 years with interest of 4.88 percent.

Note 13 - Commitments and Contingencies

Legal Claims

During the period of July 1, 2007 through June 30, 2008, claims alleging liability for damages were filed with the City of Logan. The claims covered a wide spectrum of potential liability. It appears that the insurance coverage provided by Utah Local Governments Trust is sufficient for all claims now pending. Andrade vs. City of Logan is a significant case involving an incident where a young boy was riding his bike in a driveway. The boy moved into the roadway and between the tires on a garbage truck and was injured. At this time, it is too early to determine possible damages and liability. However, the City's insurance coverage limit per incident for general liability claims is \$2,000,000.

Construction Commitments

The City has two significant construction projects as of June 30, 2008. At fiscal year end the City's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Dewitt Springs water line	\$ 7,013,567
Logan City building	4,270,526

Redevelopment Projects

The City has established six redevelopment projects and one economic development project. Certain projects have received interfund loans from other governmental funds and enterprise funds to make various improvements within the project areas. Interfund loans are to be repaid from property tax increment. The City funds which made loans to the redevelopment projects bear the risk that future tax increment may not be sufficient to repay the loans. At June 30, 2008, the redevelopment projects have interfund loans payable of \$1,364,951 to other City funds.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

State statutes applicable to three redevelopment projects require 20 percent of the tax increment generated within the project to be restricted for low-income housing. The Logan 600 West Economic Development project requires 20 percent of the increment to be restricted annually. As of June 30, 2008, the amount restricted for this purpose is \$159,589. 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, 2008, the Logan North Main project has collected \$411,391 of tax increment, 20 percent of which is \$82,278. The Logan North Retail project has collected \$1,628,410 of tax increment, 20 percent of which is \$325,682. The final year of operation for Logan North Main and the Logan North Retail project is 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 increment rebates outstanding as of June 30, 2008 are as follows:

Description	Gross Commitment	Current Year Rebate	Rebates-to- Date
Agreement #1	\$ 66,600	\$ -	\$ -
Agreement #2	92,500	14,001	92,500
Agreement #3	52,258	11,484	27,181
Agreement #4	917,287	83,390	416,950
Agreement #5	n/a	231,268	855,718
Agreement #6	1,500,000	73,667	337,082
Agreement #7	140,000	17,744	50,260
Agreement #8	687,500	130,560	273,628
Agreement #9	1,500,000	-	-
Agreement #10	4,800,000	-	-
Agreement #11	220,000	12,242	12,242
Agreement #12	225,000	18,785	18,785
Agreement #13	40,000	-	-
Agreement #14	68,431	-	-
Agreement #15	251,205	-	-
Agreement #16	953,435	-	-
Agreement #17	100,000	-	-
Agreement #18	235,000	-	-
Agreement #19	250,000	-	-
Agreement #20	174,720	-	-
Total	<u>\$ 12,273,936</u>	<u>\$ 593,141</u>	<u>\$ 2,084,346</u>

Agreement number five 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 14 - 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

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Contributory is an agent multiple-employer and the other plans are cost sharing multiple-employer pension plans administered by the Utah Retirement Systems (Systems).

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, 540 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 7.61 percent of their annual salary. For the members in the Local Governmental Noncontributory division, the City is required to contribute 11.62 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 14.61 percent of their annual salary. For the members in the Public Safety Noncontributory division, the City is required to contribute 25.48 percent of their annual salary. Members in the Firefighters System division are required to pay 9.30 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 \$192,323 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2007 actuarial valuation using entry age actuarial cost method. The actuarial value of the City's retirement systems assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The City's unfunded actuarial accrued liability is being amortized over 20 years. Amortized payments are designed to remain level as a percent of payroll.

Local Governmental System - Contributory

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Salary subject to retirement contributions	\$ 98,009	\$ 95,675	\$ 95,685
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	5,881	5,741	5,741
Employer contributions	7,459	7,252	6,774

Local Governmental System - Noncontributory

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Salary subject to retirement contributions	\$ 12,484,441	\$ 12,310,890	\$ 12,093,762
Employer contributions	1,450,692	1,426,834	1,341,198

Public Safety - Contributory

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Salary subject to retirement contributions	\$ 747,178	\$ 1,950,002	\$ 1,973,859
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	83,161	217,035	219,691
Employer contributions	109,163	284,896	208,044

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Public Safety - Noncontributory

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Salary subject to retirement contributions	\$ 1,901,300	\$ 623,513	\$ 421,555
Employer contributions	484,452	158,871	89,581

Utah Firefighters Retirement System

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Salary subject to retirement contributions	\$ 2,234,935	\$ 2,096,019	\$ 2,078,954
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	207,849	182,772	162,782
Employer contributions	-	-	-

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

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2008	\$ 192,323	100%	\$ -
6/30/2007	501,930	100%	-
6/30/2006	430,682	100%	-

Schedule of Funding Progress for Logan City Public Safety

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratios (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UALL Covered Payroll ((B-A)/C)</u>
12/31/2007	\$ 18,949,000	\$ 19,129,000	\$ 180,000	99%	\$ 2,626,000	7%
1/1/2007	16,938,000	18,012,000	1,074,000	94%	2,434,000	44%
1/1/2006	15,432,000	16,885,000	1,453,000	91%	2,308,000	63%

Defined Contribution Retirement Plan

The City also participates in defined contribution plans (401(k) and 457) 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 eligible for the defined benefit plans. Voluntary contribution 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:

401(k) Contributions

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Employee contributions	\$ 725,702	\$ 701,779	\$ 681,811
Employer for employee contributions	432,025	413,077	394,012

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

457 Contributions

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Employee contributions	\$ 168,392	\$ 125,697	\$ 125,438
Employer for employee contributions	37,831	30,222	24,622

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 (11.62 percent for public employee's retirement, 25.48 percent for police officer's retirement, and 9.30 percent for firefighters retirement). For fiscal year 2008, the employer contributions were \$73,084.

Note 15 - Economic Dependency

Utah State University is a significant customer of the City's enterprise funds. During fiscal year 2008, sales to Utah State University totaled \$3,190,075.

Note 16 - 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, 2008, the City had incurred a liability of \$3,728,079 which represents the cost reported to date based on a 51.4 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 \$3,519,398, 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 \$1,592,233 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 17 - 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:

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Logan Downtown RDA		
Revenues:		
Tax increment collected	\$	-
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		7,943
Tax increment rebate		-
Debt:		
City of Logan		-

Logan River RDA		
Revenues:		
Tax increment collected	\$	546,151
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		158,133
Tax increment rebate		-
Debt:		
Revenue bonds		3,370,000

Logan South Main RDA		
Revenues:		
Tax increment collected	\$	331,133
Expenditures:		
Acquisition of property		25,000
Site improvements		580,000
Installation of utilities		238,318
Administrative costs		25,232
Tax increment rebate		44,270
Debt:		
City of Logan		842,400

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Logan Northwest RDA		
Revenues:		
Tax increment collected	\$	241,180
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		16,656
Tax increment rebate		17,744
Debt:		
City of Logan		120,651

Logan North Main RDA		
Revenues:		
Tax increment collected	\$	95,608
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		6,500
Tax increment rebate		-
Debt:		
City of Logan		243,300

Logan North Retail RDA		
Revenues:		
Tax increment collected	\$	410,566
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		28,080
Tax increment rebate		388,325
Debt:		
City of Logan		-

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Logan 600 West EDA		
Revenues:		
Tax increment collected	\$	418,566
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		34,795
Tax increment rebate		142,802
Debt:		
City of Logan		158,600

Property Valuations	Base Taxable Value	Current
Logan Downtown	\$ 40,782,244	\$ 53,002,600
Logan River	3,762,270	71,834,387
Logan South Main	24,284,171	61,072,205
Logan Northwest	566,911	27,063,323
Logan North Main	739,087	9,162,753
Logan North Retail	26,941,723	63,057,080
Logan 600 West EDA	20,228,609	59,246,252

The Logan Downtown RDA has not started collecting property tax increment.

Note 18 - 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.

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 or amended in a manner that will impair or adversely affect the rights of any of the members.

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

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 \$20,160,000 in revenue bonds outstanding at June 30, 2008.

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 Mona 345 KV transmission line and associated facilities. As a participant in the UAMPS Craig-Mona Project, the City is obligated for 15.85 percent of the debt service on approximately \$1,975,000 in revenue bonds outstanding as of June 30, 2008.

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 12.41 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 \$91,920,000 in Revenue Bonds outstanding at June 30, 2008. In addition, the City is obligated for 40.54 percent of the debt service on approximately \$2,751,000 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 wind power, for a total of 4 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 19 - 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 Logan City, Cache County, Utah Variable Rate Demand/Fixed Rate Tax-Exempt Revenue Bonds, Series 1999A were issued. Principal payments began in 2006.

On May 1, 2001, the City authorized the issuance of Industrial Revenue Bonds to TEK Tool and Plastics, Inc. in the amount of \$5,000,000. TEK Tools is responsible for all bond payments and neither the City nor its resources are liable for repayment.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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.

Note 20 - Special Item

In February 2007, the City joined Cache Valley Transit District to provide a more unified and efficient approach to transit services across Cache Valley. Prior to this date, the City of Logan operated Logan Transit District, a nonmajor governmental fund, exclusively within the boundaries of the City. Cache Valley Transit District, a separate legal entity, operated outside the boundaries of the City. In December 2007, land, buildings, and improvements with a book value of \$2,693,766 were contributed to Cache Valley Transit District.

The City participates in NURLA (see Note 1 – Summary of Significant Accounting Policies). During the fiscal year, each of four participants contributed \$2,500,000 toward the purchase of a joint landfill. As the entity is categorized as a jointly-governed organization, the contribution is recorded as an operating contribution rather than as an investment.

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, 2008**

	Budget		Actual			Variance
	Original	Final	GAAP	Encumbrances	Budgetary	
REVENUES						
Property tax	\$ 2,639,681	\$ 2,639,681	\$ 2,739,959	\$ -	\$ 2,739,959	\$ 100,278
Sales tax	8,384,932	8,474,932	8,588,366	-	8,588,366	113,434
Other taxes and fees	4,683,909	4,746,560	4,860,132	-	4,860,132	113,572
Licenses and permits	1,012,700	1,012,700	1,118,841	-	1,118,841	106,141
Intergovernmental	2,126,725	5,559,860	2,692,168	-	2,692,168	(2,867,692)
Administrative fees	3,458,632	3,458,632	3,458,632	-	3,458,632	-
Charges for services	2,449,222	2,457,832	2,510,769	-	2,510,769	52,937
Fines	959,000	960,000	1,052,012	-	1,052,012	92,012
Investment earnings	245,000	245,000	416,720	-	416,720	171,720
Miscellaneous	81,000	160,251	538,329	-	538,329	378,078
Total revenues	<u>26,040,801</u>	<u>29,715,448</u>	<u>27,975,928</u>	<u>-</u>	<u>27,975,928</u>	<u>(1,739,520)</u>
EXPENDITURES						
Current:						
General government:						
Municipal council	141,410	141,410	129,507	-	129,507	11,903
Mayor	209,272	210,577	199,285	-	199,285	11,292
Human resources	296,374	302,659	287,458	-	287,458	15,201
Workers compensation	298,550	298,550	296,940	-	296,940	1,610
Civil service commission	9,219	9,219	3,128	-	3,128	6,091
Recorder	139,363	141,802	137,227	-	137,227	4,575
City elections	32,033	32,033	25,767	-	25,767	6,266
Safety and emergency management	163,616	170,756	134,112	-	134,112	36,644
Non-departmental	598,311	298,311	273,800	8,000	281,800	16,511
Geographic information systems	245,754	249,473	225,425	20,000	245,425	4,048
Community promotion	23,900	23,900	21,850	-	21,850	2,050
Community service fees	53,091	53,091	51,061	-	51,061	2,030
Airport authority	67,354	67,354	67,354	-	67,354	-
Economic development	83,756	86,178	84,171	-	84,171	2,007
Community development	434,103	594,894	470,522	116,200	586,722	8,172
Community development block grant	575,205	972,833	541,691	-	541,691	431,142
Neighborhood improvement	173,472	176,811	161,237	-	161,237	15,574
Building inspection	368,927	388,333	373,381	-	373,381	14,952
City attorney	432,604	439,303	426,627	-	426,627	12,676
Public defense	29,000	29,000	22,500	-	22,500	6,500
Justice court	508,987	515,981	503,385	-	503,385	12,596
Director of finance	203,300	208,230	197,017	-	197,017	11,213
Accounting	386,241	386,231	370,495	-	370,495	15,736
Purchasing	151,023	159,718	156,098	-	156,098	3,620
Treasurer	102,662	104,680	95,008	-	95,008	9,672
Utility billing	419,487	424,319	416,828	-	416,828	7,491
Business licensing	113,649	115,506	104,190	-	104,190	11,316
Total general government	<u>6,260,663</u>	<u>6,601,152</u>	<u>5,776,064</u>	<u>144,200</u>	<u>5,920,264</u>	<u>680,888</u>
Public safety:						
Police department	5,190,754	5,320,014	5,129,138	180,000	5,309,138	10,876
Police investigation	74,600	76,816	51,054	21,000	72,054	4,762
Liquor law enforcement	-	174,803	93,740	-	93,740	81,063
Ordinance enforcement	80,450	92,450	65,186	25,000	90,186	2,264
Police special operations	52,000	52,000	31,774	15,000	46,774	5,226
Police technology	323,217	373,217	364,718	-	364,718	8,499
UCCJJ grant	-	107,784	102,261	-	102,261	5,523
Youth alcohol grant	-	11,449	11,449	-	11,449	-
Federal technology grant	-	2,500,000	-	-	-	2,500,000
Police SWAT	24,900	27,400	22,649	-	22,649	4,751
Fire administration	305,003	396,976	376,744	-	376,744	20,232
Fire suppression	1,739,095	1,826,580	1,810,012	-	1,810,012	16,568
Fire prevention	199,530	190,099	186,415	-	186,415	3,684
Fire training	168,710	156,939	148,138	-	148,138	8,801
Training facility	50,000	50,000	49,911	-	49,911	89
Ambulance division	1,790,610	1,837,010	1,801,410	19,468	1,820,878	16,132
Total public safety	<u>9,998,869</u>	<u>13,193,537</u>	<u>10,244,599</u>	<u>260,468</u>	<u>10,505,067</u>	<u>2,688,470</u>

**City of Logan
General Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008**

	Budget		GAAP	Actual		Variance
	Original	Final		Encumbrances	Budgetary	
EXPENDITURES CONTINUED						
Public works:						
Public works director	696,208	702,287	341,188	340,000	681,188	21,099
City engineer	973,346	1,037,600	912,056	66,000	978,056	59,544
Streets and highways	1,987,669	2,244,547	1,861,616	336,636	2,198,252	46,295
Class C road funds	926,380	3,249,701	2,526,834	-	2,526,834	722,867
Street lighting	316,724	316,724	316,724	-	316,724	-
Government buildings	529,954	572,715	495,753	65,000	560,753	11,962
Eccles/Bullen facilities	375,000	375,000	375,000	-	375,000	-
Justice building	261,568	261,568	206,400	50,000	256,400	5,168
Service center	633,466	653,508	421,921	150,000	571,921	81,587
Shops and garage	790,526	803,895	762,206	-	762,206	41,689
Total public works	<u>7,490,841</u>	<u>10,217,545</u>	<u>8,219,698</u>	<u>1,007,636</u>	<u>9,227,334</u>	<u>990,211</u>
Parks and recreation:						
Recreation administration	412,269	316,192	313,164	-	313,164	3,028
Parks and park areas	996,702	1,095,151	1,004,273	16,445	1,020,718	74,433
Sports and recreation	523,081	484,107	483,808	-	483,808	299
Aquatic center	446,481	636,117	683,301	-	683,301	(47,184)
Municipool	50,000	50,000	50,000	-	50,000	-
Trails	32,324	117,163	37,425	6,503	43,928	73,235
After school clubs	-	234,171	225,283	-	225,283	8,888
Cemetery	198,779	201,994	195,014	-	195,014	6,980
Skate park	10,650	8,650	8,650	-	8,650	-
Fireworks program	60,050	62,890	62,889	-	62,889	1
Total parks and recreation	<u>2,730,336</u>	<u>3,206,435</u>	<u>3,063,807</u>	<u>22,948</u>	<u>3,086,755</u>	<u>119,680</u>
Debt service	2,561,262	2,561,262	2,535,285	-	2,535,285	25,977
Total expenditures	<u>29,041,971</u>	<u>35,779,931</u>	<u>29,839,453</u>	<u>1,435,252</u>	<u>31,274,705</u>	<u>4,505,226</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	4,623,693	5,217,293	5,217,293	-	5,217,293	-
Transfers out	(1,622,523)	(7,696,635)	(5,972,433)	-	(5,972,433)	1,724,202
Debt issuance	-	-	275,000	-	275,000	275,000
Sale of fixed assets	-	-	22,873	-	22,873	22,873
Total other financing sources (uses)	<u>3,001,170</u>	<u>(2,479,342)</u>	<u>(457,267)</u>	<u>-</u>	<u>(457,267)</u>	<u>2,022,075</u>
Net change in fund balance	-	(8,543,825)	(2,320,792)	(1,435,252)	(3,756,044)	4,787,781
Fund balance, beginning	12,395,175	12,395,175	12,395,175	-	12,395,175	-
Fund balance, ending	<u>\$ 12,395,175</u>	<u>\$ 3,851,350</u>	<u>\$ 10,074,383</u>	<u>\$ (1,435,252)</u>	<u>\$ 8,639,131</u>	<u>\$ 4,787,781</u>

**City of Logan
Redevelopment Agency
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008**

	<u>Budget</u>		Actual	Variance
	Original	Final		
REVENUES				
Property tax	\$ 2,670,900	\$ 2,670,900	\$ 2,043,204	\$ (627,696)
Investment earnings	5,526	5,526	6,242	716
Contributions from private sources	-	800	715	(85)
Miscellaneous	6,120	6,120	43,024	36,904
Total revenues	<u>2,682,546</u>	<u>2,683,346</u>	<u>2,093,185</u>	<u>(590,161)</u>
EXPENDITURES				
Current:				
Public works	1,773,264	1,774,064	933,415	840,649
Debt Service:				
Principal	468,746	468,746	468,746	-
Interest	142,717	142,717	145,686	(2,969)
Capital Outlay:				
Public works	323,000	323,000	-	323,000
Total expenditures	<u>2,707,727</u>	<u>2,708,527</u>	<u>1,547,847</u>	<u>1,160,680</u>
Revenues over (under) expenditures	<u>(25,181)</u>	<u>(25,181)</u>	<u>545,338</u>	<u>570,519</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(620,000)	(858,318)	(238,318)
Debt issuance	25,181	25,181	-	(25,181)
Total other financing sources (uses)	<u>25,181</u>	<u>(594,819)</u>	<u>(858,318)</u>	<u>(263,499)</u>
Net change in fund balance	-	(620,000)	(312,980)	307,020
Fund balance, beginning	<u>(1,349,644)</u>	<u>(1,349,644)</u>	<u>(1,349,644)</u>	
Fund balance, ending	<u>\$ (1,349,644)</u>	<u>\$ (1,969,644)</u>	<u>\$ (1,662,624)</u>	<u>\$ 307,020</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 10 days 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 that a city can appropriate the portion of the fund balance that exceeds five percent of the estimated revenues of the general fund. The accumulated unreserved fund balance cannot exceed 18 percent of estimated revenues. If the fund balance in the general fund exceeds 18 percent of the estimated revenues, a city is required to include that portion that exceeds 18 percent in the subsequent year's expenditure budget. Until the unreserved fund balance exceeds the five percent minimum, it may only be used for working capital or emergency needs.

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 Council. Public hearings are required on all such amendments to the original adopted budget.

Generally, unencumbered and unexpended appropriations lapse at year-end. The City will carry forward specific encumbrances on a case-by-case basis. These encumbrances are reappropriated by council through a budget resolution.

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Supplementary Information

Nonmajor Governmental Funds

Library Fund

Recreation Center Maintenance Fund

Willow Park Fund

Communication Center Fund

Special Improvement Fund

Cemetery Perpetual Care Fund

Community Donations Fund

Capital Projects Fund

City of Logan
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	Library	Recreation Center Maintenance	Willow Park	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Total
ASSETS									
Cash and cash equivalents	\$ 976,835	\$ 115,655	\$ 483,373	\$ 1,561,578	\$ 13,899	\$ 231,957	\$ 43,068	\$ 5,930,549	\$ 9,356,914
Accounts receivable (net of allowance)	3,000	-	-	78,976	-	-	-	-	81,976
Notes receivable	-	-	-	-	389,245	-	-	-	389,245
Property tax receivable	1,327,641	-	-	-	-	-	-	-	1,327,641
Due from other governmental units	31,207	-	-	110,284	-	-	-	-	141,491
Restricted assets:									
Cash and cash equivalents	165,870	-	-	-	-	-	-	-	165,870
Total assets	<u>2,504,553</u>	<u>115,655</u>	<u>483,373</u>	<u>1,750,838</u>	<u>403,144</u>	<u>231,957</u>	<u>43,068</u>	<u>5,930,549</u>	<u>11,463,137</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accrued liabilities	65,504	13,198	33,005	45,555	-	-	-	570,777	728,039
Due to other funds	-	-	-	-	389,245	-	-	-	389,245
Deferred revenue	1,327,641	-	-	-	389,245	-	-	-	1,716,886
Total liabilities	<u>1,393,145</u>	<u>13,198</u>	<u>33,005</u>	<u>45,555</u>	<u>778,490</u>	<u>-</u>	<u>-</u>	<u>570,777</u>	<u>2,834,170</u>
Fund balances:									
Reserved for:									
Other	205,923	-	-	-	-	-	-	-	205,923
Unreserved, undesignated reported in:									
Special revenue	905,485	102,457	450,368	1,705,283	(375,346)	231,957	43,068	-	3,063,272
Capital projects	-	-	-	-	-	-	-	5,359,772	5,359,772
Total fund balances	<u>1,111,408</u>	<u>102,457</u>	<u>450,368</u>	<u>1,705,283</u>	<u>(375,346)</u>	<u>231,957</u>	<u>43,068</u>	<u>5,359,772</u>	<u>8,628,967</u>
Total liabilities and fund balances	<u>\$ 2,504,553</u>	<u>\$ 115,655</u>	<u>\$ 483,373</u>	<u>\$ 1,750,838</u>	<u>\$ 403,144</u>	<u>\$ 231,957</u>	<u>\$ 43,068</u>	<u>\$ 5,930,549</u>	<u>\$ 11,463,137</u>

City of Logan
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2008

	Library	Recreation Center Maintenance	Willow Park	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Total
REVENUES									
Property tax	\$ 1,459,841	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,459,841
Other taxes and fees	-	-	-	683,912	-	-	-	-	683,912
Intergovernmental	25,386	240,513	372,874	1,845	-	-	-	-	640,618
Charges for services	12,365	-	122,568	893,758	-	27,830	-	-	1,056,521
Fines	54,331	-	-	-	-	-	-	-	54,331
Investment earnings	46,707	743	15,352	67,586	1,271	7,595	-	182,544	321,798
Contributions from private sources	50,116	-	38,383	-	-	-	10,063	-	98,562
Miscellaneous	7,404	5,412	3,908	(342)	94,947	-	-	-	111,329
Total revenues	<u>1,656,150</u>	<u>246,668</u>	<u>553,085</u>	<u>1,646,759</u>	<u>96,218</u>	<u>35,425</u>	<u>10,063</u>	<u>182,544</u>	<u>4,426,912</u>
EXPENDITURES									
Current:									
Public safety	-	-	-	1,348,186	-	-	-	-	1,348,186
Public works	-	-	-	-	10,625	-	-	-	10,625
Parks, recreation and culture	1,595,848	441,458	694,959	-	-	-	-	-	2,732,265
Debt service:									
Principal	-	-	-	-	170,278	-	-	-	170,278
Interest	-	-	-	-	12,457	-	-	-	12,457
Capital outlay:									
Public safety	-	-	-	-	-	-	-	2,541,441	2,631,204
Public works	-	-	-	-	-	-	-	387,806	387,806
Parks, recreation and culture	-	34,990	72,337	-	-	-	-	102,229	209,556
Total expenditures	<u>1,595,848</u>	<u>476,448</u>	<u>767,296</u>	<u>1,437,949</u>	<u>193,360</u>	<u>-</u>	<u>-</u>	<u>3,031,476</u>	<u>7,502,377</u>
Revenues over (under) expenditures	<u>60,302</u>	<u>(229,780)</u>	<u>(214,211)</u>	<u>208,810</u>	<u>(97,142)</u>	<u>35,425</u>	<u>10,063</u>	<u>(2,848,932)</u>	<u>(3,075,465)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	280,881	185,000	-	-	-	-	5,451,454	5,917,335
Transfers out	-	-	-	-	(299,517)	-	(13,600)	-	(313,117)
Sale of fixed assets	-	-	1,200	-	-	-	-	-	1,200
Total other financing sources (uses)	-	<u>280,881</u>	<u>186,200</u>	<u>-</u>	<u>(299,517)</u>	<u>-</u>	<u>(13,600)</u>	<u>5,451,454</u>	<u>5,605,418</u>
Net change in fund balances	60,302	51,101	(28,011)	208,810	(396,659)	35,425	(3,537)	2,602,522	2,529,953
Fund balances - beginning	1,051,106	51,356	478,379	1,496,473	21,313	196,532	46,605	2,757,250	6,099,014
Fund balances - ending	<u>\$ 1,111,408</u>	<u>\$ 102,457</u>	<u>\$ 450,368</u>	<u>\$ 1,705,283</u>	<u>\$ (375,346)</u>	<u>\$ 231,957</u>	<u>\$ 43,068</u>	<u>\$ 5,359,772</u>	<u>\$ 8,628,967</u>

**City of Logan
Library Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 1,413,613	\$ 1,413,613	\$ 1,459,841	\$ 46,228
Intergovernmental	-	25,386	25,386	-
Charges for services	6,000	6,000	12,365	6,365
Fines	51,000	51,000	54,331	3,331
Investment earnings	18,288	18,288	46,707	28,419
Contributions from private sources	23,000	45,900	50,116	4,216
Miscellaneous	3,000	3,000	7,404	4,404
Total revenues	<u>1,514,901</u>	<u>1,563,187</u>	<u>1,656,150</u>	<u>92,963</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	<u>1,514,901</u>	<u>1,680,989</u>	<u>1,595,848</u>	<u>85,141</u>
Total expenditures	<u>1,514,901</u>	<u>1,680,989</u>	<u>1,595,848</u>	<u>85,141</u>
Revenues over (under) expenditures	<u>-</u>	<u>(117,802)</u>	<u>60,302</u>	<u>178,104</u>
Net change in fund balance	-	(117,802)	60,302	178,104
Fund balance, beginning	<u>1,051,106</u>	<u>1,051,106</u>	<u>1,051,106</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,051,106</u>	<u>\$ 933,304</u>	<u>\$ 1,111,408</u>	<u>\$ 178,104</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, 2008**

	<u>Budget</u>		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 240,513	\$ 240,513	\$ 240,513	\$ -
Investment earnings	-	-	743	743
Miscellaneous	6,193	6,193	5,412	(781)
Total revenues	<u>246,706</u>	<u>246,706</u>	<u>246,668</u>	<u>(38)</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	452,587	452,587	441,458	11,129
Capital outlay:				
Parks, recreation and culture	75,000	75,000	34,990	40,010
Total expenditures	<u>527,587</u>	<u>527,587</u>	<u>476,448</u>	<u>51,139</u>
Revenues over (under) expenditures	<u>(280,881)</u>	<u>(280,881)</u>	<u>(229,780)</u>	<u>51,101</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	280,881	280,881	280,881	-
Total other financing sources (uses)	<u>280,881</u>	<u>280,881</u>	<u>280,881</u>	<u>-</u>
Net change in fund balance	-	-	51,101	51,101
Fund balance, beginning	51,356	51,356	51,356	-
Fund balance, ending	<u>\$ 51,356</u>	<u>\$ 51,356</u>	<u>\$ 102,457</u>	<u>\$ 51,101</u>

**City of Logan
Willow Park Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 433,379	\$ 756,437	\$ 372,874	\$ (383,563)
Charges for services	124,174	124,174	122,568	(1,606)
Investment earnings	-	-	15,352	15,352
Contributions from private sources	26,000	26,000	38,383	12,383
Miscellaneous	300	300	3,908	3,608
Total revenues	<u>583,853</u>	<u>906,911</u>	<u>553,085</u>	<u>(353,826)</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	861,880	883,380	694,959	188,421
Capital outlay:				
Parks, recreation and culture	44,000	345,558	72,337	273,221
Total expenditures	<u>905,880</u>	<u>1,228,938</u>	<u>767,296</u>	<u>461,642</u>
Revenues over (under) expenditures	<u>(322,027)</u>	<u>(322,027)</u>	<u>(214,211)</u>	<u>107,816</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	322,027	322,027	185,000	(137,027)
Sale of fixed assets	-	-	1,200	1,200
Total other financing sources (uses)	<u>322,027</u>	<u>322,027</u>	<u>186,200</u>	<u>(135,827)</u>
Net change in fund balance	-	-	(28,011)	(28,011)
Fund balance, beginning	478,379	478,379	478,379	-
Fund balance, ending	<u>\$ 478,379</u>	<u>\$ 478,379</u>	<u>\$ 450,368</u>	<u>\$ (28,011)</u>

City of Logan
Communication Center Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2008

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes and fees	\$ -	\$ -	\$ 683,912	\$ 683,912
Intergovernmental	-	-	1,845	1,845
Charges for services	1,511,172	1,511,172	893,758	(617,414)
Investment earnings	60,000	60,000	67,586	7,586
Miscellaneous	-	-	(342)	(342)
Total revenues	<u>1,571,172</u>	<u>1,571,172</u>	<u>1,646,759</u>	<u>75,587</u>
EXPENDITURES				
Current:				
Public safety	1,481,172	1,448,172	1,348,186	99,986
Capital outlay:				
Public safety	90,000	123,000	89,763	33,237
Total expenditures	<u>1,571,172</u>	<u>1,571,172</u>	<u>1,437,949</u>	<u>133,223</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>208,810</u>	<u>208,810</u>
Net change in fund balance	-	-	208,810	208,810
Fund balance, beginning	1,496,473	1,496,473	1,496,473	-
Fund balance, ending	<u>\$ 1,496,473</u>	<u>\$ 1,496,473</u>	<u>\$ 1,705,283</u>	<u>\$ 208,810</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, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,271	\$ 1,271
Miscellaneous	26,642	26,642	94,947	68,305
Total revenues	<u>26,642</u>	<u>26,642</u>	<u>96,218</u>	<u>69,576</u>
EXPENDITURES				
Current:				
Public works	14,000	14,000	10,625	3,375
Debt service:				
Principal	9,539	189,539	170,278	19,261
Interest	9,103	9,103	12,457	(3,354)
Total expenditures	<u>32,642</u>	<u>212,642</u>	<u>193,360</u>	<u>19,282</u>
Revenues over (under) expenditures	<u>(6,000)</u>	<u>(186,000)</u>	<u>(97,142)</u>	<u>88,858</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(418,223)	(299,517)	118,706
Total other financing sources (uses)	<u>(60,000)</u>	<u>(418,223)</u>	<u>(299,517)</u>	<u>118,706</u>
Net change in fund balance	(66,000)	(604,223)	(396,659)	207,564
Fund balance, beginning	21,313	21,313	21,313	-
Fund balance, ending	<u>\$ (44,687)</u>	<u>\$ (582,910)</u>	<u>\$ (375,346)</u>	<u>\$ 207,564</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, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 27,830	\$ 27,830
Investment earnings	-	-	7,595	7,595
Total revenues	<u>-</u>	<u>-</u>	<u>35,425</u>	<u>35,425</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>35,425</u>	<u>35,425</u>
Net change in fund balance	-	-	35,425	35,425
Fund balance, beginning	<u>196,532</u>	<u>196,532</u>	<u>196,532</u>	<u>-</u>
Fund balance, ending	<u>\$ 196,532</u>	<u>\$ 196,532</u>	<u>\$ 231,957</u>	<u>\$ 35,425</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, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Contributions from private sources	\$ -	\$ 300	\$ 10,063	\$ 9,763
Total revenues	<u>-</u>	<u>300</u>	<u>10,063</u>	<u>9,763</u>
Revenues over (under) expenditures	<u>-</u>	<u>300</u>	<u>10,063</u>	<u>9,763</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(13,600)	(13,600)	-
Total other financing sources (uses)	<u>-</u>	<u>(13,600)</u>	<u>(13,600)</u>	<u>-</u>
Net change in fund balance	-	(13,300)	(3,537)	9,763
Fund balance, beginning	46,605	46,605	46,605	-
Fund balance, ending	<u>\$ 46,605</u>	<u>\$ 33,305</u>	<u>\$ 43,068</u>	<u>\$ 9,763</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, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 138,461	\$ -	\$ (138,461)
Investment earnings	-	-	182,544	182,544
Total revenues	<u>-</u>	<u>138,461</u>	<u>182,544</u>	<u>44,083</u>
EXPENDITURES				
Capital outlay:				
Public safety	-	6,340,000	2,541,441	3,798,559
Public works	560,000	500,996	387,806	113,190
Parks, recreation and culture	245,000	444,922	102,229	342,693
Total expenditures	<u>805,000</u>	<u>7,285,918</u>	<u>3,031,476</u>	<u>4,254,442</u>
Revenues over (under) expenditures	<u>(805,000)</u>	<u>(7,147,457)</u>	<u>(2,848,932)</u>	<u>4,298,525</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	685,000	7,157,335	5,451,454	(1,705,881)
Total other financing sources (uses)	<u>685,000</u>	<u>7,157,335</u>	<u>5,451,454</u>	<u>(1,705,881)</u>
Net change in fund balance	(120,000)	9,878	2,602,522	2,592,644
Fund balance, beginning	2,757,250	2,757,250	2,757,250	-
Fund balance, ending	<u>\$ 2,637,250</u>	<u>\$ 2,767,128</u>	<u>\$ 5,359,772</u>	<u>\$ 2,592,644</u>

City of Logan
Schedule of Impact Fee Revenues
and Projected Expenditures/Expenses
For the Year Ended June 30, 2008

Capital Projects	FY 2007 Balance	FY 2008 Revenue	FY 2008 Total	FY 2008 Expenses	FY 2008 Balance	Projected Expenditures/Expenses			
						FY 2009	FY 2010	FY 2011	
Waste Water									
West Regional Pressure Sewer	\$ 104,597	\$ 93,068	\$ 204,360	\$ -	\$ 204,360	\$ -	\$ 204,360	\$ -	\$ -
Recycle Town Lift Station	134,042	119,268	261,890	-	261,890	-	261,890	-	-
1000 West Sewer Enlargement	34,966	31,112	68,316	-	68,316	-	68,316	-	-
Aeration System Upgrade Basin A1	97,972	87,173	191,416	-	191,416	-	191,416	-	-
Fire									
Fire Station 72	78,776	54,733	138,211	-	138,211	-	-	-	138,211
Electric									
Substation SW Area	4,366	3,347	7,980	-	7,980	-	7,980	-	-
Substation Landfill Area	227,022	174,056	414,990	-	414,990	-	414,990	-	-
Street Lights	10,915	8,368	19,952	-	19,952	-	19,952	-	-
Reconductor/Rebuild 46KV Lines	29,688	22,761	54,268	-	54,268	-	54,268	-	-
46KV Line Extension South Loop	21,829	16,736	39,903	-	39,903	-	39,903	-	-
New 138KV West Transmission Line	52,389	40,167	95,767	-	95,767	-	95,767	-	-
Rebuild Reconductor Overhead Lines	21,829	16,736	39,903	-	39,903	-	39,903	-	-
Capacitors for Overhead Distribution Lines	5,240	4,017	9,578	-	9,578	-	9,578	-	-
Police									
Police Headquarters	-	15,146	15,146	15,146	-	-	-	-	-
Storm Water									
600 South Storm Improvements	2,468	2,218	4,844	-	4,844	-	-	-	4,844
1200 North Overflow	19,144	17,205	37,578	-	37,578	-	37,578	-	-
1000 North Storm Improvements	22,064	19,829	43,310	-	43,310	-	-	-	43,310
Transportation (level of service based)									
Growth Related Projects	273,228	192,440	480,927	50,000	430,927	-	430,927	-	-
Water									
River Park Well	113,256	92,644	212,969	-	212,969	-	-	-	212,969
Total	\$ 1,253,791	\$ 1,011,024	\$ 2,341,308	\$ 65,146	\$ 2,276,162	\$ 1,150,846	\$ 725,982	\$ 399,334	

Statistical Section

(Unaudited)

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
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
Restricted	486,286	744,598	3,407,503	4,395,122	5,490,087	4,309,531
Unrestricted	(1,682,392)	(1,887,474)	2,080,296	7,375,465	11,661,764	13,066,078
Total governmental activities net assets	33,873,138	34,487,944	39,314,863	45,318,030	49,214,946	54,393,436
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
Restricted	1,360,259	4,127,056	3,515,899	3,369,056	3,645,224	5,253,402
Unrestricted	9,289,486	4,238,336	4,967,851	11,534,517	13,913,031	19,606,826
Total business-type activities net assets	49,918,778	56,088,477	61,514,191	69,122,214	78,470,285	94,042,243
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
Restricted	1,846,545	4,871,654	6,923,402	7,764,178	9,135,311	9,562,933
Unrestricted	7,607,094	2,350,862	7,048,147	18,909,982	25,574,795	32,672,904
Total primary government net assets	\$ 83,791,916	\$ 90,576,421	\$ 100,829,054	\$ 114,440,244	\$ 127,685,231	\$ 148,435,679

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 44, governments are not required to report prior years.

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

Expenses	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
General government	\$ 3,816,925	\$ 3,576,623	\$ 4,610,847	\$ 4,154,311	\$ 4,030,030	\$ 4,167,912
Public safety	10,444,466	11,726,379	10,431,786	10,645,906	11,708,483	11,904,427
Public works	8,841,738	10,731,937	9,483,377	9,218,137	8,917,654	6,698,981
Parks, recreation and culture	6,270,288	5,792,722	5,695,681	5,513,037	5,880,219	5,972,206
Interest on long-term debt	1,206,689	995,108	995,073	883,013	1,066,533	937,438
Total governmental activities expenses	30,580,106	32,822,769	31,216,764	30,414,404	31,602,919	29,680,964
Business-type activities:						
Water and sewer	5,938,452	4,453,375	4,984,878	5,329,864	5,995,831	5,956,156
Sewer treatment	-	1,507,918	1,592,069	1,516,309	1,323,435	1,678,112
Electric	22,883,148	25,218,929	26,661,065	28,154,670	27,057,794	28,509,970
Environmental health	4,999,035	5,792,364	6,437,766	6,832,097	8,406,574	7,363,667
Storm water management	-	122,146	31,156	146,376	268,693	416,460
Golf course	1,109,669	962,228	1,067,436	950,401	964,478	1,039,064
Total business-type activities expenses	34,930,304	38,056,960	40,774,370	42,929,717	44,016,805	44,963,429
Total primary government expenses	65,510,410	70,879,729	71,991,134	73,344,121	75,619,724	74,644,393
Program Revenues						
Governmental activities:						
Charges for services:						
General government	971,291	1,014,502	1,696,466	2,442,210	2,156,641	2,225,184
Public safety	2,776,405	3,080,412	3,024,525	3,072,579	2,522,034	2,542,265
Public works	750,691	828,585	99,141	108,824	77,599	65,795
Parks, recreation and culture	1,396,225	1,440,889	1,198,062	1,137,552	1,064,335	959,230
Operating grants and contributions	2,036,291	3,122,508	2,347,991	3,624,830	3,731,879	3,432,063
Capital grants and contributions	617,458	1,087,746	4,616,339	1,759,227	1,901,121	2,646,992
Total governmental activities program revenues	8,548,361	10,574,642	12,982,524	12,145,222	11,453,609	11,871,529
Business-type activities:						
Charges for services:						
Water and sewer	7,483,377	7,419,420	7,141,975	8,053,733	9,232,454	9,175,918
Sewer treatment	-	2,788,190	2,933,363	3,314,190	3,615,552	3,812,998
Electric	27,474,803	28,649,795	28,655,369	31,994,373	32,831,865	35,123,701
Environmental health	6,934,738	7,305,379	8,060,982	8,778,028	10,587,302	11,029,581
Storm water management	-	-	-	917,264	1,093,681	1,222,361
Golf course	851,897	806,988	792,129	854,770	927,906	942,152
Operating grants and contributions	-	217	-	4,100	5,089	5,190
Capital grants and contributions	155,478	958,158	465,695	851,185	613,893	4,852,635
Total business-type activities program revenues	42,900,293	47,928,147	48,049,513	54,767,643	58,907,742	66,164,536
Total primary government program revenue	51,448,654	58,502,789	35,066,989	42,622,421	47,454,133	54,293,007
Net (expense) revenue						
Governmental activities	(22,031,745)	(22,248,127)	(18,234,240)	(18,269,182)	(20,149,310)	(17,809,435)
Business-type activities	7,969,989	9,871,187	7,275,143	11,837,926	14,890,937	21,201,107
Total primary government net expense	(14,061,756)	(12,376,940)	(10,959,097)	(6,431,256)	(5,258,373)	3,391,672
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	3,569,309	4,588,551	4,906,390	4,717,759	5,515,223	6,243,004
Sales and franchise taxes	10,981,652	11,870,600	13,107,750	14,205,757	15,285,145	14,132,410
Unrestricted grants and contributions	558,766	658,743	202,675	78,334	171,205	-
Investment earnings	105,174	-	99,548	411,453	872,221	777,448
Miscellaneous	495,792	1,347,804	2,803,611	485,882	411,034	778,342
Gain (loss) on sale of assets	-	-	-	143,261	133,456	(240,273)
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
Total general revenues and transfers	19,904,686	22,862,933	23,061,159	24,272,349	24,046,226	22,987,925
Business-type activities:						
Investment earnings	626,687	695,747	91,756	-	-	861,611
Special item	-	-	-	-	-	(2,500,000)
Transfers	(4,193,993)	(4,397,235)	(1,941,185)	(4,229,903)	(4,077,415)	(3,990,760)
Total general revenues and transfers	(3,567,306)	(3,701,488)	(1,849,429)	(4,229,903)	(4,077,415)	(5,629,149)
Total primary government	16,337,380	19,161,445	21,211,730	20,042,446	19,968,811	17,358,776
Change in Net Assets						
Governmental activities	(2,127,059)	614,806	4,826,919	6,003,167	3,896,916	5,178,490
Business-type activities	4,402,683	6,169,699	5,425,714	7,608,023	10,813,522	15,571,958
Total primary government	\$ 2,275,624	\$ 6,784,505	\$ 10,252,633	\$ 13,611,190	\$ 14,710,438	\$ 20,750,448

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 44, governments are not required to report prior years.

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Other Taxes and Fees</u>	<u>Total</u>
2003	\$ 3,569,309	\$ 7,587,074	\$ 1,085,484	\$ 12,241,867
2004	4,588,551	8,374,627	3,495,973	16,459,151
2005	4,906,390	8,701,002	4,406,748	18,014,140
2006	4,717,759	9,656,503	4,549,254	18,923,516
2007	5,515,223	9,790,578	5,494,567	20,800,368
2008	6,243,004	8,588,366	5,544,044	20,375,414

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 44, governments are not required to report prior years.

City of Logan
Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund						
Reserved	\$ 684,057	\$ 319,957	\$ 1,192,730	\$ 2,184,648	\$ 4,330,592	\$ 5,044,529
Unreserved	(838,319)	907,804	2,671,218	6,764,528	8,064,583	5,029,854
Total general fund	<u>\$ (154,262)</u>	<u>\$ 1,227,761</u>	<u>\$ 3,863,948</u>	<u>\$ 8,949,176</u>	<u>\$ 12,395,175</u>	<u>\$ 10,074,383</u>
Other governmental funds						
Reserved	\$ 302,554	\$ 585,848	\$ 453,716	\$ 337,194	\$ 468,967	\$ 366,163
Unreserved reported in:						
Special revenue funds	(124,032)	3,588,595	1,226,636	2,105,951	1,523,153	1,240,408
Capital projects funds	(367,855)	(749,811)	(833,462)	136,750	2,757,250	5,359,772
Permanent funds	-	-	-	-	-	-
Total other governmental funds	<u>\$ (189,333)</u>	<u>\$ 3,424,632</u>	<u>\$ 846,890</u>	<u>\$ 2,579,895</u>	<u>\$ 4,749,370</u>	<u>\$ 6,966,343</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 44, governments are not required to report prior years.

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

	2003	2004	2005	2006	2007	2008
Revenues						
Taxes and fees	\$ 12,241,867	\$ 16,459,151	\$ 18,014,140	\$ 18,923,516	\$ 20,800,368	\$ 20,375,414
Licenses and permits	912,676	1,004,591	884,225	1,444,976	957,844	1,118,841
Intergovernmental	3,041,925	4,926,897	4,954,586	4,591,346	4,069,543	3,332,786
Administrative fees	1,772,005	1,782,501	1,783,657	2,961,293	3,265,018	3,458,632
Charges for services	4,193,444	4,268,518	4,441,728	4,318,955	3,663,968	3,567,290
Fines	771,455	914,074	840,504	997,234	1,198,797	1,106,343
Investment earnings	95,260	65,363	92,415	387,531	837,831	744,760
Contributions from private sources	46,431	45,761	79,016	143,364	138,838	99,277
Miscellaneous	2,592,475	434,699	388,068	913,173	633,407	692,682
Total revenue	<u>25,667,538</u>	<u>29,901,555</u>	<u>31,478,339</u>	<u>34,681,388</u>	<u>35,565,614</u>	<u>34,496,025</u>
Expenditures						
General government	4,732,030	4,428,880	5,453,694	5,611,918	5,667,274	5,776,064
Public safety	8,339,439	9,765,686	9,544,277	9,750,187	10,775,683	11,139,350
Public works	7,642,584	7,608,933	7,678,762	7,891,821	8,587,871	7,307,112
Parks, recreation and culture	5,285,182	5,172,578	5,195,385	5,040,564	5,374,378	5,527,458
Debt service:						
Principal	777,418	1,335,597	1,915,658	2,231,709	1,940,785	2,406,557
Interest	495,166	638,250	1,043,139	770,638	973,628	925,895
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
Total expenditures	<u>31,826,617</u>	<u>35,476,091</u>	<u>34,025,805</u>	<u>33,432,797</u>	<u>37,349,423</u>	<u>38,889,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,159,079)</u>	<u>(5,574,536)</u>	<u>(2,547,466)</u>	<u>1,248,591</u>	<u>(1,783,809)</u>	<u>(4,393,652)</u>
Other Financing sources (uses)						
Transfers in	6,396,475	8,369,117	6,487,977	5,889,587	8,493,503	11,134,628
Transfers out	(2,928,553)	(2,477,759)	(4,246,792)	(1,659,684)	(4,416,088)	(7,143,868)
Debt issuance	389,274	15,366,101	269,387	7,013,000	3,775,000	275,000
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
Total other financing sources and uses	<u>4,371,062</u>	<u>10,803,581</u>	<u>2,605,911</u>	<u>5,569,642</u>	<u>8,020,249</u>	<u>4,289,833</u>
Special item	-	-	-	-	(620,966)	-
Net change in fund balances	<u>\$ (1,788,017)</u>	<u>\$ 5,229,045</u>	<u>\$ 58,445</u>	<u>\$ 6,818,233</u>	<u>\$ 5,615,474</u>	<u>\$ (103,819)</u>
Debt service as a percentage of noncapital expenditures	4.67%	7.69%	9.60%	9.92%	8.85%	10.07%

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 44, governments are not required to report prior years.

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

Fiscal Year	Total Assessed Taxable Value (1)	Estimated Actual Value (2)	Ratio of Total Assessed Value to Total Estimated Actual Value (3)	Total Direct Tax Rate
1999	\$ 1,092,074,288	\$ 1,656,087,064	65.94%	0.001264
2000	1,094,720,127	1,650,970,173	66.31%	0.001210
2001	1,108,476,617	1,638,760,486	67.64%	0.001963
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	2,541,319,266	65.42%	0.002220

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**

<u>Fiscal year</u>	<u>City of Logan</u>	<u>Logan City School</u>		<u>Total</u>
		<u>District</u>	<u>Cache County</u>	
1999	0.001264	0.006677	0.001942	0.009883
2000	0.001210	0.007088	0.001861	0.010159
2001	0.001963	0.007218	0.001791	0.010972
2002	0.001709	0.006800	0.001786	0.010295
2003	0.001856	0.006900	0.001754	0.010510
2004	0.002297	0.006926	0.002258	0.011481
2005	0.002296	0.007304	0.002277	0.011877
2006	0.002274	0.007304	0.002521	0.012099
2007	0.002276	0.007304	0.002425	0.012005
2008	0.002220	0.007304	0.002237	0.011761

Note:

1- Information obtained from the State Tax Commission

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

<u>Taxpayer</u>	<u>Type of Business</u>	<u>FY 2008 taxable valuation</u>			<u>FY 1999 taxable valuation</u>		
		<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Assessed Taxable Value</u>	<u>Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Assessed Taxable Value</u>
Schreiber's Cheese	Cheese processing	\$ 45,809,895	1	2.76%	\$ -	-	-
Icon Health and Fitness	Exercise equipment	38,411,330	2	2.31%	35,106,655	1	3.21%
Moore Business	Printing	36,277,955	3	2.18%	-	-	-
Price Development	Developer	32,478,449	4	1.95%	14,315,050	3	1.31%
Thermo Fisher Scientific	Serum manufacturing	21,543,235	5	1.30%	4,725,003	9	0.43%
Lowe's Home Improvement	Home improvement	13,083,080	6	0.79%	-	-	-
Qwest	Telephone	12,523,250	7	0.75%	-	-	-
Cache Valley Investors	Land developer	11,552,415	8	0.69%	-	-	-
J Richland R E Investment	Land developer	11,484,355	9	0.69%	-	-	-
Black Sheep Land Company	Land developer	9,905,020	10	0.60%	-	-	-
U.S. West Communications	Telephone	-	-	-	17,374,590	2	1.59%
Robert D. Harris	Research	-	-	-	8,397,576	4	0.77%
Questar	Natural gas supplier	-	-	-	7,361,561	5	0.67%
Ace Raymond	Construction	-	-	-	5,510,325	6	0.50%
Wilford P. Baugh	Motel	-	-	-	5,490,366	7	0.50%
Gossner Foods	Cheese processing	-	-	-	5,216,101	8	0.48%
Fred Meyers	Retail store	-	-	-	4,461,223	10	0.41%
Total		\$ 233,068,984		14.02%	\$ 107,958,450		9.89%
Total assessed valuation				\$ 1,662,435,795	\$ 1,092,074,288		

Note:

1- Information provided by the Cache County Auditor

**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
1999	\$ 1,225,896	\$ 1,281,708	104.55%	\$ 20,661	\$ 1,302,368	106.24%
2000	1,306,355	1,990,127	152.34%	48,540	2,038,667	156.06%
2001	2,224,172	1,443,922	64.92%	31,622	1,475,544	66.34%
2002	2,021,314	2,204,947	109.08%	35,543	2,240,491	110.84%
2003	2,261,837	2,468,612	109.14%	90,209	2,558,820	113.13%
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	5,434,796	5,002,297	92.04%	79,163	5,081,460	93.50%
2008	5,781,072	5,693,099	98.48%	n/a	5,693,099	98.48%

City of Logan
Ratios of Outstanding Debt by Type
Last Six 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%	1,071
2004	6,875,000	14,719,000	938,138	1,929,396	25,353,000	-	7,196	49,821,730	5.43%	1,092
2005	6,555,000	13,832,000	937,074	1,640,716	24,826,000	-	472,371	48,263,161	4.94%	1,053
2006	6,820,000	12,878,000	672,365	1,138,375	24,742,000	551,000	489,742	47,291,482	4.24%	999
2007	6,430,000	15,176,000	585,249	1,151,706	22,562,000	850,000	316,114	47,071,069	4.09%	988
2008	6,055,000	13,930,000	532,131	694,267	31,832,000	693,848	277,672	54,014,918	4.29%	1,126

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 as of the implementation year of GASB 44, governments are not required to report prior years.

City of Logan
Ratios of General Bonded Debt Outstanding
Last Six Fiscal Years

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (2)	Per Capita (3)
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

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 44, governments are not required to report prior years.

City of Logan
Direct and Overlapping Governmental Activities Debt
June 30, 2008

Jurisdiction	Net Outstanding Debt	Percentage Applicable to City of Logan	Amount Applicable to City of Logan
Direct:			
City of Logan	\$ 19,985,000	100%	\$ 19,985,000
Overlapping:			
Logan Redevelopment Agency	3,370,000	100%	3,370,000
Logan City School District	21,670,000	100%	21,670,000
Cache County	14,610,000	39%	5,697,900

City of Logan
Legal Debt Margin Information
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Legal debt margin:	\$ 87,365,943	\$ 87,577,610	\$ 93,384,096	\$ 97,726,863	\$ 101,974,080	\$ 104,343,646	\$ 107,169,440	\$ 115,042,650	\$ 122,120,376	\$ 132,994,864
Debt limit	-	8,015,000	7,750,000	7,470,000	7,180,000	6,875,000	6,555,000	6,820,000	6,430,000	6,055,000
Total net debt applicable to limit	\$ 87,365,943	\$ 79,562,610	\$ 85,634,096	\$ 90,256,863	\$ 94,794,080	\$ 97,468,646	\$ 100,614,440	\$ 108,222,650	\$ 115,690,376	\$ 126,939,864
Legal debt margin										
Total net debt applicable to the limit as a percentage of debt limit	0.00%	9.15%	8.30%	7.64%	7.04%	6.59%	6.12%	5.93%	5.27%	4.55%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed valuations:	
Assessed value	\$ 1,662,435,795
Add back: exempt real property	n/a
Total assessed value	<u>1,662,435,795</u>
Legal debt margin	
Debt limitation - 8 percent of total assessed value	132,994,864
Debt applicable to limitation:	
Total bonded debt	\$ 6,055,000
Less: Amount available for repayment of general obligation bonds	-
Total debt applicable to limitation	<u>6,055,000</u>
Legal debt margin	<u>\$ 126,939,864</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	
1999	\$ 19,227,649	\$ 13,159,848	\$ 6,067,801	\$ -	\$ -	\$ -	n/a
2000	19,264,843	16,223,514	3,041,329	-	-	-	n/a
2001	22,871,598	30,412,812	(7,541,214)	-	-	-	n/a
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

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	
1999	\$ 12,883,140	\$ 7,698,354	\$ 5,184,786	\$ 695,000	\$ 581,070	\$ 1,276,070	4.06
2000	13,613,571	7,423,285	6,190,286	970,000	554,897	1,524,897	4.06
2001	13,769,312	7,398,678	6,370,634	980,000	518,759	1,498,759	4.25
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

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	
1999	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2000	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2001	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2002	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2003	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note:

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

City of Logan
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (amounts expressed in Thousands)	Personal Income Per Capita (2)	Median Age	Education Level			Unemployment Rate (3)
					Schooling	in Years of Formal	School Enrollment	
1999	42,917	\$ 755,854	\$ 17,612	n/a	n/a	5,855	2.4%	
2000	42,670	770,492	18,057	n/a	n/a	5,803	2.7%	
2001	42,342	794,209	18,757	n/a	n/a	5,637	2.5%	
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	918,360	20,128	n/a	n/a	5,801	3.4%	
2005	45,816	976,522	21,314	n/a	n/a	5,741	4.0%	
2006	47,357	1,114,128	23,526	n/a	n/a	5,738	3.0%	
2007	47,660	1,152,182	24,175	n/a	n/a	5,820	2.4%	
2008	47,965	1,258,503	26,238	n/a	n/a	5,755	2.0%	

Note:

- 1- Bureau of the Census / Utah Population Estimates Committee
- 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**

<u>Company</u>	<u>Product</u>	<u>Fiscal Year 2008</u>			<u>Fiscal Year 1999</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
Utah State University	Education	5,300	1	9.39%	n/a	1	n/a
Icon Health and Fitness, Inc.	Exercise equipment	3,000	2	5.31%	n/a	2	n/a
Logan Regional Hospital	Health care	870	3	1.54%	n/a	3	n/a
Logan City School District	Education	652	4	1.16%	n/a		n/a
Bourns, Inc.	Electronic components	-		-	n/a	4	n/a
Moore Business	Business forms	650	5	1.15%	n/a	5	n/a
Cache Valley Electric	Electric contractors	600	6	1.06%	n/a		n/a
Thermo Fisher Scientific	BioGenetic components	400	7	0.71%	n/a		n/a
Gossner Foods, Inc.	Cheese and dairy	-		-	n/a	6	n/a
Schreiber's Foods, Inc.	Cheese products	-		-	n/a	7	n/a
Sunshine Terrace Foundation	Health care	380	8	0.67%	n/a	8	n/a
Tyco Manufacturing	Electronic circuit boards	375	9	0.66%	n/a	9	n/a
Herff Jones	Yearbook publishers	340	10	0.60%	n/a	10	n/a
Total		12,567		22.25%	n/a		n/a

Note:

1- Information obtained from the Cache Chamber of Commerce website, www.cachechamber.com

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	69	69	71	73	76	72	67	67	69	64
Public Safety:										
Police:										
Officers/Staff	83	83	83	88	87	88	89	80	80	79
Administration	-	-	-	-	-	-	-	11	12	11
Fire:										
Firefighters/officers	41	41	44	44	49	47	47	47	46	48
Administration	2	2	3	3	3	3	2	1	1	1
Parks, recreation and culture	54	53	51	56	57	56	57	54	51	55
Public Works:										
Engineering	16	16	12	13	12	13	13	12	14	13
Streets	38	38	37	34	34	38	37	35	38	32
Water/Sewer	23	23	22	26	25	28	27	31	33	31
Environmental Health	38	38	38	43	45	51	46	52	59	52
Electric	33	33	36	35	33	31	32	34	33	31
Total	397	396	397	415	421	427	417	424	440	417

City of Logan
Operating Indicators
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Parks, recreation and culture:										
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	134,589	140,000	152,138	146,879	207,414	204,177	169,488	173,493	177,772	181,694
Municipal Water Department:										
Number of service connections	15,111	16,024	15,658	15,861	15,148	16,239	16,415	16,123	16,512	16,971
Consumption in gallons	3,254,786,000	3,036,496,000	3,326,879,000	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
Sewer System:										
Number of service connections	15,017	16,026	15,658	15,867	15,547	16,561	16,702	17,134	17,701	17,746
Miles of sewer lines	129	129	129	129	131	135	135	141	143	145
Municipal Electric Department:										
Number of service connections	15,165	15,492	15,652	15,885	16,191	16,669	17,400	17,527	18,108	18,179
Kilowatt hours consumed	347,264,000	364,678,000	381,267,000	388,401,000	395,016,378	396,034,000	402,499,000	419,299,598	426,326,000	419,657,000
Miles of distribution lines	144	144	170	180	192	198	199	216	216	216
Solid Waste and Disposal Department:										
Number of city users	12,740	12,658	13,336	13,460	13,460	13,911	15,048	15,610	13,321	13,952
Number of county users	13,779	14,449	14,654	14,883	14,883	16,111	15,309	15,754	17,025	17,558
Cubic yards of garbage received	234,883	263,440	234,369	163,232	171,012	170,103	177,135	188,740	161,189	157,547
Building permits issued	199	209	223	418	221	219	259	295	322	281

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	1	1	2	2	2	2
Highways and Streets:										
Streets (miles)	195	147	156	156	161	181	136	136	138	144
Streetlights	3,169	3,169	3,191	3,191	3,191	3,191	3,532	3,532	3,564	3,745
Parks, recreation and culture:										
Parks	20	20	21	32	36	36	38	38	39	39
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	134,589	140,000	152,138	146,879	207,414	204,177	169,488	173,493	177,772	181,694
Water:										
Water Mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sewer:										
Sanitary sewers (miles)	129	129	129	129	131	135	135	141	143	145
Electric:										
Services lines (miles)	144	144	170	180	192	198	199	216	216	216

Single Audit Section

City of Logan

Single Audit Reports

June 30, 2008

City of Logan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Program or Award Amount	Disbursements/ Expenditures
U.S. Department of Defense (DOD)				
Direct:				
Dry Canyon Watershed Runoff Improvement Project	12.PCA137926	PCA137926	\$ 4,260,000	\$ 3,053,717
Total DOD			<u>4,260,000</u>	<u>3,053,717</u>
U.S. Department of Housing and Urban Development (HUD)				
Direct:				
Community Development Block Grant - Entitlement	14.218	B-05-MC-49-00011	668,936	49,476
Community Development Block Grant - Entitlement	14.218	B-06-MC-49-00011	605,479	136,297
Community Development Block Grant - Entitlement	14.218	B-07-MC-49-00011	606,686	355,761
Total HUD			<u>1,881,101</u>	<u>541,534</u>
U.S. Department of the Interior (DOI)				
Passed through the Utah State Department of Community & Economic Development				
CLG Historic Plaques	15.904	61737	2,000	128
Total DOI			<u>2,000</u>	<u>128</u>
U.S. Department of Justice (DOJ)				
Direct:				
Bulletproof Vest Partnership Grant	16.607	Bulletproof Vest Grant	7,414	7,414
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Youth Alcohol Grant	16.727	2007-50179-UT-AH	35,000	27,802
Passed through the Utah State Commission on Criminal and Juvenile Justice:				
Narcotics and Gang Enforcement Grant	16.738	01-DRUG-08	110,000	104,477
Total DOJ			<u>152,414</u>	<u>139,693</u>
U.S. Institute of Museum & Library Services (IMLS)				
Passed through the Utah State Dept of Community & Culture				
LSTA - Improving Library Services & Technology	45.310	LS-00-07-0045-07	10,000	10,000
LSTA - Services for Spanish Speakers Projects	45.310	LS-00-07-0045-07	3,000	3,000
Total IMLS			<u>13,000</u>	<u>13,000</u>
U.S. Environmental Protection Agency (EPA)				
Direct:				
Palatial Living Water Infrastructure Grant	66.606	XP978451-01	384,800	26,807
Total EPA			<u>384,800</u>	<u>26,807</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 FY08	90,000	89,257
Total HHS			<u>90,000</u>	<u>89,257</u>
U.S. Department of Homeland Security (HLS/FEMA)				
Passed through the Utah State Division of Emergency Services and Homeland Security				
Safety Grant 2008	97.042	EMPG-2008-HLS-039	15,500	3,812
Safety Grant 2007	97.042	EMPG-2007-HLS-032	10,000	5,000
Total HLS/FEMA			<u>25,500</u>	<u>8,812</u>
Total Federal Awards			<u>\$ 6,808,815</u>	<u>\$ 3,872,948</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 awards tested as major programs were CFDA number 14.218 and the Army Corps of Engineers Cost Share Authority pass-through grant number PCA137926 (this program has no assigned CFDA number).

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	\$456,353

Note 4 - Loans

As of June 30, 2008, 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	\$ 899,412
66.468	Capitalization Grants for Drinking Water	\$4,230,000

Proceeds of \$899,412 were received during the current fiscal year; however, no qualifying expenditures were recorded.



Certified Public Accountants

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

To the Mayor and City Council
City of Logan, Utah

We have audited the financial statements of the City of Logan, Utah as of and for the year ended June 30, 2008, and have issued our report thereon dated November 17, 2008. 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider finding 08-01 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are material weaknesses.

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 grant agreements, 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 or other matters that are required to be reported under Government Auditing Standards. Certain immaterial instances of noncompliance were communicated to management in a separate letter dated November 17, 2008

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

This report is intended solely for the information and use of management, the City Council, state agencies, 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.

A handwritten signature in blue ink that reads "Jones Simkins, P.C." The signature is written in a cursive style.

JONES SIMKINS, P.C.
November 17, 2008



Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Mayor and City Council
City of Logan, Utah

Compliance

We have audited the compliance of the City of Logan, Utah with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 each of its major federal programs is the responsibility of 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 of Logan, Utah complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with 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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency in internal control, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined above. 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 the management, the City Council, others within the entity, 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.

A handwritten signature in blue ink that reads "Jones Simkins, P.C." The signature is written in a cursive style.

JONES SIMKINS, P.C.
November 17, 2008

CITY OF LOGAN, UTAH
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

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:	Yes - One
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:	Community Development Block Grant (14.218) Dry Canyon Runoff Improvement (no CFDA#)
8.	Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$ 300,000
9.	Auditee Qualification as High or Low Risk:	Low

CITY OF LOGAN, UTAH
Schedule of Findings and Questioned Costs
Year Ended June 30, 2008

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

Finding 08-01

Condition: Certain components of the City's internal control system are not designed in accordance with the expectations of the Government Accountability Office (GAO).

Criteria: Internal control standards adopted by the GAO expect that the individuals charged with governance of an organization establish an effective control environment, assess internal control risks, establish appropriate control activities, document and communicate controls and procedures, and monitor compliance with policies and procedures.

Effect: The City has a significant deficiency in the design of its internal control system.

Cause: The City has not implemented all functions expected to be performed by those charged with governance required under current internal control expectations established by the GAO.

Recommendation: Those charged with governance should evaluate the cost and benefit of implementing controls in accordance with GAO expectations.

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

None

CITY OF LOGAN, UTAH
Summary Schedule of Prior Year Audit Findings
(Client Submitted Document)
Year Ended June 30, 2008

None required because there were no reportable findings under Circular A-133 in the prior year.

CITY OF LOGAN, UTAH
Corrective Action Plan
(Client Submitted Document)
Year Ended June 30, 2008

The City of Logan, Utah respectfully submits the following response to the findings identified in the June 30, 2008 audit:

Response to finding 08-01

Management and those charged with governance will evaluate the cost and benefit of implementing controls in accordance with the expectations of the GAO and implement additional controls where practical and reasonable.

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State Compliance Section



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LEGAL COMPLIANCE REQUIREMENTS**

To the Mayor and City Council
City of Logan, Utah

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Logan, Utah for the year ended June 30, 2008, and have issued our report thereon dated November 17, 2008. As part of our audit, we have audited the City's compliance with the requirements governing types of services allowed or not allowed; eligibility; matching; level of effort or earmarking; reporting; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2008. The City received the following major state assistance programs from the state of Utah:

Class C Road Funds (Department of Transportation)
Liquor Law Enforcement Funds (Tax Commission)

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of the City's financial statements).

Community Library Enhancement Grant (Department of Community and Culture)
Historical Records Grant (Department of Administrative Services)
Mosquito Abatement Grant (Department of Agriculture and Food)
911 Per Capita Grant (Department of Health)
Crosswalk Enforcement Grant (Department of Health)
Zoo Project Support Grant (Office of Museum Services)
Zoo Operations Grant (Department of Community and Culture)

Our audit also included testwork on the City's compliance with the following general compliance requirements identified in the State of Utah Legal Compliance Audit Guide:

Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation and Property Tax Limitations
Justice Courts
Special Districts
Other General Compliance Issues
Uniform Building Code Standards
Impact Fees and Other Development Fees
Asset Forfeiture

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 and 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate letter dated November 17, 2008. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or not allowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2008.

A handwritten signature in blue ink that reads "Jones Simkins, P.C." in a cursive script.

JONES SIMKINS, P.C.
November 17, 2008