

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**City of Logan, Utah
Fiscal Year Ended, June 30, 2010**

CITY OF LOGAN, UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010
With
INDEPENDENT AUDITORS' REPORT

Prepared by



FINANCE DEPARTMENT

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November 15, 2010

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, 2010.

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 Hansen, Bradshaw, Malmrose & Erickson, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by management. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

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

The City has operated under the mayor-council optional form of government since 1978, having been the first in the state to adopt this form of government. Policy-making and legislative authority are vested in the City Council consisting of five council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and confirming appointments for department heads. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the 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, 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 25,000 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 technological, manufacturing, and industrial base that adds to the relative stability of employment. Major employers within the City's boundaries include Utah State University, Icon Health and Fitness, Moore Business Communication, TTM Technologies, Schreiber's Foods, Thermo Fisher Scientific, Gossner Foods, Cache Valley Electric, Logan City School District, and Logan Regional Hospital.

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

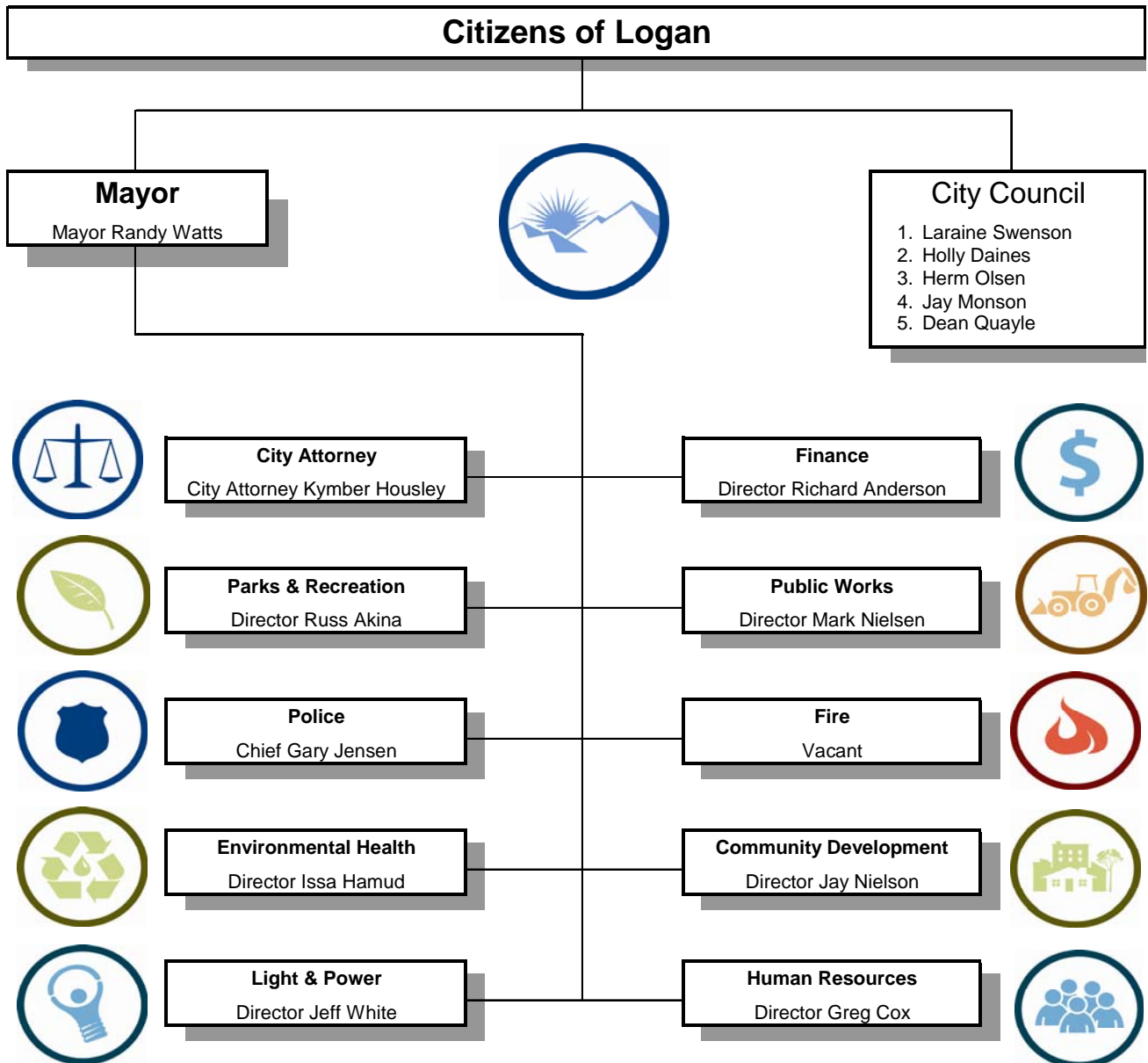
Acknowledgements

The timely and efficient preparation of this report could not have been accomplished without the dedicated service of the staff of the entire Finance Department. I appreciate Hansen, Bradshaw, Malmrose & Erickson, Certified Public Accountants, for the assistance and guidance they have provided to us. I also thank the members of the City Council, the Mayor, and other City personnel for their interest and support.

Respectfully submitted,



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



Financial Section

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Hansen, Bradshaw, Malmrose & Erickson

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan, Utah (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logan, Utah, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11 through 17 and 58 through 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, the combining and individual nonmajor fund financial statements and budgetary comparison information 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 and statistical tables 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.

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

October 25, 2010

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, 2010. 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 \$180,075,961 (net assets). Of this amount, \$53,923,987 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors.

Net assets increased by \$14,892,768. Of this amount, approximately 66 percent is a result of business-type activities.

The City's governmental funds reported a combined ending fund balance of \$17,622,138, an increase of \$3,715,319 in comparison to the prior year. The general fund reported fund balance of \$10,691,289, of which \$5,496,544 is unreserved and undesignated.

The City's total bonded debt decreased by \$4,876,000.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

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

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

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund financial statements

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

Governmental funds

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

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

The City maintains 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 redevelopment agency fund, which are considered to be major funds. Information for the other governmental funds is combined into a single, aggregated column. Individual presentations for each of the nonmajor governmental funds are provided in the form of combining statements in the supplementary information section of this report as listed in the table of contents.

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

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

Proprietary funds

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

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

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 \$180,075,961 at the close of the current fiscal year.

By far the largest portion of the City's net assets (64.5 percent) is invested in capital assets (e.g., land, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens who live, work, pass through or benefit in other ways from the City. By their nature, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt typically must be provided from other sources, since the assets themselves are not typically used to liquidate these liabilities.

City of Logan's Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 30,858,281	\$ 26,529,231	\$ 50,740,098	\$ 43,437,507	\$ 81,598,379	\$ 69,966,738
Capital assets	63,181,804	64,030,374	101,136,898	101,406,288	164,318,702	165,436,662
Total assets	<u>94,040,085</u>	<u>90,559,605</u>	<u>151,876,996</u>	<u>144,843,795</u>	<u>245,917,081</u>	<u>235,403,400</u>
Current liabilities	14,719,795	14,167,939	7,862,757	7,526,144	22,582,552	21,694,083
Noncurrent liabilities	15,721,258	17,867,920	27,537,310	30,658,204	43,258,568	48,526,124
Total liabilities	<u>30,441,053</u>	<u>32,035,859</u>	<u>35,400,067</u>	<u>38,184,348</u>	<u>65,841,120</u>	<u>70,220,207</u>
Net assets:						
Invested in capital assets, net of related debt	45,458,112	44,175,005	70,772,026	70,349,483	116,230,138	114,524,488
Restricted	4,374,963	5,527,716	5,511,717	5,325,737	9,886,680	10,853,453
Unrestricted	13,765,957	8,821,025	40,193,186	30,984,227	53,959,143	39,805,252
Total net assets	<u>\$ 63,599,032</u>	<u>\$ 58,523,746</u>	<u>\$ 116,476,929</u>	<u>\$ 106,659,447</u>	<u>\$ 180,075,961</u>	<u>\$ 165,183,193</u>

An additional part of net assets (5.5 percent) is assets that are subject to external restrictions on how they may be expended (debt service, capital projects, etc). The remaining 30 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	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 5,477,393	\$ 5,457,956	\$ 58,824,939	\$ 59,673,168	\$ 64,302,332	\$ 65,131,124
Operating grants and contributions	2,910,345	5,633,575	-	-	2,910,345	5,633,575
Capital grants and contributions	602,962	1,081,431	591,720	1,027,388	1,194,682	2,108,819
General revenues:						
Property taxes	7,311,000	6,615,903	-	-	7,311,000	6,615,903
Sales and other taxes and fees	13,073,838	13,288,294	-	-	13,073,838	13,288,294
Grants and contributions not restricted to specific programs	986,052	-	-	-	986,052	-
Other	664,989	1,057,978	541,872	681,263	1,206,861	1,739,241
Total revenues	31,026,579	33,135,137	59,958,531	61,381,819	90,985,110	94,516,956
Expenses:						
General government	4,401,387	4,066,767	-	-	4,401,387	4,066,767
Public safety	12,952,205	16,068,594	-	-	12,952,205	16,068,594
Public works	5,991,429	6,163,514	-	-	5,991,429	6,163,514
Parks, recreation and culture	5,932,225	6,021,405	-	-	5,932,225	6,021,405
Interest and fiscal charges	807,867	897,827	-	-	807,867	897,827
Water and sewer	-	-	7,341,611	6,391,287	7,341,611	6,391,287
Sewer treatment	-	-	1,971,969	1,838,810	1,971,969	1,838,810
Electric	-	-	27,836,906	26,954,988	27,836,906	26,954,988
Environmental health	-	-	7,213,824	7,630,579	7,213,824	7,630,579
Storm water management	-	-	652,774	653,373	652,774	653,373
Golf course	-	-	990,145	1,082,298	990,145	1,082,298
Total expenses	30,085,113	33,218,107	46,007,229	44,551,335	76,092,342	77,769,442
Increase (decrease) in net assets, before transfers	941,466	(82,970)	13,951,302	16,830,484	14,892,768	16,747,514
Transfers	4,133,820	4,213,280	(4,133,820)	(4,213,280)	-	-
Increase (decrease) in net assets	5,075,286	4,130,310	9,817,482	12,617,204	14,892,768	16,747,514
Net assets, beginning	58,523,746	54,393,436	106,659,447	94,042,243	165,183,193	148,435,679
Net assets, ending	\$ 63,599,032	\$ 58,523,746	\$ 116,476,929	\$ 106,659,447	\$ 180,075,961	\$ 165,183,193

Governmental activities

Governmental activities net assets increased by \$5,075,286 for the current fiscal year. Key elements of this increase are as follows:

- The City's continued emphasis on risk management and health management utilizing internal service funds, resulted in an increase in net assets of nearly \$900,000.
- The City continued to improve the financial condition of the redevelopment agency fund through a planned buildup in liquid assets of approximately \$900,000.
- Due to conservative budgeting, general fund revenues exceeded projections by approximately \$700,000 or 2.7 percent.
- During a difficult fiscal period, the City managed expenses.

Business-type activities

Business-type activities net assets increased by \$9,817,482. Key elements of this increase are as follows:

- The water and sewer fund net assets increased by approximately \$1,400,000. Increase in net assets was consistent with the prior year and expectations.

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The sewer treatment fund net assets increased by approximately \$1,770,000. This increase was consistent with the prior year and expectations. Assets are being accumulated to address significant future capital projects involving the sewer lagoons.
- The electric fund net assets increased by approximately \$2,500,000. This increase was consistent with prior year and expectations. The increase is due to a planned increase in current assets as well as investment in capital projects.
- The environmental health fund net assets increased by approximately \$2,750,000. This increase is due to budgeting for future capital projects including the construction of a transfer station and future landfill site.
- The storm water management fund net assets increased by approximately \$825,000. This increase was consistent with prior year and expectations.

Financial Analysis of the City of Logan's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$17,622,138, with an increase of \$3,715,319 compared to the prior fiscal year. Of the total balance, \$11,988,053 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 \$156,673, (2) debt service of \$1,025,655, (3) roads (class c funds) of \$1,766,191, (4) capital activities of \$813,778 and (5) other miscellaneous amounts of \$1,871,788.

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 \$10,691,289, of which \$5,496,544 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 5 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 increased by \$161,222 due to good management of expenditures in an extremely difficult economic environment.

Fund balance of the redevelopment agency fund increased by \$1,118,886 due to a planned buildup of fund balance.

Proprietary funds

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

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

Unrestricted net assets in the City's major proprietary funds totaled the following: (1) \$6,333,480 in the water and sewer fund, (2) \$6,745,605 in the sewer treatment fund, (3) \$9,802,815 in the electric fund, (4) \$15,136,914 in the environmental health fund, (5) \$1,427,149 in the storm water management fund, and (6) \$224,831 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 \$3,463,281 or 10 percent. A significant part of the increase in appropriations is briefly summarized as follows:

- The City appropriated money for capital assets of \$996,500.
- The City appropriated \$2,132,889 for reimbursable grants.

Other minor increases in appropriations were for minor 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 \$116,265,294 (net of related debt). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, park facilities, roads, highways, and bridges.

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

- The City continued construction of the 10th West Electric Substation. Approximately \$923,000 was spent on this project during the year.
- The City started construction of the Dewitt Springs Hydroelectric Turbine. Approximately \$370,000 was spent on this project during the year.
- The City continued construction of the Service Center Brine Basin. Approximately \$331,000 was spent on this project during the year.

City of Logan's Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 15,990,214	\$ 15,508,695	\$ 7,086,884	\$ 6,119,359	\$ 23,077,098	\$ 21,628,054
Other nondepreciable assets	1,382,220	1,448,570	-	-	1,382,220	1,448,570
Buildings	17,144,417	18,027,695	5,021,758	5,420,105	22,166,175	23,447,800
Improvements	9,463,508	9,185,539	67,527,854	67,959,060	76,991,362	77,144,599
Equipment	3,620,172	4,056,658	19,808,207	21,203,935	23,428,379	25,260,593
Infrastructure	15,136,676	15,198,723	-	-	15,136,676	15,198,723
Work in progress	444,597	604,494	1,692,195	703,829	2,136,792	1,308,323
Total	\$ 63,181,804	\$ 64,030,374	\$ 101,136,898	\$ 101,406,288	\$ 164,318,702	\$ 165,436,662

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 \$43,646,000. Of this amount, \$5,270,000 comprises debt backed by the full faith and credit of the City and \$38,376,000 represents bonds secured by specific revenue sources (i.e., sales tax, excise tax, etc.).

CITY OF LOGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Logan's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 5,270,000	\$ 5,670,000	\$ -	\$ -	\$ 5,270,000	\$ 5,670,000
Revenue bonds	11,291,000	12,635,000	27,085,000	30,217,000	38,376,000	42,852,000
Total	<u>\$ 16,561,000</u>	<u>\$ 18,305,000</u>	<u>\$ 27,085,000</u>	<u>\$ 30,217,000</u>	<u>\$ 43,646,000</u>	<u>\$ 48,522,000</u>

Utilizing bond insurance, rated bonds outstanding had a rating of Aaa by Moody's Investor Service at issuance. Because of the credit crisis, municipalities will have significant difficulty in obtaining bond insurance for any future issues. The following bonds carry an underlying rating as follows:

Bond Issue	Moody's Investor Service
Water and sewer revenue bonds	Aa2
General obligation bonds	Aa2

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

Economic Factors and Next Year's Budgets and Rates

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

Requests for Information

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

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Basic Financial Statements

**City of Logan
Statement of Net Assets
June 30, 2010**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 10,030,066	\$ 28,727,478	\$ 38,757,544
Investments	6,316,862	12,110,428	18,427,290
Accounts receivable (net of allowance)	997,756	3,577,220	4,574,976
Prepaid assets	82,500	-	82,500
Taxes receivable	7,756,242	-	7,756,242
Accrued interest	18,947	7,607	26,554
Internal balances	(577,236)	577,236	-
Due from other governmental units	2,967,309	10,500	2,977,809
Inventory	75,894	732,320	808,214
Total current assets	<u>27,668,340</u>	<u>45,742,789</u>	<u>73,411,129</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	2,961,546	4,718,917	7,680,463
Deferred costs	228,395	278,392	506,787
Capital assets:			
Land	15,990,214	7,086,884	23,077,098
Other nondepreciable assets	1,382,220	-	1,382,220
Buildings	36,810,259	10,849,030	47,659,289
Improvements other than buildings	11,400,567	90,328,034	101,728,601
Equipment	13,548,383	51,901,227	65,449,610
Infrastructure	38,323,132	-	38,323,132
Less accumulated depreciation	(54,717,568)	(60,720,472)	(115,438,040)
Work in progress	444,597	1,692,195	2,136,792
Total noncurrent assets	<u>66,371,745</u>	<u>106,134,207</u>	<u>172,505,952</u>
Total assets	<u>94,040,085</u>	<u>151,876,996</u>	<u>245,917,081</u>
LIABILITIES			
Current liabilities:			
Accrued liabilities	3,068,871	3,816,988	6,885,859
Compensated absences	1,429,771	639,186	2,068,957
Interest payable	283,515	157,243	440,758
Leases payable	205,026	49,340	254,366
Notes payable	126,345	-	126,345
Bonds payable	1,822,000	3,200,000	5,022,000
Deferred revenue	7,784,267	-	7,784,267
Total current liabilities	<u>14,719,795</u>	<u>7,862,757</u>	<u>22,582,552</u>
Noncurrent liabilities:			
Leases payable	1,014,042	-	1,014,042
Notes payable	3,465	-	3,465
Bonds payable	14,703,751	23,605,519	38,309,270
Landfill closure/post-closure costs	-	3,931,791	3,931,791
Total noncurrent liabilities	<u>15,721,258</u>	<u>27,537,310</u>	<u>43,258,568</u>
Total liabilities	<u>30,441,053</u>	<u>35,400,067</u>	<u>65,841,120</u>
NET ASSETS			
Invested in capital assets, net of related debt	45,458,112	70,772,026	116,230,138
Restricted for:			
Debt service	1,025,655	1,629,968	2,655,623
Roads	1,766,191	-	1,766,191
Capital activities	813,778	3,881,749	4,695,527
Redevelopment	42,147	-	42,147
Affordable housing	269,552	-	269,552
Other	457,640	-	457,640
Unrestricted	13,765,957	40,193,186	53,959,143
Total net assets	<u>63,599,032</u>	<u>116,476,929</u>	<u>180,075,961</u>
Total liabilities and net assets	<u>\$ 94,040,085</u>	<u>\$ 151,876,996</u>	<u>\$ 245,917,081</u>

The accompanying notes are an integral part of this statement.

City of Logan
Statement of Activities
For the Year Ended June 30, 2010

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,401,387	\$ 1,805,623	\$ 574	\$ -	\$ (2,595,190)	\$ -	\$ (2,595,190)
Public safety	12,952,205	2,663,369	660,608	209,732	(9,418,496)	-	(9,418,496)
Public works	5,991,429	245,452	1,309,805	276,597	(4,159,575)	-	(4,159,575)
Parks, recreation and culture	5,932,225	762,949	939,358	116,633	(4,113,285)	-	(4,113,285)
Debt service - Interest and fiscal charges	807,867	-	-	-	(807,867)	-	(807,867)
Total governmental activities	<u>30,085,113</u>	<u>5,477,393</u>	<u>2,910,345</u>	<u>602,962</u>	<u>(21,094,413)</u>	<u>-</u>	<u>(21,094,413)</u>
Business-type activities:							
Water and sewer	7,341,611	9,020,423	-	281,470	-	1,960,282	1,960,282
Sewer treatment	1,971,969	4,009,174	-	-	-	2,037,205	2,037,205
Electric	27,836,906	33,093,119	-	-	-	5,256,213	5,256,213
Environmental health	7,213,824	10,686,702	-	-	-	3,472,878	3,472,878
Storm water management	652,774	1,169,523	-	299,750	-	816,499	816,499
Golf course	990,145	845,998	-	10,500	-	(133,647)	(133,647)
Total business-type activities	<u>46,007,229</u>	<u>58,824,939</u>	<u>-</u>	<u>591,720</u>	<u>-</u>	<u>13,409,430</u>	<u>13,409,430</u>
Total primary government	<u>\$ 76,092,342</u>	<u>\$ 64,302,332</u>	<u>\$ 2,910,345</u>	<u>\$ 1,194,682</u>	<u>(21,094,413)</u>	<u>13,409,430</u>	<u>(7,684,983)</u>
General revenues:							
Property tax					7,311,000	-	7,311,000
Sales tax and other taxes and fees					13,073,838	-	13,073,838
Grants and contributions not restricted to specific programs					986,052	-	986,052
Unrestricted investment earnings					405,243	541,872	947,115
Miscellaneous					259,746	-	259,746
Transfers					4,133,820	(4,133,820)	-
Total general revenues and transfers					<u>26,169,699</u>	<u>(3,591,948)</u>	<u>22,577,751</u>
Change in net assets					5,075,286	9,817,482	14,892,768
Net assets, beginning					<u>58,523,746</u>	<u>106,659,447</u>	<u>165,183,193</u>
Net assets, ending					<u>\$ 63,599,032</u>	<u>\$ 116,476,929</u>	<u>\$ 180,075,961</u>

The accompanying notes are an integral part of this statement.

**City of Logan
Balance Sheet
Governmental Funds
June 30, 2010**

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 68,274	\$ 1,495,344	\$ 5,893,897	\$ 7,457,515
Investments	5,579,306	-	737,556	6,316,862
Accounts receivable (net of allowance)	95,887	457,480	429,295	982,662
Property tax receivable	2,609,925	3,692,338	1,453,979	7,756,242
Accrued interest	18,947	-	-	18,947
Due from other funds	1,127,473	-	-	1,127,473
Due from other governmental units	2,728,616	-	238,693	2,967,309
Inventory	75,894	-	-	75,894
Restricted assets:				
Cash and cash equivalents	2,791,758	88	169,700	2,961,546
Total assets	<u>15,096,080</u>	<u>5,645,250</u>	<u>8,923,120</u>	<u>29,664,450</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accrued liabilities	1,766,841	319,725	145,133	2,231,699
Due to other funds	-	865,000	352,473	1,217,473
Deferred revenue	2,637,950	4,148,738	1,806,452	8,593,140
Total liabilities	<u>4,404,791</u>	<u>5,333,463</u>	<u>2,304,058</u>	<u>12,042,312</u>
Fund balances:				
Reserved for:				
Encumbrances	156,673	-	-	156,673
Debt service	1,025,567	88	-	1,025,655
Roads	1,766,191	-	-	1,766,191
Capital activities	813,778	-	-	813,778
Other	1,432,536	269,552	169,700	1,871,788
Unreserved, undesignated reported in:				
General fund	5,496,544	-	-	5,496,544
Special revenue	-	42,147	2,132,930	2,175,077
Capital projects	-	-	4,316,432	4,316,432
Total fund balances	<u>10,691,289</u>	<u>311,787</u>	<u>6,619,062</u>	<u>17,622,138</u>
Total liabilities and fund balances	<u>\$ 15,096,080</u>	<u>\$ 5,645,250</u>	<u>\$ 8,923,120</u>	<u>\$ 29,664,450</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, 2010

Total fund balances - governmental fund types		\$ 17,622,138
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	15,990,214	
Other nondepreciable assets	1,382,220	
Buildings	36,810,259	
Improvements other than buildings	11,400,567	
Equipment	12,605,568	
Infrastructure	38,323,132	
Work in progress	444,597	
Accumulated depreciation	<u>(53,980,810)</u>	
Total		62,975,747
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Receivables and other	808,873	
Deferred costs	<u>228,395</u>	
Total		1,037,268
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	(283,515)	
Bonds payable - current	(1,822,000)	
Bonds payable - noncurrent	(14,703,751)	
Notes payable - current	(126,345)	
Notes payable - noncurrent	(3,465)	
Capital leases payable - current	(205,026)	
Capital leases payable - noncurrent	(1,014,042)	
Compensated absences payable	<u>(1,385,303)</u>	
Total		(19,543,447)
Internal service funds are used by the City to charge the costs of centralized services to the individual funds. The assets and liabilities of internal service funds are included in the statement of net assets (\$1,994,562 less internal balances of \$487,236).		
Net assets	<u>1,507,326</u>	
Total		1,507,326
Net assets of governmental activities		<u><u>\$ 63,599,032</u></u>

The accompanying notes are an integral part of this statement.

City of Logan
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property tax	\$ 2,892,847	\$ 2,806,053	\$ 1,612,100	\$ 7,311,000
Sales tax	7,278,283	-	-	7,278,283
Other taxes and fees	5,074,144	-	721,411	5,795,555
Licenses and permits	743,139	-	-	743,139
Intergovernmental	3,625,713	-	479,329	4,105,042
Administrative fees	3,387,372	-	-	3,387,372
Charges for services	2,715,197	-	956,573	3,671,770
Fines	1,010,518	-	51,966	1,062,484
Investment earnings	352,854	(356)	44,926	397,424
Contributions from private sources	17,603	-	100,117	117,720
Miscellaneous	300,424	27,572	62,585	390,581
Total revenues	<u>27,398,094</u>	<u>2,833,269</u>	<u>4,029,007</u>	<u>34,260,370</u>
EXPENDITURES				
Current:				
General government	5,567,149	-	-	5,567,149
Public safety	10,694,756	-	1,511,718	12,206,474
Public works	5,905,439	1,016,879	5,349	6,927,667
Parks, recreation and culture	3,042,082	-	2,384,269	5,426,351
Debt service:				
Principal	1,740,273	300,000	-	2,040,273
Interest	684,626	113,888	-	798,514
Capital outlay:				
General government	598,978	-	-	598,978
Public safety	342,800	-	127,758	470,558
Public works	626,609	105,616	-	732,225
Parks, recreation and culture	206,173	-	142,903	349,076
Total expenditures	<u>29,408,885</u>	<u>1,536,383</u>	<u>4,171,997</u>	<u>35,117,265</u>
Revenues over (under) expenditures	<u>(2,010,791)</u>	<u>1,296,886</u>	<u>(142,990)</u>	<u>(856,895)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,770,885	-	2,589,748	7,360,633
Transfers out	(2,969,063)	(178,000)	(11,547)	(3,158,610)
Sale of capital assets	370,191	-	-	370,191
Total other financing sources (uses)	<u>2,172,013</u>	<u>(178,000)</u>	<u>2,578,201</u>	<u>4,572,214</u>
Net change in fund balances	161,222	1,118,886	2,435,211	3,715,319
Fund balances, beginning	10,530,067	(807,099)	4,183,851	13,906,819
Fund balances, ending	<u>\$ 10,691,289</u>	<u>\$ 311,787</u>	<u>\$ 6,619,062</u>	<u>\$ 17,622,138</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, 2010

Net changes in fund balances - total governmental funds		\$ 3,715,319
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay	2,150,837	
Depreciation expense	<u>(2,876,526)</u>	
Total		(725,689)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net assets.</p>		
Donated capital assets	276,597	
Disposal of assets	<u>(432,029)</u>	
Total		(155,432)
<p>Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.</p>		
		(199,038)
<p>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.</p>		
Issuance of long-term debt, net	-	
Retirement of long-term debt	<u>2,040,273</u>	
Total		2,040,273
<p>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.</p>		
Change in compensated absences	(157,030)	
Interest expense	<u>(9,353)</u>	
Total		(166,383)
<p>Internal service funds are used by management to charge the cost of centralized services to individual funds. The net expense of the internal service funds is reported with governmental activities.</p>		
		566,236
Change in net assets of governmental activities		<u><u>\$ 5,075,286</u></u>

The accompanying notes are an integral part of this statement.

**City of Logan
Statement of Net Assets
Proprietary Funds
June 30, 2010**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Total	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 4,981,301	\$ 5,777,876	\$ 6,599,542	\$ 9,576,999	\$ 1,556,369	\$ 235,391	\$ 28,727,478	\$ 2,572,551
Investments	2,150,226	838,937	4,011,385	5,109,880	-	-	12,110,428	-
Accounts receivable (net of allowance)	470,978	238,816	1,981,613	824,479	61,334	-	3,577,220	15,094
Prepaid assets	-	-	-	-	-	-	-	82,500
Accrued interest	1,371	47	2,784	3,405	-	-	7,607	-
Due from other funds	-	-	-	90,000	-	-	90,000	-
Due from other governmental units	-	-	-	-	-	10,500	10,500	-
Inventory	125,301	-	482,909	-	37,686	86,424	732,320	-
Total current assets	<u>7,729,177</u>	<u>6,855,676</u>	<u>13,078,233</u>	<u>15,604,763</u>	<u>1,655,389</u>	<u>332,315</u>	<u>45,255,553</u>	<u>2,670,145</u>
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	2,378,410	-	11	1,636,307	579,021	125,168	4,718,917	-
Deferred costs	136,582	73,463	39,911	-	21,910	6,526	278,392	-
Capital assets:								
Land	352,607	1,730,104	1,193,118	1,781,015	649,322	1,380,718	7,086,884	-
Buildings	1,131,060	278,312	4,844,149	4,025,425	-	570,084	10,849,030	-
Improvements other than buildings	49,842,376	14,491,768	11,548,002	1,808,950	9,067,062	3,569,876	90,328,034	-
Equipment	4,812,145	1,877,993	34,890,462	9,633,049	229,184	458,394	51,901,227	942,815
Less accumulated depreciation	(14,966,345)	(4,897,776)	(29,036,032)	(8,272,933)	(1,317,515)	(2,229,871)	(60,720,472)	(736,758)
Work in progress	218,065	4,547	1,369,542	-	89,241	10,800	1,692,195	-
Total noncurrent assets	<u>43,904,900</u>	<u>13,558,411</u>	<u>24,849,163</u>	<u>10,611,813</u>	<u>9,318,225</u>	<u>3,891,695</u>	<u>106,134,207</u>	<u>206,057</u>
Total assets	<u>51,634,077</u>	<u>20,414,087</u>	<u>37,927,396</u>	<u>26,216,576</u>	<u>10,973,614</u>	<u>4,224,010</u>	<u>151,389,760</u>	<u>2,876,202</u>
LIABILITIES								
Current liabilities:								
Accrued liabilities	186,814	172,322	3,037,212	256,748	89,138	74,754	3,816,988	837,172
Compensated absences	101,867	11,212	278,117	211,101	3,712	33,177	639,186	44,468
Interest payable	84,233	10,086	27,768	-	29,077	6,079	157,243	-
Leases payable	-	-	49,340	-	-	-	49,340	-
Bonds payable	1,150,000	490,000	930,000	-	270,000	360,000	3,200,000	-
Total current liabilities	<u>1,522,914</u>	<u>683,620</u>	<u>4,322,437</u>	<u>467,849</u>	<u>391,927</u>	<u>474,010</u>	<u>7,862,757</u>	<u>881,640</u>
Noncurrent liabilities:								
Bonds payable	15,246,858	5,148,661	960,000	-	2,250,000	-	23,605,519	-
Landfill closure/post-closure costs	-	-	-	3,931,791	-	-	3,931,791	-
Total noncurrent liabilities	<u>15,246,858</u>	<u>5,148,661</u>	<u>960,000</u>	<u>3,931,791</u>	<u>2,250,000</u>	<u>-</u>	<u>27,537,310</u>	<u>-</u>
Total liabilities	<u>16,769,772</u>	<u>5,832,281</u>	<u>5,282,437</u>	<u>4,399,640</u>	<u>2,641,927</u>	<u>474,010</u>	<u>35,400,067</u>	<u>881,640</u>
NET ASSETS								
Invested in capital assets, net of related debt	24,908,817	7,836,201	22,842,133	5,043,715	6,747,238	3,393,922	70,772,026	206,057
Restricted for:								
Debt service	1,504,789	-	11	-	-	125,168	1,629,968	-
Capital activities	2,117,219	-	-	1,636,307	128,223	-	3,881,749	-
Unrestricted	6,333,480	6,745,605	9,802,815	15,136,914	1,456,226	230,910	39,705,950	1,788,505
Total net assets	<u>\$ 34,864,305</u>	<u>\$ 14,581,806</u>	<u>\$ 32,644,959</u>	<u>\$ 21,816,936</u>	<u>\$ 8,331,687</u>	<u>\$ 3,750,000</u>	<u>\$ 115,989,693</u>	<u>\$ 1,994,562</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, 2010

Total net assets for proprietary funds	\$ 115,989,693
Internal service fund allocation for prior year	170,174
Internal service fund allocation for current year	317,062
	<hr/>
Total business-type net assets	<u>\$ 116,476,929</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, 2010

	Business-Type Activities - Enterprise Funds						Governmental	
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Total	Internal Service Funds
Operating revenues:								
Charges for sales and services	\$ 8,632,612	\$ 3,932,050	\$ 32,341,605	\$ 10,452,649	\$ 1,143,262	\$ 843,039	\$ 57,345,217	\$ 5,691,228
Connection fees	118,475	-	398,817	-	-	-	517,292	-
Miscellaneous	248,371	77,124	352,209	223,230	12,892	1,463	915,289	46,050
Total operating revenues	<u>8,999,458</u>	<u>4,009,174</u>	<u>33,092,631</u>	<u>10,675,879</u>	<u>1,156,154</u>	<u>844,502</u>	<u>58,777,798</u>	<u>5,737,278</u>
Operating expenses:								
Salaries and wages	1,680,391	173,188	2,923,716	3,016,721	52,007	455,989	8,302,012	734,627
Administrative fees	1,103,631	241,259	873,327	894,167	23,786	-	3,136,170	-
Operating and maintenance	2,569,724	903,229	22,472,824	2,285,879	261,864	385,300	28,878,820	4,063,225
Landfill closure/post-closure costs	-	-	-	97,900	-	-	97,900	-
Depreciation and amortization	1,469,998	377,120	1,590,312	1,053,439	212,706	136,393	4,839,968	63,947
Total operating expenses	<u>6,823,744</u>	<u>1,694,796</u>	<u>27,860,179</u>	<u>7,348,106</u>	<u>550,363</u>	<u>977,682</u>	<u>45,254,870</u>	<u>4,861,799</u>
Operating income (loss)	<u>2,175,714</u>	<u>2,314,378</u>	<u>5,232,452</u>	<u>3,327,773</u>	<u>605,791</u>	<u>(133,180)</u>	<u>13,522,928</u>	<u>875,479</u>
Nonoperating revenues (expenses):								
Intergovernmental revenue	-	-	-	-	-	10,500	10,500	-
Interest	137,773	43,582	166,788	212,555	25,503	2,812	589,013	7,819
Gain (loss) on sale of assets	-	-	-	1,634	-	-	1,634	-
Interest expense and fiscal charges	(586,385)	(284,143)	(71,486)	-	(104,351)	(24,690)	(1,071,055)	-
Total nonoperating revenue (expense)	<u>(448,612)</u>	<u>(240,561)</u>	<u>95,302</u>	<u>214,189</u>	<u>(78,848)</u>	<u>(11,378)</u>	<u>(469,908)</u>	<u>7,819</u>
Income (loss) before contributions and transfers	1,727,102	2,073,817	5,327,754	3,541,962	526,943	(144,558)	13,053,020	883,298
Capital contributions	281,470	-	-	68,203	299,750	-	649,423	-
Transfers in	100,000	-	28,075	-	-	379,315	507,390	-
Transfers out	(705,120)	(302,080)	(2,846,821)	(855,392)	-	-	(4,709,413)	-
Change in net assets	1,403,452	1,771,737	2,509,008	2,754,773	826,693	234,757	9,500,420	883,298
Total net assets, beginning	<u>33,460,853</u>	<u>12,810,069</u>	<u>30,135,951</u>	<u>19,062,163</u>	<u>7,504,994</u>	<u>3,515,243</u>	<u>106,489,273</u>	<u>1,111,264</u>
Total net assets, ending	<u>\$ 34,864,305</u>	<u>\$ 14,581,806</u>	<u>\$ 32,644,959</u>	<u>\$ 21,816,936</u>	<u>\$ 8,331,687</u>	<u>\$ 3,750,000</u>	<u>\$ 115,989,693</u>	<u>\$ 1,994,562</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, 2010

Total changes in net assets proprietary funds	\$ 9,500,420
Internal service fund allocation for current year	317,062
	<hr/>
Total changes in business-type net assets	<u>\$ 9,817,482</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, 2010

	Business-Type Activities - Enterprise Funds						Governmental	
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Internal Service Funds	
Cash Flows From Operating Activities								
Receipts from customers and users	\$ 9,067,743	\$ 4,088,215	\$ 33,423,914	\$ 10,755,063	\$ 1,157,708	\$ 834,002	\$ 59,326,645	\$ 5,722,184
Payments for services and supplies	(4,000,135)	(1,074,908)	(24,923,133)	(5,243,430)	(411,001)	(833,374)	(36,485,981)	(4,308,450)
Payments for interfund services used	(1,103,631)	(241,259)	(873,327)	(894,167)	(23,786)	-	(3,136,170)	-
Net cash provided (used) by operating activities	<u>3,963,977</u>	<u>2,772,048</u>	<u>7,627,454</u>	<u>4,617,466</u>	<u>722,921</u>	<u>628</u>	<u>19,704,494</u>	<u>1,413,734</u>
Cash Flows From Noncapital Financing Activities								
Transfers from (to) other funds	(605,120)	(302,080)	(2,818,746)	(855,392)	-	379,315	(4,202,023)	-
Changes to interfund receivables and payables	-	-	-	213,046	(54,446)	-	158,600	-
Net cash provided (used) by noncapital and related financing activities	<u>(605,120)</u>	<u>(302,080)</u>	<u>(2,818,746)</u>	<u>(642,346)</u>	<u>(54,446)</u>	<u>379,315</u>	<u>(4,043,423)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities								
Proceeds from capital grants	-	-	-	-	-	10,500	10,500	-
Proceeds from sale of capital assets	-	-	88,251	29,150	-	-	117,401	-
Purchases of capital assets	(231,540)	-	(1,813,420)	(934,091)	(982,560)	(24,300)	(3,985,911)	(164,704)
Principal paid on debt	(1,111,248)	(473,206)	(947,305)	-	(262,000)	(355,000)	(3,148,759)	-
Interest and fees paid on capital debt	(591,584)	(285,009)	(86,306)	-	(107,374)	(27,315)	(1,097,588)	-
Net cash provided (used) by capital and related financing activities	<u>(1,934,372)</u>	<u>(758,215)</u>	<u>(2,758,780)</u>	<u>(904,941)</u>	<u>(1,351,934)</u>	<u>(396,115)</u>	<u>(8,104,357)</u>	<u>(164,704)</u>
Cash Flows From Investing Activities								
Purchase of investments	(340,223)	(838,937)	(6,297,515)	(2,078,363)	-	-	(9,555,038)	-
Sale of investments	1,254,878	1,953,526	7,220,981	2,012,851	330,863	-	12,773,099	-
Interest and dividends received	141,907	44,521	169,992	233,344	26,406	2,812	618,982	7,819
Net cash provided (used) by investing activities	<u>1,056,562</u>	<u>1,159,110</u>	<u>1,093,458</u>	<u>167,832</u>	<u>357,269</u>	<u>2,812</u>	<u>3,837,043</u>	<u>7,819</u>
Net increase (decrease) in cash and cash equivalents	<u>2,481,047</u>	<u>2,870,863</u>	<u>3,143,386</u>	<u>3,238,011</u>	<u>(326,190)</u>	<u>(13,360)</u>	<u>11,393,757</u>	<u>1,256,849</u>
Cash and cash equivalents - beginning	<u>4,878,664</u>	<u>2,907,013</u>	<u>3,456,167</u>	<u>7,975,295</u>	<u>2,461,580</u>	<u>373,919</u>	<u>22,052,638</u>	<u>1,315,702</u>
Cash and cash equivalents - ending	<u>7,359,711</u>	<u>5,777,876</u>	<u>6,599,553</u>	<u>11,213,306</u>	<u>2,135,390</u>	<u>360,559</u>	<u>33,446,395</u>	<u>2,572,551</u>
Shown in the financial statements as:								
Cash and cash equivalents	4,981,301	5,777,876	6,599,542	9,576,999	1,556,369	235,391	28,727,478	2,572,551
Restricted cash and cash equivalents	2,378,410	-	11	1,636,307	579,021	125,168	4,718,917	-
Total	<u>7,359,711</u>	<u>5,777,876</u>	<u>6,599,553</u>	<u>11,213,306</u>	<u>2,135,390</u>	<u>360,559</u>	<u>33,446,395</u>	<u>2,572,551</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:								
Operating income (loss)	2,175,714	2,314,378	5,232,452	3,327,773	605,791	(133,180)	13,522,928	875,479
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation and amortization expenses	1,469,998	377,120	1,590,312	1,053,439	212,706	136,393	4,839,968	63,947
Landfill closure costs	-	-	-	97,900	-	-	97,900	-
(Increase) decrease in receivables	68,285	79,041	331,283	79,184	1,554	(10,500)	548,847	(15,094)
(Increase) decrease in inventory and prepaids	208,281	-	193,734	-	5,416	(5,691)	401,740	(82,500)
Increase (decrease) in accrued liabilities	41,699	1,509	279,673	59,170	(102,546)	13,606	293,111	571,902
Total adjustments	<u>1,788,263</u>	<u>457,670</u>	<u>2,395,002</u>	<u>1,289,693</u>	<u>117,130</u>	<u>133,808</u>	<u>6,181,566</u>	<u>538,255</u>
Net cash provided (used) by operating activities	<u>\$ 3,963,977</u>	<u>\$ 2,772,048</u>	<u>\$ 7,627,454</u>	<u>\$ 4,617,466</u>	<u>\$ 722,921</u>	<u>\$ 628</u>	<u>\$ 19,704,494</u>	<u>\$ 1,413,734</u>
Noncash Transactions								
Contribution of capital assets	\$ 281,470	\$ -	\$ -	\$ 68,203	\$ 299,750	\$ -	\$ 649,423	\$ -
Investment fair value adjustment	\$ 19,210	\$ -	\$ (12,051)	\$ 88,920	\$ -	\$ -	\$ 96,079	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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

Blended Component Units

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

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

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

Interlocal Agreements

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

Logan-Cache Airport Authority

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

Cache County Emergency Medical Services Authority (CCEMS)

CCEMS was organized as a separate legal entity to provide emergency medical services to the residents of Cache County. CCEMS began operations on January 1, 2005. The responsibility for financial management of CCEMS 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 CCEMS debt. The City is a service provider to CCEMS. Through the agreement with CCEMS, the City is compensated a set fee for emergency medical services provided to County and City residents.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

North Park Interlocal Cooperative (NPIC)

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

Logan Community Recreation Center Joint Use and Operations Agreement

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

Communication Center 911 Fund

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

Utah Associated Municipal Power Systems (UAMPS)

UAMPS was established in 1980 under the Utah Interlocal Cooperation Act, and is a political subdivision of the State of Utah. UAMPS' purposes include the planning, financing, development, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission, and management of electric energy for the benefit of its members. Members are located in Utah, Arizona, Idaho, Nevada, New Mexico, California, Wyoming, and Oregon. UAMPS is a stand-alone entity that issues its own financial statements. For a copy of their financial statements contact UAMPS at 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 17.

Related Organization

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

Jointly Governed Organization

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

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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 \$5,257,209 as of December 31, 2009.

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 services.

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

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

Measurement Focus and Basis of Accounting

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

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

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

Major Governmental Funds

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

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

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.

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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

The electric fund accounts for electricity generation and distribution operations.

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

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

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

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

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

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

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

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

When both restricted and unrestricted 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.

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

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

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

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.

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

Inventory

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

Prepaid Assets

Prepaid assets are generally accounted for using the consumption method.

Restricted Assets

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

Capital Assets

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

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

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

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Asset	Useful Life
Buildings	20 to 30 years
Improvements	3 to 50 years
Infrastructure	20 to 50 years
Equipment	3 to 10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused personal leave and short-term disability benefits. There is no liability for accrued short-term disability leave as the City does not payout unused balances at separation. All personal leave is accrued when earned in the government-wide and proprietary fund financial statements.

Long-Term Obligations

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

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

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, 2010, no divisions or departments exceeded expenditure budgets.

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NOTES TO THE FINANCIAL STATEMENTS

Deficit Fund Balances

The special improvement fund, a nonmajor governmental fund, has a negative fund balance of \$347,003. 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 is responsible for advising the State Treasurer concerning investment policies, measures and rules that assist in strengthening the banking and credit structure of the State, and rules adopted by the State of Utah Money Management Act that relate to the deposit and investment of public funds. The City of Logan follows the requirements of the Utah Money Management Act in handling its depository and investment transactions.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires the depositing of funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2010, \$1,582,489 of the City's bank balance of \$1,832,489 was uninsured and uncollateralized.

Investments

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

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

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

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 (MMMMF). The mutual fund invests exclusively in United States government securities.

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

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

The City normally participates in a repurchase agreement; however, at June 30, 2010, the repurchase agreement balance was zero. To maximize interest earnings, overnight balances are sold to the bank in exchange for a security. The bank then repurchases the security from the City the next day. The interest earnings on the security are greater than the interest earnings on the deposit. The investments underlying the repurchase agreement were direct obligations of or were guaranteed by the United States, its agencies or instrumentalities.

At June 30, 2010, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
PTIF	\$ 44,775,850	\$ 44,775,850	\$ -	\$ -	\$ -
MMMF	189,850	189,850	-	-	-
Bank CDs	9,384,498	-	9,384,498	-	-
Corporate notes	9,042,791	5,097,351	3,945,440	-	-
Total	\$ 63,392,989	\$ 50,063,051	\$ 13,329,938	\$ -	\$ -

Interest Rate Risk

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

Credit Risk

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

At June 30, 2010, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF	\$ 44,775,850	\$ -	\$ -	\$ -	\$ 44,775,850
MMMF	189,850	-	-	-	189,850
Bank CDs	9,384,498	-	-	-	9,384,498
Corporate notes	9,042,791	-	5,954,400	3,088,391	-
Total	\$ 63,392,989	\$ -	\$ 5,954,400	\$ 3,088,391	\$ 54,350,198

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Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy for managing custodial credit risk is to adhere to the Money Management Act, which provides a list of certified investment dealers. At June 30, 2010, \$22,535,556 was held by the counterparty's trust department or agent in the City's name. These deposits are not covered by depository insurance and are not collateralized.

Note 4 - Receivables and Payables

Receivables

Allowances for doubtful accounts are as follows:

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

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

RDA notes	\$ 440,130
Other governmental fund assessments	<u>324,973</u>
Total	<u>\$ 765,103</u>

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

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

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Uncollectibles related to water and sewer charges	\$ 24,847
Uncollectibles related to sewer treatment charges	3,656
Uncollectibles related to electric sales	57,864
Uncollectibles related to environmental health charges	12,981
Uncollectibles related to storm water management charges	<u>3,038</u>
Total	<u><u>\$ 102,386</u></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	\$ 2,609,925	\$ -
Justice court bail	-	16,381
Miscellaneous receipts	-	11,644
Redevelopment agency:		
Property taxes	3,692,338	-
Notes receivable	456,400	-
Other governmental:		
Property taxes	1,453,979	-
Assessments receivable	<u>352,473</u>	<u>-</u>
Total	<u><u>\$ 8,565,115</u></u>	<u><u>\$ 28,025</u></u>

Payables

Within accrued liabilities is accrued payroll payable. As of June 30, 2010, the City had the following accrued payroll liabilities:

Fund	Amount
General fund	\$ 801,595
Other governmental	102,994
Golf course	27,981
Water and sewer	72,914
Sewer treatment	5,754
Electric	126,332
Environmental health	131,514
Storm water management	2,824
Internal service	<u>30,548</u>
Total	<u><u>\$ 1,302,456</u></u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010 is as follows:

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 15,508,695	\$ 899,722	\$ -	\$ (418,203)	\$ 15,990,214
Book collection	1,448,570	-	(66,350)	-	1,382,220
Construction in progress	604,494	198,581	-	(358,478)	444,597
Total capital assets, not being depreciated	<u>17,561,759</u>	<u>1,098,303</u>	<u>(66,350)</u>	<u>(776,681)</u>	<u>17,817,031</u>
Capital assets, being depreciated:					
Buildings	36,545,549	273,992	(9,282)	-	36,810,259
Improvements other than buildings	10,895,642	295,270	-	209,655	11,400,567
Equipment	13,501,033	564,022	(515,590)	(1,082)	13,548,383
Infrastructure	37,797,170	394,149	(17,010)	148,823	38,323,132
Total capital assets being depreciated	<u>98,739,394</u>	<u>1,527,433</u>	<u>(541,882)</u>	<u>357,396</u>	<u>100,082,341</u>
Less accumulated depreciation for:					
Buildings	(18,517,854)	(1,157,270)	9,282	-	(19,665,842)
Improvements other than buildings	(1,710,103)	(226,956)	-	-	(1,937,059)
Equipment	(9,444,375)	(951,228)	486,501	(19,109)	(9,928,211)
Infrastructure	(22,598,447)	(605,019)	17,010	-	(23,186,456)
Total accumulated depreciation	<u>(52,270,779)</u>	<u>(2,940,473)</u>	<u>512,793</u>	<u>(19,109)</u>	<u>(54,717,568)</u>
Total capital assets, being depreciated, net	<u>46,468,615</u>	<u>(1,413,040)</u>	<u>(29,089)</u>	<u>338,287</u>	<u>45,364,773</u>
Governmental activities capital assets, net	<u>\$ 64,030,374</u>	<u>\$ (314,737)</u>	<u>\$ (95,439)</u>	<u>\$ (438,394)</u>	<u>\$ 63,181,804</u>

Business-type activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 6,119,359	\$ 549,322	\$ -	\$ 418,203	\$ 7,086,884
Construction in progress	703,829	1,557,254	-	(568,888)	1,692,195
Total capital assets, not being depreciated	<u>6,823,188</u>	<u>2,106,576</u>	<u>-</u>	<u>(150,685)</u>	<u>8,779,079</u>
Capital assets, being depreciated:					
Buildings	10,897,587	-	(48,557)	-	10,849,030
Improvements other than buildings	88,985,041	941,314	(167,209)	568,888	90,328,034
Equipment	51,859,292	1,202,001	(1,161,148)	1,082	51,901,227
Total capital assets being depreciated	<u>151,741,920</u>	<u>2,143,315</u>	<u>(1,376,914)</u>	<u>569,970</u>	<u>153,078,291</u>
Less accumulated depreciation for:					
Buildings	(5,477,482)	(398,347)	48,557	-	(5,827,272)
Improvements other than buildings	(21,025,981)	(1,941,407)	167,208	-	(22,800,180)
Equipment	(30,655,357)	(2,449,203)	992,431	19,109	(32,093,020)
Total accumulated depreciation	<u>(57,158,820)</u>	<u>(4,788,957)</u>	<u>1,208,196</u>	<u>19,109</u>	<u>(60,720,472)</u>
Total capital assets, being depreciated, net	<u>94,583,100</u>	<u>(2,645,642)</u>	<u>(168,718)</u>	<u>589,079</u>	<u>92,357,819</u>
Business-type activities capital assets, net	<u>\$ 101,406,288</u>	<u>\$ (539,066)</u>	<u>\$ (168,718)</u>	<u>\$ 438,394</u>	<u>\$ 101,136,898</u>

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

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Governmental activities:	
General government	\$ 487,038
Public safety	945,406
Public works	871,578
Parks, recreation and culture	572,504
Capital assets held by the governments internal service funds are charged to the various functions based on their usage of the assets	63,947
Total depreciation - governmental activities	<u>\$ 2,940,473</u>
Business-type activities:	
Water and sewer	\$ 1,457,580
Sewer treatment	370,319
Electric	1,570,355
Environmental health	1,053,439
Storm water management	209,576
Golf course	127,688
Total depreciation - business-type activities	<u>\$ 4,788,957</u>

Note 6 - Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Not Expected to be Repaid Within 1 Year</u>
General fund	Redevelopment agency	\$ 775,000	\$ 775,000
	Other governmental	352,472	324,973
Environmental health	Redevelopment agency	90,000	90,000
	Total	<u>\$ 1,217,472</u>	<u>\$ 1,189,973</u>

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

Note 7 - Interfund Transfers

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

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>Governmental</u>		<u>Business-type</u>			
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	<u>Electric</u>	<u>Golf Course</u>	
General fund	\$ -	\$ 2,589,748	\$ -	\$ -	\$ 379,315	\$ 2,969,063
Redevelopment agency	50,000	-	100,000	28,000	-	178,000
Nonmajor governmental	11,472	-	-	75	-	11,547
Water and sewer	705,120	-	-	-	-	705,120
Sewer treatment	302,080	-	-	-	-	302,080
Electric	2,846,821	-	-	-	-	2,846,821
Environmental health	855,392	-	-	-	-	855,392
Total	<u>\$ 4,770,885</u>	<u>\$ 2,589,748</u>	<u>\$ 100,000</u>	<u>\$ 28,075</u>	<u>\$ 379,315</u>	<u>\$ 7,868,023</u>

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Land with a fair market value of \$350,000 and a book value of \$418,203 was sold from the general fund to the environmental health fund. The difference between fair market value and book value was recorded as a capital contribution from the general fund in the proprietary fund statements, and subsequently reassigned as a transfer in the government-wide statements.

Note 8 - Leases

Capital Leases

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

Assets currently under capital lease are as follows:

Asset	Governmental Activities	Business-type Activities
Equipment	\$ 1,765,646	\$ 179,515
Less: accumulated depreciation	<u>(588,795)</u>	<u>(101,725)</u>
Total	<u>\$ 1,176,851</u>	<u>\$ 77,790</u>

The future minimum lease obligations as of June 30, 2010, are as follows:

Year Ended June 30	Governmental Activities	Business-type Activities
2011	\$ 261,132	\$ 51,462
2012	201,477	-
2013	201,477	-
2014	201,478	-
2015	152,812	-
2016-2020	395,658	-
2021	<u>79,132</u>	<u>-</u>
Total minimum lease payments	1,493,166	51,462
Less: amounts representing interest	<u>(274,098)</u>	<u>(2,122)</u>
Present value of minimum lease payments	<u>\$ 1,219,068</u>	<u>\$ 49,340</u>

Note 9 - Long-Term Debt

Changes in long-term liabilities

Long-term liability activity for fiscal year ended June 30, 2010, is as follows:

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 5,670,000	\$ -	\$ (400,000)	\$ 5,270,000	\$ 425,000
Revenue bonds	12,635,000	-	(1,344,000)	11,291,000	1,397,000
Deferred amounts:					
Deferred loss on refunding	(258,698)	-	36,957	(221,741)	-
Premium	216,740	-	(30,248)	186,492	-
Total bonds payable	<u>18,263,042</u>	<u>-</u>	<u>(1,737,291)</u>	<u>16,525,751</u>	<u>1,822,000</u>
Notes payable	196,181	-	(66,371)	129,810	126,345
Capital leases	1,448,970	-	(229,902)	1,219,068	205,026
Compensated absences	<u>1,266,029</u>	<u>1,179,728</u>	<u>(1,015,986)</u>	<u>1,429,771</u>	<u>1,429,771</u>
Governmental activity long-term liabilities	<u>21,174,222</u>	<u>1,179,728</u>	<u>(3,049,550)</u>	<u>19,304,400</u>	<u>3,583,142</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	30,217,000	-	(3,132,000)	27,085,000	3,200,000
Deferred amounts:					
Deferred loss on refunding	<u>(310,027)</u>	<u>-</u>	<u>30,546</u>	<u>(279,481)</u>	<u>-</u>
Total bonds payable	<u>29,906,973</u>	<u>-</u>	<u>(3,101,454)</u>	<u>26,805,519</u>	<u>3,200,000</u>
Capital leases	96,645	-	(47,305)	49,340	49,340
Compensated absences	<u>594,628</u>	<u>506,685</u>	<u>(462,127)</u>	<u>639,186</u>	<u>639,186</u>
Business-type activity long-term liabilities	<u>\$ 30,598,246</u>	<u>\$ 506,685</u>	<u>\$ (3,610,886)</u>	<u>\$ 27,494,045</u>	<u>\$ 3,888,526</u>

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 \$4,710,000 were outstanding as of June 30, 2010.

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

<u>Year Ended June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 425,000	\$ 219,635
2012	450,000	197,760
2013	475,000	177,010
2014	485,000	155,385
2015	510,000	130,510
2016-2020	<u>2,925,000</u>	<u>291,717</u>
Total	<u>\$ 5,270,000</u>	<u>\$ 1,172,017</u>

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NOTES TO THE FINANCIAL STATEMENTS

Revenue Bonds

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

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

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

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

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

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

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

In September 2004, the City issued \$5,000,000 in Water Revenue Bonds. The bonds were deemed federally taxable. The bonds were purchased by the State Drinking Water Board and funds were to be delivered to the City through a process of advances into a trustee account as expenses were incurred. The State Drinking Water Board also agreed to forgive eight percent of the incremental bond issuance or \$400,000 of debt, for a net debt of \$4,600,000. Proceeds from the bonds were used to finance a portion of the costs of design, acquisition, and construction of a water storage tank, water mains, and other improvements. The bonds bear an interest rate of 2.57 percent.

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

Bond trust indentures of certain revenue bonds specify the City maintain a net revenue to debt service coverage ratio. As of June 30, 2010, the City has met this requirement.

Revenue bonds outstanding as of June 30, 2010, are as follows:

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Purpose	Interest Rates	Amount
2008 Water & Sewer	4.04%	\$ 6,315,000
2008 Water & Sewer	1.14%	2,675,000
2007 Storm Water	3.96%	2,520,000
2006 Excise Tax	4.26%	2,530,000
2004A-B Sales Tax	1.80% - 3.90%	5,770,000
2003B-C RDA Sales Tax	1.58% - 4.00%	2,780,000
1992 PCIB	4.50%	211,000
2006 Sewer	3.93%	3,440,000
2006 Water & Sewer	3.93%	2,550,000
2005A Water & Sewer	4.50%	503,000
2004 Water & Sewer	2.57%	3,947,000
2004 Electric	3.00% - 3.50%	1,890,000
2003 Golf Course Sales Tax	2.50% - 3.50%	360,000
2002 Sewer Treatment - partial defeasance	3.00% - 4.80%	2,375,000
1998 Water & Sewer - partial defeasance	3.70% - 4.65%	510,000
Total		\$ 38,376,000

Revenue bond debt service requirements to maturity are as follows:

Year Ended June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 1,397,000	\$ 420,038	\$ 3,200,000	\$ 920,661
2012	1,422,000	369,999	2,903,000	806,988
2013	1,504,000	317,068	1,978,000	718,348
2014	1,477,000	260,561	2,009,000	643,077
2015	1,526,000	207,019	2,054,000	566,079
2016-2020	3,965,000	246,253	9,324,000	1,713,602
2021-2025	-	-	5,152,000	365,913
2026-2028	-	-	465,000	10,374
Total	\$ 11,291,000	\$ 1,820,938	\$ 27,085,000	\$ 5,745,042

Notes Payable

Notes payable have been issued for the purchase of land and buildings in the governmental activities.

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

Purpose	Interest Rates	Amount
Thomas Budge	8.00%	\$ 104,117
Zann Horlacher	10.50%	25,693
Total		\$ 129,810

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

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Year Ended June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 126,345	\$ 9,977	\$ -	\$ -
2012	3,465	43	-	-
Total	<u>\$ 129,810</u>	<u>\$ 10,020</u>	<u>\$ -</u>	<u>\$ -</u>

Note 10 - Restricted Assets

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

Note 11 - Risk Management

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

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

Description	Year Ended June 30, 2010	Year Ended June 30, 2009
Unpaid claims, beginning	\$ 238,267	\$ 71,107
Incurred claims & changes in estimates (including IBNR)	332,075	328,517
Claims payments	<u>(223,822)</u>	<u>(161,357)</u>
Unpaid claims, ending	<u>\$ 346,520</u>	<u>\$ 238,267</u>

Note 12 - Commitments and Contingencies

Redevelopment Projects

The City has established six redevelopment projects and one economic development project. Certain projects have received interfund loans from other funds to make various improvements within the project areas. Interfund loans are to be repaid from property tax increment. The funds that have made loans to the redevelopment projects bear the risk that future tax increment may not be sufficient to repay the loans. At June 30, 2010, the redevelopment projects have interfund loans payable of \$865,000 to other City funds.

State statutes applicable to four redevelopment projects require 20 percent of the tax increment generated within the project area to be restricted for low-income housing. The Logan 600 West economic development project requires 20 percent of the increment to be restricted annually. As of June 30, 2010, the amount restricted for this purpose is \$269,552. The Logan Downtown development project requires 20 percent of the increment to be restricted annually. As of June 30, 2010, the amount restricted for this purpose is \$193,970. 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, 2010, the Logan North Main project

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

has collected \$599,679 of tax increment, 20 percent of which is \$119,936. The Logan North Retail project has collected \$2,480,490 of tax increment, 20 percent of which is \$496,098. The final year of operation for the Logan North Main project and the Logan North Retail project is 2016 and 2017, respectively.

Tax Increment Rebate

The City has entered into several incentive agreements with developers or businesses to pay tax rebate incentives for development within City limits. Rebate requirements vary by agreement and are contingent upon sufficient tax increment actually being received by the City. Tax rebate incentives outstanding as of June 30, 2010 are as follows:

Description	Gross Commitment	Current Year Rebate	Rebates-to- Date
Agreement #1	\$ 66,600	\$ -	\$ -
Agreement #2	52,258	10,604	48,512
Agreement #3	917,287	83,390	583,730
Agreement #4	n/a	221,430	1,340,306
Agreement #5	1,500,000	78,316	499,755
Agreement #6	687,500	68,381	410,390
Agreement #7	1,500,000	175,517	329,697
Agreement #8	4,800,000	126,014	206,668
Agreement #9	220,000	11,569	35,574
Agreement #10	225,000	28,786	70,602
Agreement #11	68,431	5,323	5,323
Agreement #12	352,827	-	-
Agreement #13	235,000	7,465	7,465
Agreement #14	250,000	8,730	8,730
Agreement #15	426,000	-	-
Agreement #16	101,029	-	-
Agreement #17	100,000	-	-
Total	<u>\$ 11,501,932</u>	<u>\$ 825,525</u>	<u>\$ 3,546,752</u>

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

Note 13 - Employee Retirement Systems and Pension Plans

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

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

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.

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NOTES TO THE FINANCIAL STATEMENTS

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 7.65 percent of their annual salary. For the members in the Local Governmental Noncontributory division, the City is required to contribute 11.66 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 17.81 percent of their annual salary. For the members in the Public Safety Noncontributory division, the City is required to contribute 27.74 percent of their annual salary. Members in the Firefighters System division are required to pay 9.68 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 \$148,582 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include (1) 7.75 percent investment rate of return, (2) projected salary increases of 4.0 percent, and (3) 2.5 percent cost of living adjustment. Both (1) and (2) above include an inflation component of 3.0 percent. The City's unfunded actuarial accrued liability is being amortized over 25 years. Amortized payments are designed to remain level as a percent of payroll.

Local Governmental System - Contributory

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Salary subject to retirement contributions	\$ 108,620	\$ 99,872	\$ 98,009
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	6,517	5,992	5,881
Employer contributions	8,309	7,600	7,459

Local Governmental System - Noncontributory

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Salary subject to retirement contributions	\$ 12,549,752	\$ 12,663,885	\$ 12,484,441
Employer contributions	1,463,302	1,471,544	1,450,692

Public Safety - Contributory

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Salary subject to retirement contributions	\$ 513,412	\$ 508,965	\$ 747,178
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	57,143	56,648	83,161
Employer contributions	91,439	74,360	109,163

Public Safety - Noncontributory

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Salary subject to retirement contributions	\$ 2,214,005	\$ 2,160,467	\$ 1,901,300
Employer contributions	614,165	550,487	484,452

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Utah Firefighters Retirement System

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Salary subject to retirement contributions	\$ 2,414,542	\$ 2,381,928	\$ 2,234,935
Employee contributions	n/a	n/a	n/a
Employer for employee contributions	233,728	230,571	207,849
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>
6/30/2010	\$ 148,582	100%	\$ -
6/30/2009	131,008	100%	-
6/30/2008	192,323	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>UAAL Covered Payroll ((B-A)/C)</u>
12/31/2009	\$ 19,334,000	\$ 23,976,000	\$ 4,642,000	81%	\$ 2,890,000	161%
1/1/2009	18,426,000	22,792,000	4,366,000	81%	2,482,000	176%
1/1/2008	18,949,000	21,667,000	2,718,000	87%	2,626,000	104%

Defined Contribution Retirement Plan

The City also participates in defined contribution plans (401(k), 457, and IRAs) sponsored and administered by the Utah Retirement Systems. The plans are available as supplemental plans to the basic defined benefit plans and cover all employees 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>2010</u>	<u>2009</u>	<u>2008</u>
Employee contributions	\$ 646,574	\$ 715,569	\$ 725,702
Employer for employee contributions	408,357	445,676	432,025

457 Contributions

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Employee contributions	\$ 232,406	\$ 184,354	\$ 168,392
Employer for employee contributions	87,765	43,862	37,831

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

Roth IRA Contributions

	2010	2009	2008
Employee contributions	\$ 9,291	\$ 2,609	\$ -

The City also offers a defined contribution retirement pension plan that covers the appointed City officials that are permitted by state law to withdraw from the Utah State Retirement System. Contributions to the plan are based on the same rates of contributions that were being paid to the Utah State Retirement System defined benefit plans. For fiscal year 2010, the employer contributions were \$98,212.

Note 14 - Economic Dependency

Utah State University is a significant customer of the City's enterprise funds. During fiscal year 2010, sales to Utah State University totaled \$2,421,899.

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

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

As of June 30, 2010, the City had incurred a liability of \$3,931,791 which represents the cost reported to date based on a 54.3 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 \$3,315,686, 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 \$1,636,307 are held for this purpose.

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

Note 16 - Redevelopment Agency

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

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Logan Downtown RDA	
Revenues:	
Tax increment collected	\$ 197,041
Expenditures:	
Acquisition of property	-
Site improvements	5,666
Installation of utilities	-
Administrative costs	72,790
Tax increment rebate	12,788
Debt:	
City of Logan	-

Logan River RDA	
Revenues:	
Tax increment collected	\$ 637,595
Expenditures:	
Acquisition of property	-
Site improvements	-
Installation of utilities	-
Administrative costs	30,497
Tax increment rebate	-
Debt:	
Revenue bonds	2,780,000

Logan South Main RDA	
Revenues:	
Tax increment collected	\$ 545,061
Expenditures:	
Acquisition of property	-
Site improvements	100,000
Installation of utilities	-
Administrative costs	25,679
Tax increment rebate	174,134
Debt:	
City of Logan	580,000

Logan Northwest RDA	
Revenues:	
Tax increment collected	\$ 336,841
Expenditures:	
Acquisition of property	-
Site improvements	-
Installation of utilities	-
Administrative costs	15,991
Tax increment rebate	-
Debt:	
City of Logan	120,000

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Logan North Main RDA		
Revenues:		
Tax increment collected	\$	93,477
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		-
Tax increment rebate		-
Debt:		
City of Logan		165,000

Logan North Retail RDA		
Revenues:		
Tax increment collected	\$	404,860
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		21,737
Tax increment rebate		383,136
Debt:		
City of Logan		-

Logan 600 West EDA		
Revenues:		
Tax increment collected	\$	591,178
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		62,751
Tax increment rebate		255,467
Debt:		
City of Logan		-

Project Area	Base Taxable Value	Current Value
Logan Downtown	\$ 42,781,402	\$ 60,372,632
Logan River	11,587,030	86,866,070
Logan South Main	50,441,961	108,748,344
Logan Northwest	421,171	40,492,977
Logan North Main	739,087	9,104,811
Logan North Retail	27,045,548	63,249,113
Logan 600 West EDA	20,236,674	76,140,039

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NOTES TO THE FINANCIAL STATEMENTS

Note 17 - Investments in Power Projects and Related Contracts

Colorado River Storage Project (CRSP)

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

Intermountain Power Association (IPA)

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

Utah Associated Municipal Power Systems (UAMPS)

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

UAMPS Hunter II Project

In June 1982, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Hunter Project Revenue and Refunding Bonds have been paid, or (2) the final shut down date of the Hunter Steam Electric Generating Unit No. 2 (Hunter II), or (3) June 1, 2032. The contract entitles the City to approximately 2.95 percent of the output of the project. As a participant in the project, the City is obligated for 20.02 percent of the debt service on approximately \$7,830,000 in revenue bonds outstanding at June 30, 2010.

UAMPS Craig-Mona Transmission Project

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

UAMPS Payson (Nebo) Project

In March 2003, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Payson Revenue Bonds have been paid, or (2) the date of the final payment of all obligations under the Project Agreements, or (3) April 1, 2026. The contract entitles the City to 12.92 percent of the scheduled output of the Payson Generating Station. As a participant in the UAMPS Payson Project, the City is obligated for 12.41 percent of the debt service on approximately \$85,280,000 in Revenue Bonds outstanding at June 30, 2010. In addition, the City is obligated for 40.54 percent of the debt service on approximately \$2,285,000 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

CITY OF LOGAN
NOTES TO THE FINANCIAL STATEMENTS

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

All-In Cost Pool

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

Note 18 - Industrial Revenue Bonds

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

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

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

Note 19 - Subsequent Events

Subsequent to year end, the City began the implementation process of new integrated software affecting general ledger, utility billing, and community development. The process is expected to take approximately one year.

Required Supplementary Information

**City of Logan
General Fund
Schedule of Revenues, Expenditures,
City of Logan
For the Year Ended June 30, 2010**

	Budget		Actual			
	Original	Final	GAAP	Encumbrances	Budgetary	Variance
REVENUES						
Property tax	\$ 2,935,665	\$ 2,935,665	\$ 2,892,847	\$ -	\$ 2,892,847	\$ (42,818)
Sales tax	7,103,095	7,103,095	7,278,283	-	7,278,283	175,188
Other taxes and fees	4,674,000	4,674,000	5,074,144	-	5,074,144	400,144
Licenses and permits	577,800	577,800	743,139	-	743,139	165,339
Intergovernmental	2,136,915	4,342,486	3,625,713	-	3,625,713	(716,773)
Administrative fees	3,387,372	3,387,372	3,387,372	-	3,387,372	-
Charges for services	2,411,109	2,480,346	2,715,197	-	2,715,197	234,851
Fines	959,500	962,345	1,010,518	-	1,010,518	48,173
Investment earnings	142,000	142,000	352,854	-	352,854	210,854
Contributions from private sources	-	20,629	17,603	-	17,603	(3,026)
Miscellaneous	61,000	61,000	300,424	-	300,424	239,424
Total revenues	<u>24,388,456</u>	<u>26,686,738</u>	<u>27,398,094</u>	<u>-</u>	<u>27,398,094</u>	<u>711,356</u>
EXPENDITURES						
Current:						
General government:						
Municipal council	136,269	136,269	126,045	-	126,045	10,224
Mayor	161,542	161,542	156,762	-	156,762	4,780
Human resources	312,218	312,218	282,896	-	282,896	29,322
Civil service commission	9,221	9,221	2,959	-	2,959	6,262
Recorder	97,577	97,577	91,542	-	91,542	6,035
City elections	25,798	25,798	20,472	-	20,472	5,326
Non-departmental	362,983	762,983	686,699	-	686,699	76,284
Geographic information systems	242,737	242,737	218,971	20,000	238,971	3,766
Community promotion	23,900	23,900	20,924	-	20,924	2,976
Community service fees	16,341	16,341	16,088	-	16,088	253
Airport authority	67,354	67,354	67,354	-	67,354	-
Economic development	103,290	106,890	98,308	-	98,308	8,582
Community development	309,946	390,946	334,506	34,673	369,179	21,767
Community development block grant	585,540	1,330,734	929,931	-	929,931	400,803
Neighborhood improvement	252,403	252,403	233,975	-	233,975	18,428
Building inspection	380,018	380,018	369,805	-	369,805	10,213
City attorney	467,439	467,439	444,328	-	444,328	23,111
Public defense	39,000	39,000	36,700	-	36,700	2,300
Justice court	556,335	556,335	536,672	-	536,672	19,663
Director of finance	201,260	299,738	260,399	-	260,399	39,339
Accounting	408,552	408,552	399,331	-	399,331	9,221
Purchasing	160,964	52,486	51,219	-	51,219	1,267
Treasurer	90,608	90,608	89,227	-	89,227	1,381
Utility billing	461,125	471,125	459,418	-	459,418	11,707
Business licensing	249,979	254,979	231,596	-	231,596	23,383
Total general government	<u>5,722,399</u>	<u>6,957,193</u>	<u>6,166,127</u>	<u>54,673</u>	<u>6,220,800</u>	<u>736,393</u>
Public safety:						
Police department	5,598,937	5,668,881	5,515,065	81,000	5,596,065	72,816
Police investigation	76,600	109,614	98,426	3,000	101,426	8,188
Liquor law enforcement	-	127,494	57,047	-	57,047	70,447
Ordinance enforcement	80,600	83,988	72,425	6,000	78,425	5,563
Police special operations	56,000	47,548	36,182	6,000	42,182	5,366
Police technology	332,532	332,532	328,355	4,000	332,355	177
UCCJJ grant	-	110,000	100,674	-	100,674	9,326
Youth alcohol grant	-	3,435	828	-	828	2,607
Federal technology grant	-	463,506	316,058	-	316,058	147,448
Police SWAT	24,900	23,915	23,727	-	23,727	188
Fire administration	128,697	200,947	176,410	-	176,410	24,537
Fire suppression	1,990,681	2,123,510	2,018,147	-	2,018,147	105,363
Fire prevention	196,745	188,745	165,796	-	165,796	22,949
Fire training	174,154	180,854	173,832	-	173,832	7,022
Ambulance division	2,006,628	1,998,491	1,954,584	-	1,954,584	43,907
Total public safety	<u>10,666,474</u>	<u>11,663,460</u>	<u>11,037,556</u>	<u>100,000</u>	<u>11,137,556</u>	<u>525,904</u>

**City of Logan
General Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010**

	Budget		GAAP	Actual		Variance
	Original	Final		Encumbrances	Budgetary	
EXPENDITURES CONTINUED						
Public works:						
Public works director	315,208	336,708	310,369	-	310,369	26,339
City engineer	877,161	877,161	837,272	-	837,272	39,889
Streets and highways	1,982,551	2,006,975	1,820,631	-	1,820,631	186,344
Class C road funds	1,021,550	1,580,550	1,206,979	-	1,206,979	373,571
Street lighting	316,724	316,724	316,724	-	316,724	-
Eccles/Bullen facilities	250,000	250,000	250,000	-	250,000	-
City Hall	569,272	591,772	559,617	-	559,617	32,155
Service center	487,013	464,513	417,355	-	417,355	47,158
Shops and garage	830,292	830,292	813,101	-	813,101	17,191
Total public works	6,649,771	7,254,695	6,532,048	-	6,532,048	722,647
Parks and recreation:						
Recreation administration	351,451	407,159	397,468	2,000	399,468	7,691
Parks and park areas	1,149,920	1,416,590	1,147,702	-	1,147,702	268,888
Sports and recreation	487,932	484,014	458,616	-	458,616	25,398
Aquatic center	504,168	607,191	606,817	-	606,817	374
Municipipool	50,000	50,000	50,000	-	50,000	-
Trails	32,000	32,000	20,389	-	20,389	11,611
After school clubs	40,000	243,914	202,774	-	202,774	41,140
Cemetery	218,262	218,262	211,619	-	211,619	6,643
Skate park	10,650	10,650	9,133	-	9,133	1,517
Sports complex	92,840	92,840	85,577	-	85,577	7,263
Fireworks program	57,000	58,180	58,160	-	58,160	20
Total parks and recreation	2,994,223	3,620,800	3,248,255	2,000	3,250,255	370,545
Debt service	2,434,630	2,434,630	2,424,899	-	2,424,899	9,731
Total expenditures	28,467,497	31,930,778	29,408,885	156,673	29,565,558	2,365,220
OTHER FINANCING SOURCES (USES)						
Transfers in	4,708,104	4,769,576	4,770,885	-	4,770,885	1,309
Transfers out	(2,969,063)	(2,969,063)	(2,969,063)	-	(2,969,063)	-
Sale of fixed assets	-	371,500	370,191	-	370,191	(1,309)
Total other financing sources (uses)	1,739,041	2,172,013	2,172,013	-	2,172,013	-
Net change in fund balance	(2,340,000)	(3,072,027)	161,222	(156,673)	4,549	3,076,576
Fund balance, beginning	10,530,067	10,530,067	10,530,067	-	10,530,067	-
Fund balance, ending	\$ 8,190,067	\$ 7,458,040	\$ 10,691,289	\$ (156,673)	\$ 10,534,616	\$ 3,076,576

**City of Logan
Redevelopment Agency
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 3,440,000	\$ 3,440,000	\$ 2,806,053	\$ (633,947)
Investment earnings	2,525	2,525	(356)	(2,881)
Miscellaneous	-	-	27,572	27,572
Total revenues	<u>3,442,525</u>	<u>3,442,525</u>	<u>2,833,269</u>	<u>(609,256)</u>
EXPENDITURES				
Current:				
Public works	2,850,877	2,800,242	1,016,879	1,783,363
Debt Service:				
Principal	300,000	300,000	300,000	-
Interest	116,388	116,388	113,888	2,500
Capital Outlay:				
Public works	<u>235,000</u>	<u>207,635</u>	<u>105,616</u>	<u>102,019</u>
Total expenditures	<u>3,502,265</u>	<u>3,424,265</u>	<u>1,536,383</u>	<u>1,887,882</u>
Revenues over (under) expenditures	<u>(59,740)</u>	<u>18,260</u>	<u>1,296,886</u>	<u>1,278,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(178,000)	(178,000)	-
Debt issuance	24,740	24,740	-	(24,740)
Total other financing sources (uses)	<u>24,740</u>	<u>(153,260)</u>	<u>(178,000)</u>	<u>(24,740)</u>
Net change in fund balance	(35,000)	(135,000)	1,118,886	1,253,886
Fund balance, beginning	(807,099)	(807,099)	(807,099)	-
Fund balance, ending	<u>\$ (842,099)</u>	<u>\$ (942,099)</u>	<u>\$ 311,787</u>	<u>\$ 1,253,886</u>

CITY OF LOGAN
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 - Budgetary Information

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

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

The Uniform Fiscal Procedures Act for Utah Cities states a city 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.

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

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Supplementary Information

City of Logan
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Total
ASSETS									
Cash and cash equivalents	\$ 446,627	\$ 179,479	\$ 229,117	\$ 1,141,464	\$ 5,332	\$ 286,335	\$ 58,771	\$ 3,546,772	\$ 5,893,897
Investments	-	-	-	-	-	-	-	737,556	737,556
Accounts receivable (net of allowance)	-	-	-	76,822	352,473	-	-	-	429,295
Property tax receivable	1,453,979	-	-	-	-	-	-	-	1,453,979
Due from other governmental units	78,115	-	-	120,182	138	-	-	40,258	238,693
Restricted assets:									
Cash and cash equivalents	169,700	-	-	-	-	-	-	-	169,700
Total assets	<u>2,148,421</u>	<u>179,479</u>	<u>229,117</u>	<u>1,338,468</u>	<u>357,943</u>	<u>286,335</u>	<u>58,771</u>	<u>4,324,586</u>	<u>8,923,120</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accrued liabilities	49,929	17,422	13,693	55,935	-	-	-	8,154	145,133
Due to other funds	-	-	-	-	352,473	-	-	-	352,473
Deferred revenue	1,453,979	-	-	-	352,473	-	-	-	1,806,452
Total liabilities	<u>1,503,908</u>	<u>17,422</u>	<u>13,693</u>	<u>55,935</u>	<u>704,946</u>	<u>-</u>	<u>-</u>	<u>8,154</u>	<u>2,304,058</u>
Fund balances:									
Reserved for:									
Other	169,700	-	-	-	-	-	-	-	169,700
Unreserved, undesignated reported in:									
Special revenue	474,813	162,057	215,424	1,282,533	(347,003)	286,335	58,771	-	2,132,930
Capital projects	-	-	-	-	-	-	-	4,316,432	4,316,432
Total fund balances	<u>644,513</u>	<u>162,057</u>	<u>215,424</u>	<u>1,282,533</u>	<u>(347,003)</u>	<u>286,335</u>	<u>58,771</u>	<u>4,316,432</u>	<u>6,619,062</u>
Total liabilities and fund balances	<u>\$ 2,148,421</u>	<u>\$ 179,479</u>	<u>\$ 229,117</u>	<u>\$ 1,338,468</u>	<u>\$ 357,943</u>	<u>\$ 286,335</u>	<u>\$ 58,771</u>	<u>\$ 4,324,586</u>	<u>\$ 8,923,120</u>

City of Logan
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Total
REVENUES									
Property tax	\$ 1,612,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,612,100
Other taxes and fees	-	-	-	721,411	-	-	-	-	721,411
Intergovernmental	40,378	209,049	179,975	9,669	-	-	-	40,258	479,329
Charges for services	780	-	16,447	922,556	-	16,790	-	-	956,573
Fines	51,966	-	-	-	-	-	-	-	51,966
Investment earnings	2,898	923	2,030	6,654	188	1,782	-	30,451	44,926
Contributions from private sources	25,714	-	44,140	-	-	-	30,263	-	100,117
Miscellaneous	20,527	7,635	341	4,892	29,190	-	-	-	62,585
Total revenues	<u>1,754,363</u>	<u>217,607</u>	<u>242,933</u>	<u>1,665,182</u>	<u>29,378</u>	<u>18,572</u>	<u>30,263</u>	<u>70,709</u>	<u>4,029,007</u>
EXPENDITURES									
Current:									
Public safety	-	-	-	1,511,718	-	-	-	-	1,511,718
Public works	-	-	-	-	5,349	-	-	-	5,349
Parks, recreation and culture	1,639,928	433,997	310,344	-	-	-	-	-	2,384,269
Capital outlay:									
Public safety	-	-	-	95,130	-	-	-	32,628	127,758
Parks, recreation and culture	47,939	-	-	-	-	-	-	94,964	142,903
Total expenditures	<u>1,687,867</u>	<u>433,997</u>	<u>310,344</u>	<u>1,606,848</u>	<u>5,349</u>	<u>-</u>	<u>-</u>	<u>127,592</u>	<u>4,171,997</u>
Revenues over (under) expenditures	<u>66,496</u>	<u>(216,390)</u>	<u>(67,411)</u>	<u>58,334</u>	<u>24,029</u>	<u>18,572</u>	<u>30,263</u>	<u>(56,883)</u>	<u>(142,990)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	249,748	-	-	-	-	-	2,340,000	2,589,748
Transfers out	-	-	-	-	-	-	(11,547)	-	(11,547)
Total other financing sources (uses)	<u>-</u>	<u>249,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,547)</u>	<u>2,340,000</u>	<u>2,578,201</u>
Net change in fund balances	66,496	33,358	(67,411)	58,334	24,029	18,572	18,716	2,283,117	2,435,211
Fund balances - beginning	578,017	128,699	282,835	1,224,199	(371,032)	267,763	40,055	2,033,315	4,183,851
Fund balances - ending	<u>\$ 644,513</u>	<u>\$ 162,057</u>	<u>\$ 215,424</u>	<u>\$ 1,282,533</u>	<u>\$ (347,003)</u>	<u>\$ 286,335</u>	<u>\$ 58,771</u>	<u>\$ 4,316,432</u>	<u>\$ 6,619,062</u>

**City of Logan
Library Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property tax	\$ 1,626,745	\$ 1,626,745	\$ 1,612,100	\$ (14,645)
Intergovernmental	-	40,378	40,378	-
Charges for services	6,000	6,000	780	(5,220)
Fines	53,000	53,000	51,966	(1,034)
Investment earnings	10,000	10,000	2,898	(7,102)
Contributions from private sources	-	31,000	25,714	(5,286)
Miscellaneous	5,000	5,000	20,527	15,527
Total revenues	<u>1,700,745</u>	<u>1,772,123</u>	<u>1,754,363</u>	<u>(17,760)</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	1,700,745	1,793,643	1,639,928	153,715
Capital outlay:				
Parks, recreation and culture	-	120,000	47,939	72,061
Total expenditures	<u>1,700,745</u>	<u>1,913,643</u>	<u>1,687,867</u>	<u>225,776</u>
Revenues over (under) expenditures	<u>-</u>	<u>(141,520)</u>	<u>66,496</u>	<u>208,016</u>
Net change in fund balance	-	(141,520)	66,496	208,016
Fund balance, beginning	<u>578,017</u>	<u>578,017</u>	<u>578,017</u>	<u>-</u>
Fund balance, ending	<u>\$ 578,017</u>	<u>\$ 436,497</u>	<u>\$ 644,513</u>	<u>\$ 208,016</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, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 209,049	\$ 209,049	\$ 209,049	\$ -
Investment earnings	504	504	923	419
Miscellaneous	6,193	6,193	7,635	1,442
Total revenues	<u>215,746</u>	<u>215,746</u>	<u>217,607</u>	<u>1,861</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	465,494	465,494	433,997	31,497
Capital outlay:				
Parks, recreation and culture	-	13,000	-	13,000
Total expenditures	<u>465,494</u>	<u>478,494</u>	<u>433,997</u>	<u>44,497</u>
Revenues over (under) expenditures	<u>(249,748)</u>	<u>(262,748)</u>	<u>(216,390)</u>	<u>46,358</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	249,748	249,748	249,748	-
Total other financing sources (uses)	<u>249,748</u>	<u>249,748</u>	<u>249,748</u>	<u>-</u>
Net change in fund balance	-	(13,000)	33,358	46,358
Fund balance, beginning	128,699	128,699	128,699	-
Fund balance, ending	<u>\$ 128,699</u>	<u>\$ 115,699</u>	<u>\$ 162,057</u>	<u>\$ 46,358</u>

**City of Logan
Willow Park Zoo Fund
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 168,160	\$ 165,680	\$ 179,975	\$ 14,295
Charges for services	8,000	8,000	16,447	8,447
Investment earnings	-	-	2,030	2,030
Contributions from private sources	40,000	40,000	44,140	4,140
Miscellaneous	-	-	341	341
Total revenues	<u>216,160</u>	<u>213,680</u>	<u>242,933</u>	<u>29,253</u>
EXPENDITURES				
Current:				
Parks, recreation and culture	<u>313,644</u>	<u>317,844</u>	<u>310,344</u>	<u>7,500</u>
Total expenditures	<u>313,644</u>	<u>317,844</u>	<u>310,344</u>	<u>7,500</u>
Revenues over (under) expenditures	<u>(97,484)</u>	<u>(104,164)</u>	<u>(67,411)</u>	<u>36,753</u>
Net change in fund balance	(97,484)	(104,164)	(67,411)	36,753
Fund balance, beginning	<u>282,835</u>	<u>282,835</u>	<u>282,835</u>	-
Fund balance, ending	<u>\$ 185,351</u>	<u>\$ 178,671</u>	<u>\$ 215,424</u>	<u>\$ 36,753</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, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other taxes and fees	\$ 682,000	\$ 682,000	\$ 721,411	\$ 39,411
Intergovernmental	34,000	34,000	9,669	(24,331)
Charges for services	895,734	895,734	922,556	26,822
Investment earnings	25,100	25,100	6,654	(18,446)
Miscellaneous	1,000	1,000	4,892	3,892
Total revenues	<u>1,637,834</u>	<u>1,637,834</u>	<u>1,665,182</u>	<u>27,348</u>
EXPENDITURES				
Current:				
Public safety	1,637,834	1,615,089	1,511,718	103,371
Capital outlay:				
Public safety	-	108,800	95,130	13,670
Total expenditures	<u>1,637,834</u>	<u>1,723,889</u>	<u>1,606,848</u>	<u>117,041</u>
Revenues over (under) expenditures	<u>-</u>	<u>(86,055)</u>	<u>58,334</u>	<u>144,389</u>
Net change in fund balance	-	(86,055)	58,334	144,389
Fund balance, beginning	1,224,199	1,224,199	1,224,199	-
Fund balance, ending	<u>\$ 1,224,199</u>	<u>\$ 1,138,144</u>	<u>\$ 1,282,533</u>	<u>\$ 144,389</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, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 188	\$ 188
Miscellaneous	42,058	45,539	29,190	(16,349)
Total revenues	<u>42,058</u>	<u>45,539</u>	<u>29,378</u>	<u>(16,161)</u>
EXPENDITURES				
Current:				
Public works	30,889	33,892	5,349	28,543
Debt service:				
Principal	-	478	-	478
Interest	19,169	19,169	-	19,169
Total expenditures	<u>50,058</u>	<u>53,539</u>	<u>5,349</u>	<u>48,190</u>
Revenues over (under) expenditures	<u>(8,000)</u>	<u>(8,000)</u>	<u>24,029</u>	<u>32,029</u>
Net change in fund balance	(8,000)	(8,000)	24,029	32,029
Fund balance, beginning	(371,032)	(371,032)	(371,032)	-
Fund balance, ending	<u>\$ (379,032)</u>	<u>\$ (379,032)</u>	<u>\$ (347,003)</u>	<u>\$ 32,029</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, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 16,790	\$ 16,790
Investment earnings	-	-	1,782	1,782
Total revenues	<u>-</u>	<u>-</u>	<u>18,572</u>	<u>18,572</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>18,572</u>	<u>18,572</u>
Net change in fund balance	-	-	18,572	18,572
Fund balance, beginning	267,763	267,763	267,763	-
Fund balance, ending	<u>\$ 267,763</u>	<u>\$ 267,763</u>	<u>\$ 286,335</u>	<u>\$ 18,572</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, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Contributions from private sources	\$ -	\$ 4,185	\$ 30,263	\$ 26,078
Total revenues	-	4,185	30,263	26,078
Revenues over (under) expenditures	-	4,185	30,263	26,078
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(11,547)	(11,547)	-
Total other financing sources (uses)	-	(11,547)	(11,547)	-
Net change in fund balance	-	(7,362)	18,716	26,078
Fund balance, beginning	40,055	40,055	40,055	-
Fund balance, ending	<u>\$ 40,055</u>	<u>\$ 32,693</u>	<u>\$ 58,771</u>	<u>\$ 26,078</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, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 124,239	\$ 40,258	\$ (83,981)
Investment earnings	-	-	30,451	30,451
Total revenues	<u>-</u>	<u>124,239</u>	<u>70,709</u>	<u>(53,530)</u>
EXPENDITURES				
Capital outlay:				
Public safety	-	32,635	32,628	7
Public works	2,340,000	2,340,000	-	2,340,000
Parks, recreation and culture	-	221,775	94,964	126,811
Total expenditures	<u>2,340,000</u>	<u>2,594,410</u>	<u>127,592</u>	<u>2,466,818</u>
Revenues over (under) expenditures	<u>(2,340,000)</u>	<u>(2,470,171)</u>	<u>(56,883)</u>	<u>2,413,288</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>2,340,000</u>	<u>2,340,000</u>	<u>2,340,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,340,000</u>	<u>2,340,000</u>	<u>2,340,000</u>	<u>-</u>
Net change in fund balance	-	(130,171)	2,283,117	2,413,288
Fund balance, beginning	2,033,315	2,033,315	2,033,315	-
Fund balance, ending	<u>\$ 2,033,315</u>	<u>\$ 1,903,144</u>	<u>\$ 4,316,432</u>	<u>\$ 2,413,288</u>

City of Logan
Combining Statement of Net Assets
Internal Service Funds
June 30, 2010

	<u>Information Technology</u>	<u>Risk Management</u>	<u>Health Management</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 714,696	\$ 858,669	\$ 999,186	\$ 2,572,551
Accounts receivable (net of allowance)	-	-	15,094	15,094
Prepaid assets	82,500	-	-	82,500
Total current assets	<u>797,196</u>	<u>858,669</u>	<u>1,014,280</u>	<u>2,670,145</u>
Noncurrent assets:				
Equipment	942,815	-	-	942,815
Less accumulated depreciation	<u>(736,758)</u>	<u>-</u>	<u>-</u>	<u>(736,758)</u>
Total noncurrent assets	<u>206,057</u>	<u>-</u>	<u>-</u>	<u>206,057</u>
Total assets	<u>1,003,253</u>	<u>858,669</u>	<u>1,014,280</u>	<u>2,876,202</u>
LIABILITIES				
Current liabilities:				
Accrued liabilities	51,106	357,526	428,540	837,172
Compensated absences	<u>37,837</u>	<u>6,631</u>	<u>-</u>	<u>44,468</u>
Total current liabilities	<u>88,943</u>	<u>364,157</u>	<u>428,540</u>	<u>881,640</u>
Total liabilities	<u>88,943</u>	<u>364,157</u>	<u>428,540</u>	<u>881,640</u>
NET ASSETS				
Invested in capital assets, net of related debt	206,057	-	-	206,057
Unrestricted	<u>708,253</u>	<u>494,512</u>	<u>585,740</u>	<u>1,788,505</u>
Total net assets	<u>\$ 914,310</u>	<u>\$ 494,512</u>	<u>\$ 585,740</u>	<u>\$ 1,994,562</u>

City of Logan
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended June 30, 2010

	Information Technology	Risk Management	Health Management	Total
Operating revenues:				
Charges for sales and services	\$ 1,164,995	\$ 1,421,558	\$ 3,104,675	\$ 5,691,228
Miscellaneous	3,500	26,708	15,842	46,050
Total operating revenues	<u>1,168,495</u>	<u>1,448,266</u>	<u>3,120,517</u>	<u>5,737,278</u>
Operating expenses:				
Salaries and wages	505,524	229,103	-	734,627
Operating and maintenance	595,784	932,551	2,534,890	4,063,225
Depreciation and amortization	63,947	-	-	63,947
Total operating expenses	<u>1,165,255</u>	<u>1,161,654</u>	<u>2,534,890</u>	<u>4,861,799</u>
Operating income (loss)	<u>3,240</u>	<u>286,612</u>	<u>585,627</u>	<u>875,479</u>
Nonoperating revenues (expenses):				
Interest	4,632	3,074	113	7,819
Total nonoperating revenue (expense)	<u>4,632</u>	<u>3,074</u>	<u>113</u>	<u>7,819</u>
Change in net assets	7,872	289,686	585,740	883,298
Total net assets, beginning	906,438	204,826	-	1,111,264
Total net assets, ending	<u>\$ 914,310</u>	<u>\$ 494,512</u>	<u>\$ 585,740</u>	<u>\$ 1,994,562</u>

City of Logan
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2010

	Information Technology	Risk Management	Health Management	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 1,168,495	\$ 1,448,266	\$ 3,105,423	\$ 5,722,184
Payments for services and supplies	(1,158,727)	(1,043,373)	(2,106,350)	(4,308,450)
Net cash provided (used) by operating activities	<u>9,768</u>	<u>404,893</u>	<u>999,073</u>	<u>1,413,734</u>
Cash Flows From Capital and Related Financing Activities				
Purchases of capital assets	(164,704)	-	-	(164,704)
Net cash provided (used) by capital and related financing activities	<u>(164,704)</u>	<u>-</u>	<u>-</u>	<u>(164,704)</u>
Cash Flows From Investing Activities				
Interest and dividends received	4,632	3,074	113	7,819
Net cash provided (used) by investing activities	<u>4,632</u>	<u>3,074</u>	<u>113</u>	<u>7,819</u>
Net increase (decrease) in cash and cash equivalents	(150,304)	407,967	999,186	1,256,849
Cash and cash equivalents - beginning	865,000	450,702	-	1,315,702
Cash and cash equivalents - ending	<u>714,696</u>	<u>858,669</u>	<u>999,186</u>	<u>2,572,551</u>
Shown in the financial statements as:				
Cash and cash equivalents	714,696	858,669	999,186	2,572,551
Total	<u>714,696</u>	<u>858,669</u>	<u>999,186</u>	<u>2,572,551</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	3,240	286,612	585,627	875,479
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	63,947	-	-	63,947
(Increase) decrease in receivables	-	-	(15,094)	(15,094)
(Increase) decrease in inventories and prepaids	(82,500)	-	-	(82,500)
Increase (decrease) in accrued liabilities	25,081	118,281	428,540	571,902
Total adjustments	<u>6,528</u>	<u>118,281</u>	<u>413,446</u>	<u>538,255</u>
Net cash provided (used) by operating activities	<u>\$ 9,768</u>	<u>\$ 404,893</u>	<u>\$ 999,073</u>	<u>\$ 1,413,734</u>

Statistical Section

(Unaudited)

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

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

Note:

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

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

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

Notes:

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

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

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

Note:

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

Excludes redevelopment agency revenue.

City of Logan
Fund Balances of Governmental Funds
Last Eight 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>	<u>2009</u>	<u>2010</u>
General fund								
Reserved	\$ 684,057	\$ 319,957	\$ 1,192,730	\$ 2,184,648	\$ 4,330,592	\$ 5,044,529	\$ 5,330,344	\$ 5,194,745
Unreserved	(838,319)	907,804	2,671,218	6,764,528	8,064,583	5,029,854	5,199,723	5,496,544
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>	<u>\$ 10,530,067</u>	<u>\$ 10,691,289</u>
Other governmental funds								
Reserved	\$ 302,554	\$ 585,848	\$ 453,716	\$ 337,194	\$ 468,967	\$ 366,163	\$ 332,069	\$ 439,340
Unreserved reported in:								
Special revenue funds	(124,032)	3,588,595	1,226,636	2,105,951	1,523,153	1,240,408	1,011,368	2,175,077
Capital projects funds	(367,855)	(749,811)	(833,462)	136,750	2,757,250	5,359,772	2,033,315	4,316,432
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>	<u>\$ 3,376,752</u>	<u>\$ 6,930,849</u>

Note:

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

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

	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Taxes and fees	\$ 12,241,867	\$ 16,459,151	\$ 18,014,140	\$ 18,923,516	\$ 20,800,368	\$ 20,375,414	\$ 19,904,197	\$ 20,384,838
Licenses and permits	912,676	1,004,591	884,225	1,444,976	957,844	1,118,841	709,501	743,139
Intergovernmental	3,041,925	4,926,897	4,954,586	4,591,346	4,069,543	3,332,786	5,678,084	4,105,042
Administrative fees	1,772,005	1,782,501	1,783,657	2,961,293	3,265,018	3,458,632	3,798,803	3,387,372
Charges for services	4,193,444	4,268,518	4,441,728	4,318,955	3,663,968	3,567,290	3,616,958	3,671,770
Fines	771,455	914,074	840,504	997,234	1,198,797	1,106,343	1,131,497	1,062,484
Investment earnings	95,260	65,363	92,415	387,531	837,831	744,760	456,407	397,424
Contributions from private sources	46,431	45,761	79,016	143,364	138,838	99,277	119,298	117,720
Miscellaneous	2,592,475	434,699	388,068	913,173	633,407	692,682	540,968	390,581
Total revenue	25,667,538	29,901,555	31,478,339	34,681,388	35,565,614	34,496,025	35,955,713	34,260,370
Expenditures								
General government	4,732,030	4,428,880	5,453,694	5,611,918	5,667,274	5,776,064	5,326,007	5,567,149
Public safety	8,339,439	9,765,686	9,544,277	9,750,187	10,775,683	11,139,350	14,995,245	12,206,474
Public works	7,642,584	7,608,933	7,678,762	7,891,821	8,587,871	7,307,112	7,277,794	6,927,667
Parks, recreation and culture	5,285,182	5,172,578	5,195,385	5,040,564	5,374,378	5,527,458	5,433,027	5,426,351
Debt service:								
Principal	777,418	1,335,597	1,915,658	2,231,709	1,940,785	2,406,557	2,184,881	2,040,273
Interest	495,166	638,250	1,043,139	770,638	973,628	925,895	850,421	798,514
Debt issuance cost	-	273,405	-	114,371	36,000	-	-	-
Capital outlay	4,554,798	6,252,762	3,194,890	2,021,589	3,993,804	5,807,241	9,360,410	2,150,837
Total expenditures	31,826,617	35,476,091	34,025,805	33,432,797	37,349,423	38,889,677	45,427,785	35,117,265
Excess (deficiency) of revenues over (under) expenditures	(6,159,079)	(5,574,536)	(2,547,466)	1,248,591	(1,783,809)	(4,393,652)	(9,472,072)	(856,895)
Other Financing sources (uses)								
Transfers in	6,396,475	8,369,117	6,487,977	5,889,587	8,493,503	11,134,628	6,958,446	7,360,633
Transfers out	(2,928,553)	(2,477,759)	(4,246,792)	(1,659,684)	(4,416,088)	(7,143,868)	(2,745,166)	(3,158,610)
Debt issuance	389,274	15,366,101	269,387	7,013,000	3,775,000	275,000	923,634	-
Debt premium	-	-	-	259,265	-	-	-	-
Debt refinancing	-	(10,638,043)	-	(6,961,526)	-	-	-	-
Sale of capital assets	513,866	184,165	95,339	1,029,000	167,834	24,073	116,000	370,191
Total other financing sources and uses	4,371,062	10,803,581	2,605,911	5,569,642	8,020,249	4,289,833	5,252,914	4,572,214
Special item	-	-	-	-	(620,966)	-	1,085,251	-
Net change in fund balances	\$ (1,788,017)	\$ 5,229,045	\$ 58,445	\$ 6,818,233	\$ 5,615,474	\$ (103,819)	\$ (3,133,907)	\$ 3,715,319
Debt service as a percentage of noncapital expenditures	4.67%	7.69%	9.60%	9.92%	8.85%	10.07%	8.42%	8.61%

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

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

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
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	2,533,792,484	65.61%	0.002220
2009	1,800,462,720	2,840,002,865	63.40%	0.002189
2010	1,944,726,641	2,720,362,611	71.49%	0.002157

Note:

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

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

Fiscal year	City of Logan	Logan City School District	Cache County	Total
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
2009	0.002189	0.007304	0.002227	0.011720
2010	0.002157	0.007304	0.002150	0.011611

Note:

1- Information obtained from the Utah 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 2010 taxable valuation</u>			<u>FY 2001 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	\$ 66,442,923	1	3.42%	\$ 5,282,785	10	0.45%
Icon Health and Fitness	Exercise equipment	38,929,226	2	2.00%	32,570,000	1	2.79%
Moore Business	Printing	35,383,663	3	1.82%	30,069,000	2	2.58%
Cache Valley LLC (Cache Valley Mall)	Retail shopping	33,831,866	4	1.74%	-	-	-
Thermo Fisher Scientific	Serum manufacturing	33,059,923	5	1.70%	11,865,830	6	1.02%
Gossner Foods	Cheese processing	21,713,138	6	1.12%	12,685,000	5	1.09%
WalMart	Retail shopping	19,778,302	7	1.02%	-	-	-
Riverwoods HRC LLC	Hotel	16,325,955	8	0.84%	-	-	-
IHC Health Services & Women's Clinic	Health care	14,551,523	9	0.75%	-	-	-
Lowe's Home Improvement	Home improvement	12,517,786	10	0.64%	-	-	-
U.S. West Communications	Telephone	-	-	-	17,374,590	4	1.49%
Tyco Printed Circuit Group	Circuit board manufacturing	-	-	-	18,248,145	3	1.56%
Smiths Foods	Grocery store	-	-	-	7,302,800	8	0.63%
Questar	Natural gas supplier	-	-	-	7,361,561	7	0.63%
Wilford P. Baugh	Motel	-	-	-	5,490,366	9	0.47%
Total		<u>\$ 292,534,305</u>		<u>15.04%</u>	<u>\$ 148,250,077</u>		<u>12.70%</u>
Total assessed valuation				<u>\$ 1,944,726,641</u>	<u>\$ 1,167,301,196</u>		

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
2001	\$ 2,713,473	\$ 2,122,269	78.21%	\$ 31,622	\$ 2,153,891	79.38%
2002	2,088,182	2,204,947	105.59%	35,543	2,240,491	107.29%
2003	2,621,075	2,468,612	94.18%	90,209	2,558,820	97.62%
2004	2,849,773	2,924,000	102.60%	82,060	3,006,060	105.48%
2005	2,961,755	3,048,520	102.93%	79,353	3,127,873	105.61%
2006	3,135,477	2,588,510	82.56%	76,096	2,664,606	84.98%
2007	3,352,413	3,323,130	99.13%	79,163	3,402,293	101.49%
2008	3,554,532	3,649,895	102.68%	103,465	3,753,360	105.59%
2009	3,764,331	3,658,327	97.18%	131,527	3,789,854	100.68%
2010	4,028,896	3,960,949	98.31%	n/a	3,960,949	98.31%

City of Logan
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years

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

Note:

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

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

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

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

Note:

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

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

City of Logan
Direct and Overlapping Governmental Activities Debt
June 30, 2010

<u>Jurisdiction</u>	<u>Net Outstanding Debt</u>	<u>Percentage Applicable to City of Logan</u>	<u>Amount Applicable to City of Logan</u>
Direct:			
City of Logan	\$ 16,561,000	100%	\$ 16,561,000
Overlapping:			
Logan River Redevelopment Agency	2,780,000	100%	2,780,000
Logan City School District	22,511,000	100%	22,511,000
Cache County	13,140,000	39%	5,124,600
			<u>\$ 46,976,600</u>

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Legal debt margin:										
Debt limit	\$ 93,384,096	\$ 97,726,863	\$ 101,974,080	\$ 104,343,646	\$ 107,169,440	\$ 115,042,650	\$ 122,120,376	\$ 132,994,864	\$ 144,037,018	\$ 155,578,131
Total net debt applicable to limit	<u>7,750,000</u>	<u>7,470,000</u>	<u>7,180,000</u>	<u>6,875,000</u>	<u>6,555,000</u>	<u>6,820,000</u>	<u>6,430,000</u>	<u>6,055,000</u>	<u>5,670,000</u>	<u>5,270,000</u>
Legal debt margin	<u>\$ 85,634,096</u>	<u>\$ 90,256,863</u>	<u>\$ 94,794,080</u>	<u>\$ 97,468,646</u>	<u>\$ 100,614,440</u>	<u>\$ 108,222,650</u>	<u>\$ 115,690,376</u>	<u>\$ 126,939,864</u>	<u>\$ 138,367,018</u>	<u>\$ 150,308,131</u>
Total net debt applicable to the limit as a percentage of debt limit	8.30%	7.64%	7.04%	6.59%	6.12%	5.93%	5.27%	4.55%	3.94%	3.39%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed valuations:		
Assessed value		\$ 1,944,726,641
Add back: exempt real property		<u>n/a</u>
Total assessed value		<u>1,944,726,641</u>
Legal debt margin		
Debt limitation - 8 percent of total assessed value		155,578,131
Debt applicable to limitation:		
Total bonded debt	5,270,000	
Less: Amount available for repayment of general obligation bonds	<u>-</u>	
Total debt applicable to limitation		<u>5,270,000</u>
Legal debt margin		<u>\$ 150,308,131</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	
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
2009	33,695,620	25,402,995	8,292,625	860,000	107,875	967,875	8.57
2010	33,259,419	26,341,353	6,918,066	900,000	78,150	978,150	7.07

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	
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
2009	24,577,346	13,267,596	11,309,750	1,464,000	857,482	2,321,482	4.87
2010	24,078,421	13,836,617	10,241,804	1,615,000	820,352	2,435,352	4.21

Storm Water Bonds

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

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 in Years of Formal Schooling	K-12 School Enrollment	Unemployment Rate (3)
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	905,648	19,849	n/a	n/a	5,801	3.4%
2005	45,816	999,672	21,819	n/a	n/a	5,741	4.0%
2006	47,357	1,051,606	22,206	n/a	n/a	5,738	3.0%
2007	47,660	1,117,510	23,448	n/a	n/a	5,820	2.4%
2008	47,965	1,200,760	25,034	n/a	n/a	5,755	2.0%
2009	48,657	1,277,618	26,258	n/a	n/a	6,118	2.7%
2010	49,534	n/a	n/a	n/a	n/a	6,123	4.9%

Note:

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

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

Company	Product	Fiscal Year 2010			Fiscal Year 2001		
		Number of Employees (Range)	Rank	Percent of Total City Employment	Number of Employees (Range)	Rank	Percent of Total City Employment
Utah State University	Education	5,000-6,999	1	n/a	2,000-2,999	1	n/a
Icon Health and Fitness, Inc.	Exercise equipment	1,000-1,999	2	n/a	1,000-1,999	2	n/a
Logan Regional Hospital	Health care	1,000-1,999	3	n/a	700-999	3	n/a
Schreiber's Foods, Inc.	Cheese products	1,000-1,999	4	n/a	400-499	6	n/a
Logan City School District	Education	500-999	5	n/a	n/a		n/a
Hyclone Laboratories, Inc.	BioGenetic components	500-999	6	n/a	n/a		n/a
Gossner Foods, Inc.	Cheese and dairy	250-499	7	n/a	200-299	8	n/a
Information Alliance	Marketing research	250-499	8	n/a	n/a		n/a
Inovar	Semi-conductor mfg.	250-499	9	n/a	n/a		n/a
Moore Business	Business forms	250-499	10	n/a	500-599	5	n/a
Bourns, Inc.	Electronic components	-		n/a	400-499	4	n/a
Tyco Manufacturing	Electronic circuit boards	-		n/a	300-399	7	n/a
Sunshine Terrace Foundation	Health care	-		n/a	200-299	9	n/a
Herff Jones	Yearbook publishers	-		n/a	200-299	10	n/a
Total		n/a		0.00%	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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	71	73	76	72	67	67	69	64	64	67
Public safety:										
Police:										
Officers/staff	83	88	87	88	89	80	80	79	80	77
Administration	-	-	-	-	-	11	12	11	13	12
Fire:										
Firefighters/officers	44	44	49	47	47	47	46	48	45	48
Administration	3	3	3	3	2	1	1	1	1	1
Parks, recreation and culture	51	56	57	56	57	54	51	55	52	51
Public works:										
Engineering	12	13	12	13	13	12	14	13	13	12
Streets	37	34	34	38	37	35	38	32	32	32
Water/sewer	22	26	25	28	27	31	33	31	32	33
Environmental health	38	43	45	51	46	52	59	52	53	55
Electric	36	35	33	31	32	34	33	31	29	28
Total	397	415	421	427	417	424	436	417	414	416

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Parks, recreation and culture:										
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	152,138	146,879	207,414	204,177	169,488	173,493	177,772	181,694	185,770	192,916
Municipal water department:										
Number of service connections	15,658	15,861	15,148	16,239	16,415	16,123	16,512	16,971	17,033	17,423
Consumption in gallons	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	3,592,309,000	3,351,761,000
Sewer system:										
Number of service connections	15,658	15,867	15,547	16,561	16,702	17,134	17,701	17,746	17,808	18,427
Miles of sewer lines	129	129	131	135	135	141	143	145	149	151
Municipal electric department:										
Number of service connections	15,652	15,885	16,191	18,669	17,400	17,527	18,108	18,179	18,354	18,571
Kilowatt hours consumed	381,267,000	388,401,000	395,018,378	396,034,000	402,499,000	419,299,598	426,326,000	419,657,000	434,143,463	400,318,341
Miles of distribution lines	170	180	192	198	199	216	216	216	225	225
Solid waste and disposal department:										
Number of city users	13,336	13,460	13,460	13,911	15,048	15,610	13,321	13,952	14,321	14,312
Number of county users	14,654	14,883	14,883	16,111	15,309	15,754	17,025	17,558	17,794	18,301
Cubic yards of garbage received	234,369	163,232	171,012	170,103	177,135	188,740	161,189	157,547	150,763	141,637
Building permits issued	440	420	472	442	433	411	417	406	345	358

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	1	1	1	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	156	156	161	181	136	136	138	144	145	176
Parks, recreation and culture:										
Parks	21	32	36	36	38	38	39	39	39	39
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	152,138	146,879	207,414	204,177	169,488	173,493	177,772	181,694	185,770	192,916
Water:										
Water mains (miles)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	174	176
Sewer:										
Sewer lines (miles)	129	129	131	135	135	141	143	145	149	151
Electric:										
Services lines (miles)	170	180	192	198	199	216	216	216	225	225

Single Audit Section

City of Logan
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass Through Grant No.	Program or Award Amount	Disbursements/ Expenditures
U.S. Department of Homeland Security/National Telecommunications and Information Administration (HLS/NTIA)				
Passed through the Utah State Division of Public Safety and Homeland Security				
Public Safety Interoperable Communications Grant	11.555	2007-HLS-PSIC-001	\$ 2,500,000	\$ 253,775
Total HLS/NTIA			<u>2,500,000</u>	<u>253,775</u>
U.S. Department of Housing and Urban Development (HUD)				
Community Development Block Grant - Entitlement	14.218	B-06-MC-49-00011	605,479	50,000
Community Development Block Grant - Entitlement	14.218	B-07-MC-49-00011	606,686	159,532
Community Development Block Grant - Entitlement	14.218	B-08-MC-49-00011	584,737	228,290
Community Development Block Grant - Entitlement	14.218	B-09-MC-49-00011	591,493	355,726
Community Development Block Grant - Entitlement (ARRA)	14.253	B-09-MY-49-00011	158,804	136,383
Total HUD			<u>2,547,199</u>	<u>929,931</u>
U.S. Department of the Interior/National Park Service (DOI/NPS)				
Passed through the Utah State Dept of Parks and Recreation				
Northwest Park Phase II Grant	15.916	49-00363	138,462	40,258
Total DOI/NPS			<u>138,462</u>	<u>40,258</u>
U.S. Department of Justice (DOJ)				
Bulletproof Vest Partnership Grant	16.607	Bulletproof Vest Grant	5,525	5,525
Recovery Act Byrne-JAG Grant (ARRA)	16.804	2009-SB-B9-0129	41,526	38,944
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Youth Alcohol Grant 2010	16.727	2009-50179-UT-AH	12,500	4,934
Youth Alcohol Grant 2009	16.727	2008-50179-UT-AH	30,000	11,429
Youth Alcohol Grant 2008	16.727	2007-50179-UT-AH	35,000	5,000
Passed through the Utah State Commission on Criminal and Juvenile Justice:				
Narcotics and Gang Enforcement Grant	16.738	01-DRUG-10	110,000	100,674
Total DOJ			<u>234,551</u>	<u>166,506</u>
U.S. Institute of Museum & Library Services (IMLS)				
Passed through the Utah State Dept of Community & Culture				
LSTA - Lender Support Program	45.310	LS-00-07-0045-07	7,868	7,868
LSTA - Enhancing Public Access to Online Resources	45.310	LS-00-07-0045-07	17,932	17,932
Total IMLS			<u>25,800</u>	<u>25,800</u>
U.S. Department of Energy/Energy Efficiency and Renewable Forrestal Bulding (EERR/FORS)				
Energy Efficiency & Conservation Block Grant (ARRA)	81.128	DE-RW0000076	214,600	56,121
Total EERR/FORS			<u>214,600</u>	<u>56,121</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 FY10	91,500	91,500
Total HHS			<u>91,500</u>	<u>91,500</u>
U.S. Department of Homeland Security/Federal Emergency Management Agency (HLS/FEMA)				
Passed through the Utah State Division of Emergency Services and Homeland Security				
Safety Grant 2010	97.042	EMPG-2010-HLS-039	10,000	5,000
Safety Grant 2009	97.042	EMPG-2009-HLS-Project-17	14,000	14,000
Safety Grant 2009	97.042	EMPG-2009-HLS-039	8,500	2,858
Total HLS/FEMA			<u>32,500</u>	<u>21,858</u>
Total Federal Awards			<u>\$ 5,784,612</u>	<u>\$ 1,585,749</u>

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

Note 1 - Purpose of the Schedule

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

Note 2 - Significant Accounting Policies

Basis of Accounting

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

CFDA Numbers

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

Major Programs

OMB Circular A-133 establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. The federal award tested as a major program was CFDA number 14.218.

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	\$199,253

Note 4 - Loans

As of June 30, 2010, the City held federally-funded loan balances as follows:

<u>CFDA #</u>	<u>Program</u>	<u>Balance</u>
66.468	Capitalization Grants for Drinking Water	\$3,947,000
66.468	Capitalization Grants for Drinking Water	\$4,090,000

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

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

We have audited the basic financial statements of the City of Logan, Utah (the City), as of and for the year ended June 30, 2010, and have issued our report thereon dated October 25, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

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

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

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

October 25, 2010

Hansen, Bradshaw, Malmrose & Erickson

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

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

Compliance

We have audited the compliance of the City of Logan, Utah (the City), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

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

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

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

October 25, 2010

CITY OF LOGAN, UTAH
Schedule of Findings and Questioned Costs
Year Ended June 30, 2010

A.	Summary of Auditors' Results:	
1.	Type of Report Issued:	Unqualified
2.	Internal Control over Financial Reporting:	
	Material Weaknesses Identified:	No
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	No
3.	Non-compliance Material to Financial Statements Noted:	No
4.	Internal Control over Major Programs:	
	Material Weaknesses Identified:	No
	Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None reported
5.	Type of Auditors' Report Issued on Compliance for Major Programs:	Unqualified
6.	Any Audit Findings Disclosed That Are Required to be Reported in Accordance With Section 510(d) of Circular A-133:	None
7.	Federal Programs Tested as Major Programs:	CFDA 14.218
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, 2010

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

None

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

None

State Compliance Section

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON STATE OF UTAH STATE LEGAL COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the basic financial statements of the City of Logan, Utah (the City) for the year ended June 30, 2010, and have issued our report thereon dated October 25, 2010. As part of our audit, we have audited the City's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2010. The City received the following major State assistance program from the State of Utah:

B & C Road Funds (Department of Transportation)

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

Cash Management	B & C Road Funds
Budgetary Compliance	Other Compliance Requirements
Truth in Taxation and Property	Impact Fees
Tax Limitation	Uniform Building Code Standards
Liquor Law Enforcement	Purchasing Requirements
Public Debt	Utah Retirement Systems
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 an immaterial instance of noncompliance with the requirements referred to above, which is described in a separate letter dated November 1, 2010. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Logan, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2010.

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

October 25, 2010