

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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City of Logan, Utah  
Fiscal Year Ended, June 30, 2013

City of Logan, Utah  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2013  
With  
Independent Auditors' Report

Prepared by



FINANCE DEPARTMENT

Richard P. Anderson CPA, CFE, CGFM, CPFO, Director of Finance  
Rueben J. Nelson, Controller  
Tyson L. Griffin, Treasurer

## TABLE OF CONTENTS

### INTRODUCTORY SECTION:

Title Page .....	1
Letter of Transmittal.....	4
Certificate of Achievement for Excellence in Financial Reporting.....	7
Organizational Chart.....	8

### FINANCIAL SECTION:

Independent Auditors’ Report .....	11
Management’s Discussion and Analysis .....	13
Government-wide Financial Statements	
Statement of Net Position .....	22
Statement of Activities .....	23
Governmental Fund Financial Statements	
Balance Sheet .....	24
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds to the Statement of Activities .....	27
Proprietary Fund Financial Statements	
Statement of Net Position .....	28
Reconciliation of the Statement of Net Position – Proprietary Funds to the Statement of Net Position .....	29
Statement of Revenues, Expenses, and Changes in Net Position.....	30
Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds to the Statement of Activities .....	31
Statement of Cash Flows .....	32
Notes to the Financial Statements	
Note 1 – Summary of Significant Accounting Policies .....	34
Note 2 – Compliance and Accountability .....	40
Note 3 – Deposits and Investments.....	40
Note 4 – Receivables and Payables .....	42
Note 5 – Capital Assets .....	43
Note 6 – Interfund Receivables and Payables .....	45
Note 7 – Interfund Transfers .....	45
Note 8 – Leases.....	45
Note 9 – Long-Term Liabilities .....	46
Note 10 – Restricted Assets.....	49
Note 11 – Risk Management .....	50
Note 12 – Commitments and Contingencies .....	50
Note 13 – Employee Retirement Systems and Pension Plans .....	51
Note 14 – Economic Dependency.....	54
Note 15 – Environmental Health Landfill Closure and Post-Closure Costs.....	55
Note 16 – Redevelopment Agency .....	55
Note 17 – Investments in Power Projects and Related Contracts.....	57
Note 18 – Industrial Revenue Bonds .....	58
Note 19 – Fund Balances .....	59
Note 20 – Subsequent Events.....	59
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	62

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Redevelopment Agency.....	63
Note to Required Supplementary Information	
Note 1 – Budgetary Information.....	64
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds .....	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds ....	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library Fund.....	68
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation Center Maintenance Fund.....	69
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Willow Park Zoo Fund.....	70
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Communication Center Fund .....	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Improvement Fund.	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cemetery Perpetual Care Fund .....	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Donations Fund .....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Equipment Fund ....	76
Combining Statement of Net Position – Internal Service Funds.....	77
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	78
Combining Statement of Cash Flows – Internal Service Funds.....	79
STATISTICAL SECTION: (unaudited)	
Net Position by Component.....	82
Changes in Net Position .....	83
Governmental Activities Tax Revenues by Source.....	84
Fund Balances of Governmental Funds .....	85
Changes in Fund Balances of Governmental Funds.....	86
Sales Tax Rates Direct and Overlapping Governments.....	87
Sales Taxpayers by Industry.....	88
Sales Tax Generation .....	89
Ratios of Outstanding Debt by Type .....	90
Ratios of General Bonded Debt Outstanding .....	91
Direct and Overlapping Governmental Activities Debt .....	92
Legal Debt Margin Information .....	93
Pledged-Revenue Coverage.....	94
Demographic and Economic Statistics.....	95
Principal Employers .....	96
Full-time Equivalent City Government Employees by Function .....	97
Operating Indicators.....	98
Capital Asset Statistics by Function .....	99
SINGLE AUDIT SECTION:	
Single Audit Reports .....	102
STATE COMPLIANCE SECTION:	
State Compliance Report.....	113

October 23, 2013

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, 2013.

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

The City's financial statements have been audited by Hansen, Bradshaw, Malmrose & Erickson, a firm of licensed Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City, for the fiscal year ended June 30, 2013, 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 northern part of the state. The City currently occupies a land area of 17 square miles and serves a population of approximately 50,000. The City is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City has operated under the mayor-council optional form of government since 1978, having been the first in the state to adopt this form of government. Policy-making and legislative authority are vested in the City Council consisting of five council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and confirming appointments for department heads. The Mayor is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various divisions and departments. The City Council and Mayor are elected on a non-partisan basis. Both the City 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, 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 805 faculty members and enrolls approximately 29,000 students, including 12,180 in its continuing education sites located throughout the state.

### **Factors Affecting Financial Condition**

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

Logan is the central city to approximately 115,000 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. The City has taken an active role in the revitalization of the historic downtown.

### **Long-Term Financial Planning**

The City of Logan continues to plan for the future to preserve the quality of life enjoyed by Logan residents and the service levels they have come to expect. The City continues to focus on increasing its investment in capital projects and aging infrastructure, particularly as it relates to roads and sidewalks. Management of the City of Logan believes that this will be one of the most critical funding needs for the future.

It is the policy of the City of Logan to maintain general fund reserves at or near the statutory limit of 25 percent. The City has also established target reserves for the other funds of the City to plan for unforeseen events and emergency situations.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Logan for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable

and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

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

The timely and efficient preparation of this report could not have been accomplished without the dedicated service of the entire staff of the 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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Logan  
Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

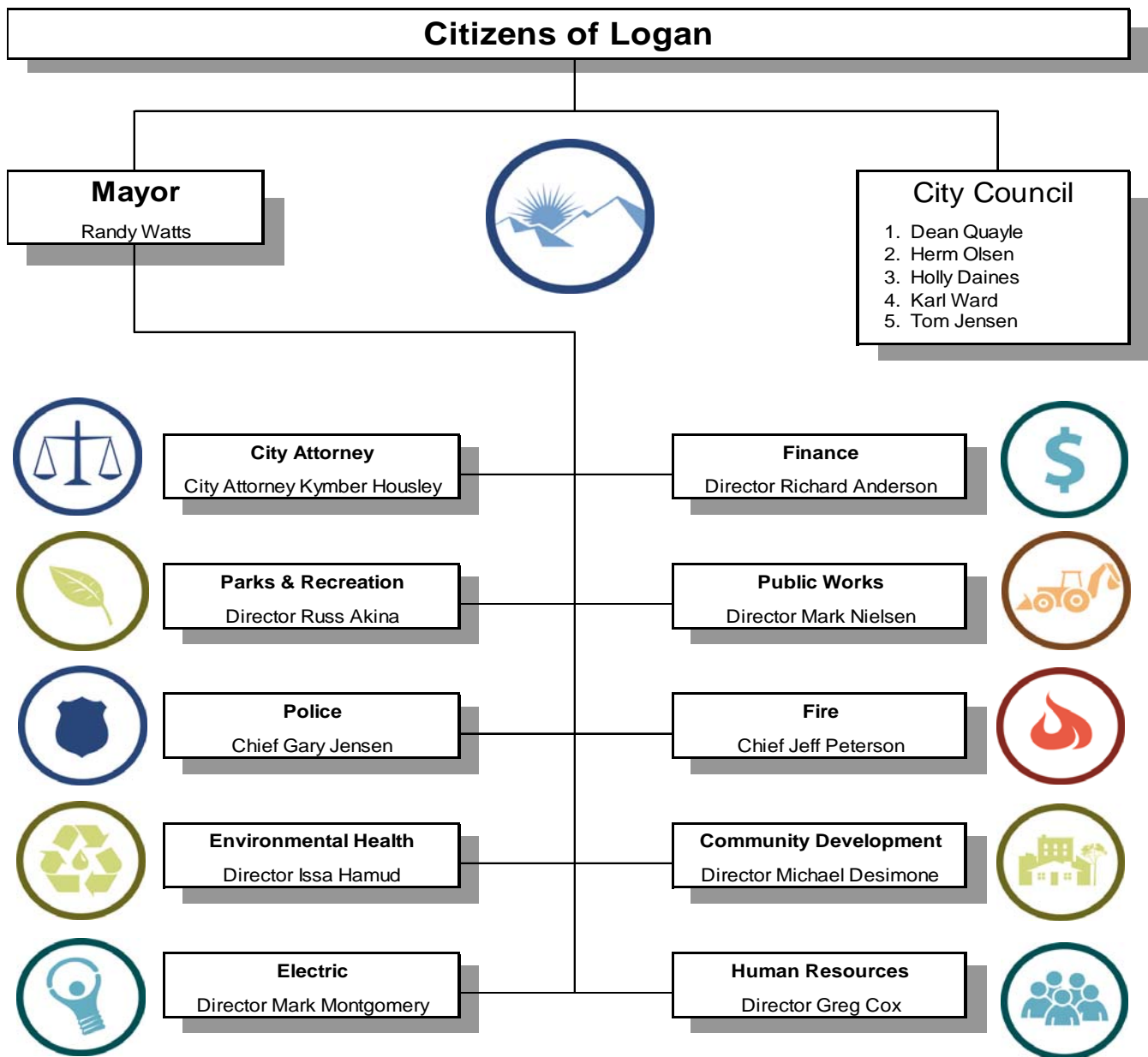
Executive Director/CEO





# LOGAN

CITY UNITED IN SERVICE



## Financial Section

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# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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Bountiful, Utah 84010  
801-296-0200  
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## INDEPENDENT AUDITORS' REPORT

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Clarke R. Bradshaw, CPA  
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Robert D. Wood, CPA  
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Ted C. Gardiner, CPA  
Jeffrey B. Miles, CPA

*Members of the  
American Institute  
of Certified Public  
Accountants*

*Members of the  
Private Company  
Practice Section*

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

### ***Report on the Financial Statements***

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 City of Logan, Utah ("the City"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13-19 and 61-63 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.

***Other Information***

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

The combining and individual nonmajor fund financial statements, budgetary comparison information, and schedule of expenditures of federal awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hanson, Bradshaw, Malmros & Erickson, P.C.*

October 22, 2013

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, 2013. 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 and deferred outflows of resources of the City of Logan (City) exceeded liabilities and deferred inflows of resources at the close of the current fiscal year by \$253,120,926 (net position). Of this amount, \$78,789,636 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.

Net position increased by \$26,327,801.

The City's governmental funds reported a combined ending fund balance of \$27,840,380, an increase of \$3,129,968 in comparison to the prior year. The general fund reported fund balance of \$9,320,581, of which \$5,890,918 is categorized as unassigned.

The City's total bonded debt decreased by \$3,787,000.

**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 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 position and the statement of activities.

The statement of net position presents information on all of the City's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position 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 position changed during the current fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement may result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

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

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

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Fund financial statements**

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

**Governmental funds**

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

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

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

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

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

**Proprietary funds**

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

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

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**Notes to the financial statements**

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

City of Logan's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 41,987,036	\$ 39,333,151	\$ 72,275,055	\$ 68,676,668	\$ 114,262,091	\$ 108,009,819
Capital assets	65,710,439	63,294,790	128,665,858	114,218,880	194,376,297	177,513,670
Total assets	<u>107,697,475</u>	<u>102,627,941</u>	<u>200,940,913</u>	<u>182,895,548</u>	<u>308,638,388</u>	<u>285,523,489</u>
Total deferred outflows of resources	110,870	147,827	187,843	218,389	298,713	366,216
Current liabilities	6,501,026	12,664,232	9,315,712	8,316,538	15,816,738	20,980,770
Noncurrent liabilities	9,878,953	12,114,075	21,570,365	23,346,958	31,449,318	35,461,033
Total liabilities	<u>16,379,979</u>	<u>24,778,307</u>	<u>30,886,077</u>	<u>31,663,496</u>	<u>47,266,056</u>	<u>56,441,803</u>
Total deferred inflows of resources	8,550,119	2,654,777	-	-	8,550,119	2,654,777
Net position:						
Net investment in capital assets	54,075,787	49,858,785	108,908,112	93,455,269	162,983,899	143,314,054
Restricted	7,953,879	7,500,583	3,393,512	5,171,222	11,347,391	12,671,805
Unrestricted	20,848,581	17,983,316	57,941,055	52,823,950	78,789,636	70,807,266
Total net position	<u>\$ 82,878,247</u>	<u>\$ 75,342,684</u>	<u>\$ 170,242,679</u>	<u>\$ 151,450,441</u>	<u>\$ 253,120,926</u>	<u>\$ 226,793,125</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Logan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$253,120,926 at the close of the current fiscal year.

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

An additional part of net position is assets that are subject to external restrictions on how they may be expended (e.g., debt service, capital projects, etc.). The remaining unrestricted net position 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 Position					
	Governmental		Business-type		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 5,762,788	\$ 5,637,771	\$ 69,946,339	\$ 67,258,236	\$ 75,709,127	\$ 72,896,007
Operating grants and contributions	4,337,900	2,542,203	567,262	1,467,346	4,905,162	4,009,549
Capital grants and contributions	202,703	907,301	-	-	202,703	907,301
General revenues:						
Property tax	8,162,000	7,832,162	-	-	8,162,000	7,832,162
Sales tax	10,912,488	8,298,419	-	-	10,912,488	8,298,419
Franchise tax	5,780,106	5,572,982	-	-	5,780,106	5,572,982
Grants and contributions not restricted to specific programs	605,042	532,429	-	-	605,042	532,429
Other	893,080	1,027,068	453,001	433,021	1,346,081	1,460,089
Total revenues	<u>36,656,107</u>	<u>32,350,335</u>	<u>70,966,602</u>	<u>69,158,603</u>	<u>107,622,709</u>	<u>101,508,938</u>
Expenses:						
General government	6,247,213	3,953,843	-	-	6,247,213	3,953,843
Public safety	13,867,644	13,433,511	-	-	13,867,644	13,433,511
Public works	6,424,605	6,067,097	-	-	6,424,605	6,067,097
Parks, recreation and culture	6,550,335	6,214,439	-	-	6,550,335	6,214,439
Interest and fiscal charges	720,587	632,193	-	-	720,587	632,193
Water and sewer	-	-	6,605,621	6,720,139	6,605,621	6,720,139
Sewer treatment	-	-	2,047,329	1,461,239	2,047,329	1,461,239
Electric	-	-	29,529,767	27,857,228	29,529,767	27,857,228
Environmental health	-	-	7,606,099	7,391,826	7,606,099	7,391,826
Storm water management	-	-	636,962	583,300	636,962	583,300
Golf course	-	-	1,058,746	977,285	1,058,746	977,285
Total expenses	<u>33,810,384</u>	<u>30,301,083</u>	<u>47,484,524</u>	<u>44,991,017</u>	<u>81,294,908</u>	<u>75,292,100</u>
Increase (decrease) in net position, before transfers	2,845,723	2,049,252	23,482,078	24,167,586	26,327,801	26,216,838
Transfers	4,689,840	4,202,083	(4,689,840)	(4,202,083)	-	-
Increase (decrease) in net position	7,535,563	6,251,335	18,792,238	19,965,503	26,327,801	26,216,838
Net position, beginning	75,342,684	69,091,349	151,450,441	131,484,938	226,793,125	200,576,287
Net position, ending	<u>\$ 82,878,247</u>	<u>\$ 75,342,684</u>	<u>\$ 170,242,679</u>	<u>\$ 151,450,441</u>	<u>\$ 253,120,926</u>	<u>\$ 226,793,125</u>

**Governmental activities**

Governmental activities net position increased by \$7,535,563 for the current fiscal year. Key elements of this increase are as follows:

- Through a conservative approach to revenue and expense budgeting, the City increased reserves in the Redevelopment Agency fund by approximately \$1,500,000.
- The City continued to plan for future capital improvements by increasing reserves in the nonmajor capital projects and capital equipment funds by approximately \$2,000,000.
- Overall, the City managed expenses.

**Business-type activities**

Business-type activities net position increased by \$18,792,238. Key elements of this increase are as follows:

- The water and sewer fund net position increased by approximately \$4,200,000. Assets are being accumulated to address significant capital projects, including the 10<sup>th</sup> West project. During the year, net position invested in capital assets, net of related debt, increased by approximately \$6,800,000, indicating a significant investment in water and sewer lines.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The sewer treatment fund net position increased by approximately \$4,000,000. This increase is due to a planned increase in current assets that are being accumulated to address significant future capital projects involving a mechanical solution to sewer treatment.
- The electric fund net position increased by approximately \$5,900,000. The increase is due to a planned increase in assets to address emergency reserves as well as future capital projects, including reinvestment in hydroelectric power facilities.
- The environmental health fund net position increased by approximately \$3,100,000. This increase is due to budgeting for long-term capital projects including the construction of a transfer station and a future landfill site. Construction of the transfer station is planned to be completed during the next fiscal year.
- The storm water management fund net position increased by approximately \$1,900,000. The City received a reimbursement grant for approximately \$570,000 which was used for storm water improvements.

### **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, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$27,840,380, with an increase of \$3,129,968 compared to the prior fiscal year. Of the total balance, \$25,390 is nonspendable, \$7,953,879 is restricted, \$13,741,316 is committed, \$228,877 is assigned, and \$5,890,918 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund reported a fund balance of \$9,320,581, of which \$25,390 is nonspendable, \$3,175,396 is restricted, \$228,877 is assigned, and \$5,890,918 is unassigned.

Fund balance of the general fund decreased by \$564,130 due to planned uses of fund balance and transfers.

Fund balance of the redevelopment agency fund increased by \$1,510,263 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 position in the City's major proprietary funds totaled the following: (1) \$2,739,864 in the water and sewer fund, (2) \$18,613,595 in the sewer treatment fund, (3) \$22,200,447 in the electric fund, (4) \$11,192,718 in the environmental health fund, (5) \$3,563,591 in the storm water management fund, and (6) a negative \$1,536,681 in the golf course fund. The finances of these funds were discussed earlier as part of the business-type activities.

Negative unrestricted net position at the golf course is primarily caused by financing a new clubhouse with an interfund loan. Consistent with Generally Accepted Accounting Principles, the interfund loan is not reported as part of net position invested in capital assets. The Logan River Golf Course continues to suffer from the effects of spring flooding in June and July of 2011. However, the City believes that the financial condition of the golf course will continue to improve over time.

**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 \$13,005,891 or 37.3 percent. A significant part of the increase in appropriations is briefly summarized as follows:

- The City appropriated approximately \$8,454,000 for grants received from various entities.
- The City appropriated \$3,515,000 for the defeasance of debt.
- The City appropriated approximately \$682,000 for the purchase of land.

Other increases in appropriations were for miscellaneous items.

Significant differences between the final budget and actual results are as follows:

- Reimbursement grants in the intergovernmental revenue category were not fully completed during the current fiscal year. It is anticipated that these grants will be completed during the next fiscal year. This variance affects not only intergovernmental revenue but also the respective departmental expenditures, most notably, public works.
- Sales tax revenue exceeded budgets primarily due to a change in accounting for transportation sales tax revenue. See the notes to the financial statements, Note 1, Related Organization.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities amounts to \$162,983,899 (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 10<sup>th</sup> West Water and Sewer project. Approximately \$5,800,000 was spent on this project during the year.
- The City completed construction of Fire Station 72. Approximately \$900,000 was spent on this project during the year.
- The City continued construction of the environmental health building and transfer station. Approximately \$7,300,000 was spent on this project during the year.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The City completed construction of the 10th West Electric Substation. Approximately \$3,800,000 was spent on this project during the year.

City of Logan's Capital Assets						
	Governmental		Business-type		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 19,356,252	\$ 17,120,588	\$ 9,840,327	\$ 8,757,639	\$ 29,196,579	\$ 25,878,227
Work in progress	1,832,797	1,996,860	22,075,021	9,923,275	23,907,818	11,920,135
Buildings	14,796,022	14,974,790	7,314,531	7,905,256	22,110,553	22,880,046
Improvements	11,209,992	9,817,328	64,905,246	66,312,974	76,115,238	76,130,302
Equipment	3,679,026	3,925,454	24,530,733	21,319,736	28,209,759	25,245,190
Infrastructure	14,836,350	15,459,770	-	-	14,836,350	15,459,770
Total	<u>\$ 65,710,439</u>	<u>\$ 63,294,790</u>	<u>\$ 128,665,858</u>	<u>\$ 114,218,880</u>	<u>\$ 194,376,297</u>	<u>\$ 177,513,670</u>

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

At the end of the current fiscal year, the City had bonds, notes, and leases outstanding of \$31,414,419. Of this amount, \$3,920,000 comprises debt backed by the full faith and credit of the City and \$27,494,419 represents debt secured by other revenue sources (e.g., sales tax, excise tax, etc.).

	Governmental		Business-type		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 3,920,000	\$ 4,395,000	\$ -	\$ -	\$ 3,920,000	\$ 4,395,000
Revenue bonds	7,038,000	8,398,000	19,030,000	20,982,000	26,068,000	29,380,000
Notes	-	-	727,746	-	727,746	-
Leases	698,673	859,798	-	-	698,673	859,798
Total	<u>\$ 11,656,673</u>	<u>\$ 13,652,798</u>	<u>\$ 19,757,746</u>	<u>\$ 20,982,000</u>	<u>\$ 31,414,419</u>	<u>\$ 34,634,798</u>

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

Additional information on the City's long-term debt can be found in the Long-Term Liabilities Note 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 Position**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 23,524,663	\$ 53,887,668	\$ 77,412,331
Investments	6,319,762	7,523,481	13,843,243
Accounts receivable (net of allowance)	582,220	4,915,602	5,497,822
Property tax receivable	8,524,742	-	8,524,742
Interest receivable	389	18,111	18,500
Due from other governmental units	3,172,027	282,446	3,454,473
Prepaid assets	122,120	812,653	934,773
Inventory	8,026	678,201	686,227
Internal balances	(1,167,521)	1,167,521	-
Total current assets	<u>41,086,428</u>	<u>69,285,683</u>	<u>110,372,111</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	900,608	2,989,372	3,889,980
Capital assets not being depreciated:			
Land	19,356,252	9,840,327	29,196,579
Work in progress	1,832,797	22,075,021	23,907,818
Capital assets, net of accumulated depreciation:			
Buildings	14,796,022	7,314,531	22,110,553
Improvements other than buildings	11,209,992	64,905,246	76,115,238
Equipment	3,679,026	24,530,733	28,209,759
Infrastructure	14,836,350	-	14,836,350
Total noncurrent assets	<u>66,611,047</u>	<u>131,655,230</u>	<u>198,266,277</u>
Total assets	<u>107,697,475</u>	<u>200,940,913</u>	<u>308,638,388</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	110,870	187,843	298,713
Total deferred outflows of resources	<u>110,870</u>	<u>187,843</u>	<u>298,713</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,906,053	6,700,620	9,606,673
Unearned revenue	78,445	3,985	82,430
Compensated absences	1,174,740	504,879	1,679,619
Interest payable	141,473	81,228	222,701
Leases payable	168,315	-	168,315
Bonds payable	2,032,000	2,025,000	4,057,000
Total current liabilities	<u>6,501,026</u>	<u>9,315,712</u>	<u>15,816,738</u>
Noncurrent liabilities:			
Compensated absences	351,890	226,992	578,882
Leases payable	530,358	-	530,358
Notes payable	-	727,746	727,746
Bonds payable	8,996,705	17,005,000	26,001,705
Landfill closure/post-closure costs	-	3,610,627	3,610,627
Total noncurrent liabilities	<u>9,878,953</u>	<u>21,570,365</u>	<u>31,449,318</u>
Total liabilities	<u>16,379,979</u>	<u>30,886,077</u>	<u>47,266,056</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	8,524,742	-	8,524,742
Deferred gain on refunding	25,377	-	25,377
Total deferred inflows of resources	<u>8,550,119</u>	<u>-</u>	<u>8,550,119</u>
<b>NET POSITION</b>			
Net investment in capital assets	54,075,787	108,908,112	162,983,899
Restricted for:			
Debt service	900,608	1,320,607	2,221,215
Capital activities	7,684	2,072,905	2,080,589
Streets	2,101,344	-	2,101,344
Redevelopment	4,597,375	-	4,597,375
Other	346,868	-	346,868
Unrestricted	20,848,581	57,941,055	78,789,636
Total net position	<u>\$ 82,878,247</u>	<u>\$ 170,242,679</u>	<u>\$ 253,120,926</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Function/Programs	Program Revenues				Net Revenues (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,247,213	\$ 1,896,727	\$ -	\$ -	\$ (4,350,486)	\$ -	\$ (4,350,486)
Public safety	13,867,644	2,743,666	307,106	-	(10,816,872)	-	(10,816,872)
Public works	6,424,605	60,383	2,923,089	85,944	(3,355,189)	-	(3,355,189)
Parks, recreation and culture	6,550,335	1,062,012	1,107,705	116,759	(4,263,859)	-	(4,263,859)
Debt service - Interest and fiscal charges	720,587	-	-	-	(720,587)	-	(720,587)
Total governmental activities	<u>33,810,384</u>	<u>5,762,788</u>	<u>4,337,900</u>	<u>202,703</u>	<u>(23,506,993)</u>	<u>-</u>	<u>(23,506,993)</u>
Business-type activities:							
Water and sewer	6,605,621	11,517,493	-	-	-	4,911,872	4,911,872
Sewer treatment	2,047,329	6,155,411	-	-	-	4,108,082	4,108,082
Electric	29,529,767	38,132,147	-	-	-	8,602,380	8,602,380
Environmental health	7,606,099	11,414,276	-	-	-	3,808,177	3,808,177
Storm water management	636,962	1,909,928	567,262	-	-	1,840,228	1,840,228
Golf course	1,058,746	817,084	-	-	-	(241,662)	(241,662)
Total business-type activities	<u>47,484,524</u>	<u>69,946,339</u>	<u>567,262</u>	<u>-</u>	<u>-</u>	<u>23,029,077</u>	<u>23,029,077</u>
Total primary government	<u>\$ 81,294,908</u>	<u>\$ 75,709,127</u>	<u>\$ 4,905,162</u>	<u>\$ 202,703</u>	<u>(23,506,993)</u>	<u>23,029,077</u>	<u>(477,916)</u>
General revenues:							
Property tax					8,162,000	-	8,162,000
Sales tax					10,912,488	-	10,912,488
Franchise tax					5,780,106	-	5,780,106
Grants and contributions not restricted to specific programs					605,042	-	605,042
Unrestricted investment earnings					346,950	453,001	799,951
Miscellaneous					546,130	-	546,130
Transfers					4,689,840	(4,689,840)	-
Total general revenues and transfers					<u>31,042,556</u>	<u>(4,236,839)</u>	<u>26,805,717</u>
Change in net position					<u>7,535,563</u>	<u>18,792,238</u>	<u>26,327,801</u>
Net position, beginning					<u>75,342,684</u>	<u>151,450,441</u>	<u>226,793,125</u>
Net position, ending					<u>\$ 82,878,247</u>	<u>\$ 170,242,679</u>	<u>\$ 253,120,926</u>

The accompanying notes are an integral part of this statement.



**City of Logan  
Balance Sheet  
Governmental Funds  
June 30, 2013**

	<b>General</b>	<b>Redevelopment Agency</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,743,170	\$ 5,092,199	\$ 12,739,746	\$ 19,575,115
Investments	5,320,602	-	999,160	6,319,762
Accounts receivable (net of allowance)	92,138	-	490,082	582,220
Property tax receivable	2,659,143	4,370,017	1,495,582	8,524,742
Interest receivable	-	-	389	389
Due from other governmental units	2,895,928	-	276,099	3,172,027
Prepaid assets	17,364	-	-	17,364
Inventory	8,026	-	-	8,026
Restricted assets:				
Cash and cash equivalents	900,383	225	-	900,608
Total assets	<u>13,636,754</u>	<u>9,462,441</u>	<u>16,001,058</u>	<u>39,100,253</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	1,578,585	494,824	162,900	2,236,309
Unearned revenue	78,445	-	-	78,445
Total liabilities	<u>1,657,030</u>	<u>494,824</u>	<u>162,900</u>	<u>2,314,754</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue unavailable	-	-	420,377	420,377
Deferred property tax revenue	2,659,143	4,370,017	1,495,582	8,524,742
Total deferred inflows of resources	<u>2,659,143</u>	<u>4,370,017</u>	<u>1,915,959</u>	<u>8,945,119</u>
<b>FUND BALANCES</b>				
Nonspendable	25,390	-	-	25,390
Restricted	3,175,396	4,597,600	180,883	7,953,879
Committed	-	-	13,741,316	13,741,316
Assigned	228,877	-	-	228,877
Unassigned	5,890,918	-	-	5,890,918
Total fund balances	<u>9,320,581</u>	<u>4,597,600</u>	<u>13,922,199</u>	<u>27,840,380</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,636,754</u>	<u>\$ 9,462,441</u>	<u>\$ 16,001,058</u>	<u>\$ 39,100,253</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 Position**  
**June 30, 2013**

Total fund balances - governmental fund types \$ 27,840,380

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

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

Land	19,356,252	
Work in progress	1,832,797	
Buildings	14,796,022	
Improvements other than buildings	11,209,992	
Equipment	3,586,300	
Infrastructure	14,836,350	
Total	65,617,713	65,617,713

Other assets are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds. 505,870

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	(141,473)	
Bonds payable - current	(2,032,000)	
Bonds payable - noncurrent	(8,996,705)	
Capital leases payable - current	(168,315)	
Capital leases payable - noncurrent	(530,358)	
Compensated absences payable - current	(1,139,753)	
Compensated absences payable - noncurrent	(341,409)	
Total	(13,350,013)	(13,350,013)

Internal service funds are used by the City to charge the costs of centralized services to individual funds. The assets and liabilities of internal service funds are included in the statement of net position.

Net position	2,264,297	
Total	2,264,297	2,264,297

Net position of governmental activities \$ 82,878,247

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, 2013**

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property tax	\$ 3,050,359	\$ 3,407,052	\$ 1,704,589	\$ 8,162,000
Sales tax	10,912,488	-	-	10,912,488
Franchise tax	5,042,345	-	737,761	5,780,106
Licenses and permits	817,915	-	-	817,915
Intergovernmental	4,642,257	-	417,444	5,059,701
Administrative fees	3,721,405	-	-	3,721,405
Charges for services	2,980,095	-	927,495	3,907,590
Fines	985,804	-	51,479	1,037,283
Investment earnings	218,547	23,366	81,777	323,690
Miscellaneous	313,797	18,046	254,886	586,729
Total revenues	<u>32,685,012</u>	<u>3,448,464</u>	<u>4,175,431</u>	<u>40,308,907</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,566,779	-	-	7,566,779
Public safety	11,182,312	-	1,692,597	12,874,909
Public works	6,121,894	1,344,641	3,349	7,469,884
Parks, recreation and culture	3,433,201	-	2,439,891	5,873,092
Debt service:				
Principal	5,206,125	2,160,000	-	7,366,125
Interest	477,847	92,785	-	570,632
Debt issuance cost	27,315	15,444	-	42,759
Capital outlay:				
General government	179,042	-	-	179,042
Public safety	100,010	-	357,785	457,795
Public works	3,330,329	180,331	374,837	3,885,497
Parks, recreation and culture	943,420	-	56,195	999,615
Total expenditures	<u>38,568,274</u>	<u>3,793,201</u>	<u>4,924,654</u>	<u>47,286,129</u>
Revenues over (under) expenditures	<u>(5,883,262)</u>	<u>(344,737)</u>	<u>(749,223)</u>	<u>(6,977,222)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,788,746	-	3,078,170	7,866,916
Transfers out	(3,031,964)	-	(145,112)	(3,177,076)
Debt issuance	3,515,000	1,855,000	-	5,370,000
Sale of capital assets	47,350	-	-	47,350
Total other financing sources (uses)	<u>5,319,132</u>	<u>1,855,000</u>	<u>2,933,058</u>	<u>10,107,190</u>
Net change in fund balances	<u>(564,130)</u>	<u>1,510,263</u>	<u>2,183,835</u>	<u>3,129,968</u>
Fund balances, beginning	<u>9,884,711</u>	<u>3,087,337</u>	<u>11,738,364</u>	<u>24,710,412</u>
Fund balances, ending	<u>\$ 9,320,581</u>	<u>\$ 4,597,600</u>	<u>\$ 13,922,199</u>	<u>\$ 27,840,380</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, 2013**

Net changes in fund balances - total governmental funds \$ 3,129,968

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

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

Capital outlay	5,521,948	
Depreciation expense	(3,051,210)	
Total	2,470,738	2,470,738

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

Donated capital assets	85,944	
Disposal of assets	(38,796)	
Total	47,148	47,148

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. (40,599)

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of long-term debt, net	(5,370,000)	
Retirement of long-term debt	7,366,125	
Total	1,996,125	1,996,125

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

Change in compensated absences	10,319	
Interest expense	(107,196)	
Total	(96,877)	(96,877)

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. 29,060

Change in net position of governmental activities \$ 7,535,563

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental</b>	
	<b>Water and Sewer</b>	<b>Sewer Treatment</b>	<b>Electric</b>	<b>Environmental Health</b>	<b>Storm Water Management</b>	<b>Golf Course</b>	<b>Internal Service Funds</b>	
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 3,650,864	\$ 18,181,827	\$ 13,090,504	\$ 15,345,752	\$ 3,618,721	\$ -	\$ 53,887,668	\$ 3,949,548
Investments	1,000,720	-	6,522,761	-	-	-	7,523,481	-
Interfund receivables - pooled cash	-	-	124,033	-	-	-	124,033	-
Accounts receivable (net of allowance)	827,102	407,819	2,714,850	826,540	130,090	9,201	4,915,602	-
Interest receivable	2,374	-	15,737	-	-	-	18,111	-
Due from other funds	-	-	1,444,176	-	-	-	1,444,176	-
Due from other governmental units	-	-	-	9,550	272,896	-	282,446	-
Prepaid assets	-	-	812,653	-	-	-	812,653	104,756
Inventory	41,266	-	521,917	-	21,714	93,304	678,201	-
Total current assets	<u>5,522,326</u>	<u>18,589,646</u>	<u>25,246,631</u>	<u>16,181,842</u>	<u>4,043,421</u>	<u>102,505</u>	<u>69,686,371</u>	<u>4,054,304</u>
Noncurrent assets:								
Restricted assets:								
Cash and cash equivalents	1,321,822	1	-	1,667,545	4	-	2,989,372	-
Capital assets not being depreciated:								
Land	352,607	2,481,227	1,193,118	2,523,760	1,908,897	1,380,718	9,840,327	-
Work in progress	10,645,627	-	1,254,121	8,258,394	1,916,879	-	22,075,021	-
Capital assets, net of accumulated depreciation:								
Buildings	2,444,708	126,399	998,945	1,974,368	-	1,770,111	7,314,531	-
Improvements other than buildings	38,010,136	10,571,117	4,994,303	1,084,391	8,351,813	1,893,486	64,905,246	-
Equipment	1,300,246	53,264	19,549,078	3,606,810	14,015	7,320	24,530,733	92,726
Total noncurrent assets	<u>54,075,146</u>	<u>13,232,008</u>	<u>27,989,565</u>	<u>19,115,268</u>	<u>12,191,608</u>	<u>5,051,635</u>	<u>131,655,230</u>	<u>92,726</u>
Total assets	<u>59,597,472</u>	<u>31,821,654</u>	<u>53,236,196</u>	<u>35,297,110</u>	<u>16,235,029</u>	<u>5,154,140</u>	<u>201,341,601</u>	<u>4,147,030</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred loss on refunding	61,886	125,957	-	-	-	-	187,843	-
Total deferred outflows of resources	<u>61,886</u>	<u>125,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,843</u>	<u>-</u>
<b>LIABILITIES</b>								
Current liabilities:								
Interfund payables - pooled cash	-	-	-	-	-	124,033	124,033	-
Accounts payable	2,390,961	83,041	2,762,669	1,132,821	295,071	36,057	6,700,620	669,744
Due to other funds	-	-	-	-	-	1,444,176	1,444,176	-
Unearned revenue	-	-	-	-	-	3,985	3,985	-
Compensated absences	102,409	8,013	195,582	169,479	8,056	21,340	504,879	34,987
Interest payable	66,703	7,352	-	-	7,173	-	81,228	-
Bonds payable	1,214,000	490,000	-	-	321,000	-	2,025,000	-
Total current liabilities	<u>3,774,073</u>	<u>588,406</u>	<u>2,958,251</u>	<u>1,302,300</u>	<u>631,300</u>	<u>1,629,591</u>	<u>10,883,921</u>	<u>704,731</u>
Noncurrent liabilities:								
Compensated absences	46,043	3,602	87,933	76,197	3,622	9,595	226,992	10,481
Notes payable	-	-	-	-	727,746	-	727,746	-
Bonds payable	11,780,000	3,850,000	-	-	1,375,000	-	17,005,000	-
Landfill closure/post-closure costs	-	-	-	3,610,627	-	-	3,610,627	-
Total noncurrent liabilities	<u>11,826,043</u>	<u>3,853,602</u>	<u>87,933</u>	<u>3,686,824</u>	<u>2,106,368</u>	<u>9,595</u>	<u>21,570,365</u>	<u>10,481</u>
Total liabilities	<u>15,600,116</u>	<u>4,442,008</u>	<u>3,046,184</u>	<u>4,989,124</u>	<u>2,737,668</u>	<u>1,639,186</u>	<u>32,454,286</u>	<u>715,212</u>
<b>NET POSITION</b>								
Net investment in capital assets	39,759,324	8,892,007	27,989,565	17,447,723	9,767,858	5,051,635	108,908,112	92,726
Restricted for:								
Debt service	1,320,602	1	-	-	4	-	1,320,607	-
Capital activities	239,452	-	-	1,667,545	165,908	-	2,072,905	-
Unrestricted	2,739,864	18,613,595	22,200,447	11,192,718	3,563,591	(1,536,681)	56,773,534	3,339,092
Total net position	<u>\$ 44,059,242</u>	<u>\$ 27,505,603</u>	<u>\$ 50,190,012</u>	<u>\$ 30,307,986</u>	<u>\$ 13,497,361</u>	<u>\$ 3,514,954</u>	<u>\$ 169,075,158</u>	<u>\$ 3,431,818</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Reconciliation of the Statement of Net Position - Proprietary**  
**Funds to the Statement of Net Position**  
**June 30, 2013**

Total net position for proprietary funds	\$ 169,075,158
Internal service fund allocation for prior year	1,083,862
Internal service fund allocation for current year	83,659
Total business-type net position	<u>\$ 170,242,679</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental</b>	
	<b>Water and Sewer</b>	<b>Sewer Treatment</b>	<b>Electric</b>	<b>Environmental Health</b>	<b>Storm Water Management</b>	<b>Golf Course</b>	<b>Total</b>	<b>Internal Service Funds</b>
Operating revenues:								
Charges for services	\$ 11,135,065	\$ 6,155,411	\$ 36,878,075	\$ 11,201,236	\$ 1,880,686	\$ 808,897	\$ 68,059,370	\$ 5,807,931
Connection fees	91,725	-	378,394	-	-	-	470,119	-
Miscellaneous	272,743	-	875,678	202,135	28,051	8,187	1,386,794	25,757
Total operating revenues	<u>11,499,533</u>	<u>6,155,411</u>	<u>38,132,147</u>	<u>11,403,371</u>	<u>1,908,737</u>	<u>817,084</u>	<u>69,916,283</u>	<u>5,833,688</u>
Operating expenses:								
Salaries and wages	1,743,543	155,590	2,722,689	3,402,868	78,771	466,053	8,569,514	754,190
Administrative fees	1,128,895	233,160	1,045,560	1,065,427	22,363	-	3,495,405	-
Operating and maintenance	1,741,300	1,061,219	23,610,243	2,639,953	262,959	403,157	29,718,831	4,864,977
Landfill closure/post-closure costs	-	-	-	(520,190)	-	-	(520,190)	-
Depreciation and amortization	1,445,072	316,018	1,675,061	1,098,487	187,176	184,683	4,906,497	74,862
Total operating expenses	<u>6,058,810</u>	<u>1,765,987</u>	<u>29,053,553</u>	<u>7,686,545</u>	<u>551,269</u>	<u>1,053,893</u>	<u>46,170,057</u>	<u>5,694,029</u>
Operating income (loss)	<u>5,440,723</u>	<u>4,389,424</u>	<u>9,078,594</u>	<u>3,716,826</u>	<u>1,357,468</u>	<u>(236,809)</u>	<u>23,746,226</u>	<u>139,659</u>
Nonoperating revenues (expenses):								
Intergovernmental revenue	-	-	-	-	567,262	-	567,262	-
Investment earnings	58,520	111,400	168,560	124,457	20,416	(296)	483,057	23,260
Gain (loss) on sale of assets	3,901	(4,547)	(498,364)	50,331	(7,565)	2,500	(453,744)	(50,200)
Debt issuance cost	-	-	-	-	(24,165)	-	(24,165)	-
Interest expense	(577,592)	(277,759)	-	-	(54,966)	(9,900)	(920,217)	-
Total nonoperating revenue (expense)	<u>(515,171)</u>	<u>(170,906)</u>	<u>(329,804)</u>	<u>174,788</u>	<u>500,982</u>	<u>(7,696)</u>	<u>(347,807)</u>	<u>(26,940)</u>
Income (loss) before contributions and transfers	4,925,552	4,218,518	8,748,790	3,891,614	1,858,450	(244,505)	23,398,419	112,719
Transfers in	-	58,824	-	-	-	-	58,824	-
Transfers out	(750,664)	(314,161)	(2,860,973)	(822,866)	-	-	(4,748,664)	-
Change in net position	4,174,888	3,963,181	5,887,817	3,068,748	1,858,450	(244,505)	18,708,579	112,719
Total net position, beginning	39,884,354	23,542,422	44,302,195	27,239,238	11,638,911	3,759,459	150,366,579	3,319,099
Total net position, ending	<u>\$ 44,059,242</u>	<u>\$ 27,505,603</u>	<u>\$ 50,190,012</u>	<u>\$ 30,307,986</u>	<u>\$ 13,497,361</u>	<u>\$ 3,514,954</u>	<u>\$ 169,075,158</u>	<u>\$ 3,431,818</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 Position - Proprietary Funds to the Statement of Activities**  
**For the Year Ended June 30, 2013**

Total changes in net position of proprietary funds	\$ 18,708,579
Internal service fund allocation for current year	83,659
Total changes in business-type net position	<u>\$ 18,792,238</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, 2013**

	<b>Business-Type Activities - Enterprise Funds</b>						<b>Governmental</b>	
	<b>Water and Sewer</b>	<b>Sewer Treatment</b>	<b>Electric</b>	<b>Environmental Health</b>	<b>Storm Water Management</b>	<b>Golf Course</b>	<b>Internal Service Funds</b>	
<b>Cash Flows From Operating Activities</b>								
Receipts from customers and users	\$ 11,335,266	\$ 6,146,446	\$ 37,694,244	\$ 11,400,063	\$ 1,855,721	\$ 816,450	\$ 69,248,190	\$ 5,833,688
Payments for services and supplies	(1,475,102)	(1,203,023)	(29,269,364)	(5,212,513)	(90,421)	(886,804)	(38,137,227)	(5,763,402)
Payments for interfund services used	(1,128,895)	(233,160)	(1,045,560)	(1,065,427)	(22,363)	-	(3,495,405)	-
Net cash provided (used) by operating activities	<u>8,731,269</u>	<u>4,710,263</u>	<u>7,379,320</u>	<u>5,122,123</u>	<u>1,742,937</u>	<u>(70,354)</u>	<u>27,615,558</u>	<u>70,286</u>
<b>Cash Flows From Noncapital Financing Activities</b>								
Transfers from other funds	-	58,824	-	-	-	-	58,824	-
Transfers to other funds	(750,664)	(314,161)	(2,860,973)	(822,866)	-	-	(4,748,664)	-
Changes to interfund receivables and payables	-	-	(168,209)	-	-	68,208	(100,001)	-
Proceeds from grants and contributions	-	-	-	(9,550)	1,611,610	-	1,602,060	-
Net cash provided (used) by noncapital and related financing activities	<u>(750,664)</u>	<u>(255,337)</u>	<u>(3,029,182)</u>	<u>(832,416)</u>	<u>1,611,610</u>	<u>68,208</u>	<u>(3,187,781)</u>	<u>-</u>
<b>Cash Flows From Capital and Related Financing Activities</b>								
Proceeds from sale of capital assets	3,901	-	-	50,331	-	2,500	56,732	-
Purchases of capital assets	(7,157,899)	(782,658)	(2,724,665)	(7,177,133)	(2,021,595)	-	(19,863,950)	(22,826)
Proceeds from issuance of debt	-	-	-	-	2,399,581	-	2,399,581	-
Principal paid on debt	(1,188,000)	(495,000)	-	-	(1,965,000)	-	(3,648,000)	-
Interest and fees paid on capital debt	(458,060)	(202,008)	-	-	(54,816)	(9,900)	(724,784)	-
Net cash provided (used) by capital and related financing activities	<u>(8,800,058)</u>	<u>(1,479,666)</u>	<u>(2,724,665)</u>	<u>(7,126,802)</u>	<u>(1,641,830)</u>	<u>(7,400)</u>	<u>(21,780,421)</u>	<u>(22,826)</u>
<b>Cash Flows From Investing Activities</b>								
Sale (purchase) of investments	1,097,091	870,940	-	-	-	-	1,968,031	-
Interest and dividends received	59,210	111,428	172,238	124,457	20,416	(296)	487,453	23,260
Net cash provided (used) by investing activities	<u>1,156,301</u>	<u>982,368</u>	<u>172,238</u>	<u>124,457</u>	<u>20,416</u>	<u>(296)</u>	<u>2,455,484</u>	<u>23,260</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>336,848</b>	<b>3,957,628</b>	<b>1,797,711</b>	<b>(2,712,638)</b>	<b>1,733,133</b>	<b>(9,842)</b>	<b>5,102,840</b>	<b>70,720</b>
<b>Cash and cash equivalents - beginning</b>	<b>4,635,838</b>	<b>14,224,200</b>	<b>11,292,793</b>	<b>19,725,935</b>	<b>1,885,592</b>	<b>9,842</b>	<b>51,774,200</b>	<b>3,878,828</b>
<b>Cash and cash equivalents - ending</b>	<b>4,972,686</b>	<b>18,181,828</b>	<b>13,090,504</b>	<b>17,013,297</b>	<b>3,618,725</b>	<b>-</b>	<b>56,877,040</b>	<b>3,949,548</b>
<b>Shown in the financial statements as:</b>								
Cash and cash equivalents	3,650,864	18,181,827	13,090,504	15,345,752	3,618,721	-	53,887,668	3,949,548
Restricted cash and cash equivalents	1,321,822	1	-	1,667,545	4	-	2,989,372	-
<b>Total</b>	<u>4,972,686</u>	<u>18,181,828</u>	<u>13,090,504</u>	<u>17,013,297</u>	<u>3,618,725</u>	<u>-</u>	<u>56,877,040</u>	<u>3,949,548</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>								
Operating income (loss)	5,440,723	4,389,424	9,078,594	3,716,826	1,357,468	(236,809)	23,746,226	139,659
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation and amortization expenses	1,445,072	316,018	1,675,061	1,098,487	187,176	184,683	4,906,497	74,862
(Increase) decrease in receivables	(164,267)	(8,965)	(437,903)	(3,308)	(53,016)	(634)	(668,093)	-
(Increase) decrease in inventory and prepaids	(4,054)	-	(821,899)	-	4,088	(16,412)	(838,277)	(14,037)
Increase (decrease) in accounts payable	2,013,795	13,786	(2,114,533)	830,308	247,221	(1,182)	989,395	(130,198)
Landfill closure costs	-	-	-	(520,190)	-	-	(520,190)	-
Total adjustments	<u>3,290,546</u>	<u>320,839</u>	<u>(1,699,274)</u>	<u>1,405,297</u>	<u>385,469</u>	<u>166,455</u>	<u>3,869,332</u>	<u>(69,373)</u>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 8,731,269</b>	<b>\$ 4,710,263</b>	<b>\$ 7,379,320</b>	<b>\$ 5,122,123</b>	<b>\$ 1,742,937</b>	<b>\$ (70,354)</b>	<b>\$ 27,615,558</b>	<b>\$ 70,286</b>

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 issued sales tax revenue bonds that are being paid by the Logan River project area. Management of the City is responsible for day-to-day operations. 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.

Interlocal Agreements

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

Logan-Cache Airport Authority

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

Cache County Emergency Medical Services Authority (CEEMS)

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

North Park Interlocal Cooperative (NPIC)

NPIC was organized as a separate legal entity to facilitate the construction of a recreational ice arena. The cooperative members are Cache County, Hyde Park City, the City of North Logan, and the City of Logan. Cache County appoints three board members and each city appoints two board members. The City has no financial responsibility for NPIC.

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 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 various states in the Western United States. UAMPS is a stand-alone entity that issues its own financial statements. For a copy of their financial statements contact UAMPS at 155 North 400 West Suite 480, Salt Lake City, Utah 84103, or call 801-566-3938, or visit their website at [www.uamps.com](http://www.uamps.com).

Related Organization

In 2006 the Logan Transit District (a special revenue fund of the City) was annexed into the Cache Valley Transit District (CVTD). CVTD is a separate legal entity that issues its own financial statements. The City of Logan appoints a voting majority of the board members of CVTD; however, the City is not financially accountable for, nor does it have access to, CVTD resources such that CVTD should be included as a component unit of the City. CVTD was formed by participating municipalities adopting a transportation 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. Sales tax sent directly to CVTD is recorded as sales tax revenue by the City and as a subsequent non-departmental expenditure of the general fund.

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 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 position. As such, no equity interest in the authority is reported by the City. The authority may issue bonds or notes. Any such bonds or notes would not be a liability of the City.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. Governmental activities, which

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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 tax, sales tax, franchise tax, 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 for the regional area.

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

The electric fund accounts for electricity generation and distribution operations.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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

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

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

The 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.

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

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

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

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

#### Fund Balance

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

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

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

#### Deposits and Investments

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

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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

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

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

Receivables and Payables

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

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

Property Taxes

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

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

Inventory

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

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 buildings, improvements, 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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

capital assets are recorded at estimated fair market value as of the date of donation. The cost of normal maintenance and repair that does not add to the value of the asset or significantly extend the asset life is expensed.

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

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

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

Compensated Absences

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

Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time. A deferred gain on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Governmental funds report revenue that is unavailable as deferred inflows of resources. Governmental funds report unavailable revenue from property taxes and from special assessments. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

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 are 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 an expense of the current period. Refundings of debt result in deferred gains or losses and are reported as deferred inflows and outflows of resources. 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.



CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Use of Estimates

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

New Pronouncements

The Governmental Accounting Standards Board issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." Although not required to do so, the City has elected to early adopt Statement No. 65 by the Board, "Items Previously Reported as Assets and Liabilities." The implementation of these statements has resulted in changes to the financial statement previously referred to as the Statement of Net Assets, now the Statement of Net Position, and the reclassification of certain asset and liability balances as deferred outflows and inflows and the elimination of previous bond issuance costs.

**Note 2 – Compliance and Accountability**

Excess of Expenditures or Expenses Over Appropriations

Title 10 of the 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 administration division exceeded its budget because of a requested change in accounting practice by the State Auditors Office. However, the Auditors Office also indicated that for fiscal year 2013, this should not be interpreted as a violation of compliance with State law.

**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 Utah 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, 2013, \$3,748,928 of the City's bank balance of \$4,248,928 was uninsured and uncollateralized.

Investments

The Utah 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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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 U.S. Securities and Exchange Commission as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act established the Utah 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 with bank certificates of deposit. The CDs mature within one year.

The City has invested in the debt instruments of 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 one year.

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

At June 30, 2013, 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	\$ 74,000,124	\$ 74,000,124	\$ -	\$ -	\$ -
MMMF	7,576	7,576	-	-	-
Bank CDs	5,320,602	5,320,602	-	-	-
Corporate Notes	8,522,641	8,522,641	-	-	-
Rep Agreement	1,706,711	1,706,711	-	-	-
Total	<u>\$ 89,557,654</u>	<u>\$ 89,557,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Utah 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.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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 Utah Money Management Act as previously discussed. The Act only allows for investment in securities with the lowest risk of default.

At June 30, 2013, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF	\$ 74,000,124	\$ -	\$ -	\$ -	\$ 74,000,124
MMMF	7,576	-	-	-	7,576
Bank CDs	5,320,602	-	-	-	5,320,602
Corporate Notes	8,522,641	-	3,756,283	4,766,358	-
Rep Agreement	1,706,711	1,706,711	-	-	-
Total	<u>\$ 89,557,654</u>	<u>\$ 1,706,711</u>	<u>\$ 3,756,283</u>	<u>\$ 4,766,358</u>	<u>\$ 79,328,302</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for managing this risk is to comply with the rules of the Utah Money Management Council. The Utah 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 Utah Money Management Act, which provides a list of certified investment dealers. At June 30, 2013, \$17,772,389 was held by the counterparty's trust department or agent in the City's name. These deposits are not covered by depository insurance and are not collateralized.

**Note 4 – Receivables and Payables**

Receivables

Allowances for doubtful accounts are as follows:

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

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Uncollectibles related to communication center	\$ 2,490
Uncollectibles related to water and sewer	26,060
Uncollectibles related to sewer treatment	16,626
Uncollectibles related to electric	77,584
Uncollectibles related to environmental health	15,757
Uncollectibles related to storm water management	4,802
Total	<u>\$ 143,319</u>

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

Other governmental fund assessments	\$ 373,032
Total	<u>\$ 373,032</u>

Payables

Within accounts payable is accrued payroll payable. As of June 30, 2013, the City had the following accrued payroll liabilities:

Fund	Amount
General fund	\$ 365,201
Other governmental	46,549
Golf course	11,979
Water and sewer	33,154
Sewer treatment	2,871
Electric	51,230
Environmental health	64,903
Storm water management	1,528
Internal service	13,528
Total	<u>\$ 590,943</u>

**Note 5 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 17,120,588	\$ 2,235,664	\$ -	\$ -	\$ 19,356,252
Construction in progress	1,996,860	1,543,267	(177,949)	(1,529,381)	1,832,797
Total capital assets not being depreciated	<u>19,117,448</u>	<u>3,778,931</u>	<u>(177,949)</u>	<u>(1,529,381)</u>	<u>21,189,049</u>
Capital assets being depreciated:					
Buildings	36,929,378	170,256	(13,506)	866,472	37,952,600
Improvements other than buildings	12,242,769	1,308,595	(352,752)	662,909	13,861,521
Equipment	15,118,972	881,966	(569,743)	-	15,431,195
Infrastructure	39,854,610	-	-	-	39,854,610
Total capital assets being depreciated	<u>104,145,729</u>	<u>2,360,817</u>	<u>(936,001)</u>	<u>1,529,381</u>	<u>107,099,926</u>
Less accumulated depreciation for:					
Buildings	(21,954,588)	(1,207,223)	5,233	-	(23,156,578)
Improvements other than buildings	(2,425,441)	(266,276)	40,188	-	(2,651,529)
Equipment	(11,193,518)	(1,029,153)	470,502	-	(11,752,169)
Infrastructure	(24,394,840)	(623,420)	-	-	(25,018,260)
Total accumulated depreciation	<u>(59,968,387)</u>	<u>(3,126,072)</u>	<u>515,923</u>	<u>-</u>	<u>(62,578,536)</u>
Total capital assets being depreciated, net	<u>44,177,342</u>	<u>(765,255)</u>	<u>(420,078)</u>	<u>1,529,381</u>	<u>44,521,390</u>
Governmental activities capital assets, net	<u>\$ 63,294,790</u>	<u>\$ 3,013,676</u>	<u>\$ (598,027)</u>	<u>\$ -</u>	<u>\$ 65,710,439</u>

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 8,757,639	\$ 1,082,688	\$ -	\$ -	\$ 9,840,327
Construction in progress	9,923,275	16,652,419	(7,306)	(4,493,367)	22,075,021
Total capital assets not being depreciated	<u>18,680,914</u>	<u>17,735,107</u>	<u>(7,306)</u>	<u>(4,493,367)</u>	<u>31,915,348</u>
Capital assets being depreciated:					
Buildings	14,725,233	-	-	-	14,725,233
Improvements other than buildings	92,849,291	248,893	(18,368)	233,540	93,313,356
Equipment	53,890,400	1,882,711	(1,759,153)	4,259,827	58,273,785
Total capital assets being depreciated	<u>161,464,924</u>	<u>2,131,604</u>	<u>(1,777,521)</u>	<u>4,493,367</u>	<u>166,312,374</u>
Less accumulated depreciation for:					
Buildings	(6,819,977)	(590,725)	-	-	(7,410,702)
Improvements other than buildings	(26,536,317)	(1,878,697)	6,904	-	(28,408,110)
Equipment	(32,570,664)	(2,437,075)	1,264,687	-	(33,743,052)
Total accumulated depreciation	<u>(65,926,958)</u>	<u>(4,906,497)</u>	<u>1,271,591</u>	<u>-</u>	<u>(69,561,864)</u>
Total capital assets being depreciated, net	<u>95,537,966</u>	<u>(2,774,893)</u>	<u>(505,930)</u>	<u>4,493,367</u>	<u>96,750,510</u>
Business-type activities capital assets, net	<u>\$ 114,218,880</u>	<u>\$ 14,960,214</u>	<u>\$ (513,236)</u>	<u>\$ -</u>	<u>\$ 128,665,858</u>

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

<b>Governmental activities:</b>	
General government	\$ 491,135
Public safety	1,015,282
Public works	828,236
Parks, recreation and culture	716,557
Capital assets held by internal service funds	74,862
Total	<u>\$ 3,126,072</u>
<b>Business-type activities:</b>	
Water and sewer	\$ 1,445,072
Sewer treatment	316,018
Electric	1,675,061
Environmental health	1,098,487
Storm water management	187,176
Golf course	184,683
Total	<u>\$ 4,906,497</u>

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**Note 6 – Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2013, is as follows:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>	<u>Not Expected to be Repaid Within 1 Year</u>
Electric fund	Golf course	\$ 1,444,176	\$ 1,386,678
Total		<u>\$ 1,444,176</u>	<u>\$ 1,386,678</u>

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

**Note 7 – Interfund Transfers**

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

<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>Sewer Treatment</u>	
General fund	\$ -	\$ 3,031,964	\$ -	\$ 3,031,964
Nonmajor governmental	98,906	46,206	-	145,112
Water and sewer	691,840	-	58,824	750,664
Sewer treatment	314,161	-	-	314,161
Electric	2,860,973	-	-	2,860,973
Environmental health	822,866	-	-	822,866
Total	<u>\$ 4,788,746</u>	<u>\$ 3,078,170</u>	<u>\$ 58,824</u>	<u>\$ 7,925,740</u>

**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:

<u>Asset</u>	<u>Governmental Activities</u>
Machinery and equipment	\$ 1,407,450
Less: accumulated depreciation	(775,218)
Total	<u>\$ 632,232</u>

The future minimum lease obligations as of June 30, 2013, are as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Fiscal year	Governmental Activities
2014	\$ 201,478
2015	152,812
2016	79,132
2017	79,131
2018	79,131
2019-2221	237,396
Total minimum lease payments	829,080
Less: amounts representing interest	(130,407)
Present value of minimum lease payments	<u>\$ 698,673</u>

**Note 9 – Long-Term Liabilities**

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 4,395,000	\$ -	\$ (475,000)	\$ 3,920,000	\$ 485,000
Revenue bonds	8,398,000	5,370,000	(6,730,000)	7,038,000	1,547,000
Premium	125,996	-	(55,291)	70,705	-
Total bonds payable	<u>12,918,996</u>	<u>5,370,000</u>	<u>(7,260,291)</u>	<u>11,028,705</u>	<u>2,032,000</u>
Capital leases	859,798	-	(161,125)	698,673	168,315
Compensated absences	1,538,668	1,211,905	(1,223,943)	1,526,630	1,174,740
Governmental activity long-term liabilities	<u>\$ 15,317,462</u>	<u>\$ 6,581,905</u>	<u>\$ (8,645,359)</u>	<u>\$ 13,254,008</u>	<u>\$ 3,375,055</u>
<b>Business-type activities:</b>					
Revenue bonds payable	\$ 20,982,000	\$ 1,696,000	\$ (3,648,000)	\$ 19,030,000	\$ 2,025,000
Notes payable	-	727,746	-	727,746	-
Compensated absences	720,153	506,653	(494,935)	731,871	504,879
Landfill closure/post-closure costs	4,130,817	84,235	(604,425)	3,610,627	-
Business-type activity long-term liabilities	<u>\$ 25,832,970</u>	<u>\$ 3,014,634</u>	<u>\$ (4,747,360)</u>	<u>\$ 24,100,244</u>	<u>\$ 2,529,879</u>

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

General Obligation Bonds

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

In August 2005, the City issued \$6,820,000 in General Obligation Refunding Bonds. Proceeds from the bonds were used to advance refund the 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 \$3,370,000 were outstanding as of June 30, 2013.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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

Fiscal Year	Governmental Activities	
	Principal	Interest
2014	\$ 485,000	\$ 155,385
2015	510,000	130,510
2016	535,000	104,385
2017	565,000	80,416
2018	585,000	58,707
2019-2021	1,240,000	48,208
Total	\$ 3,920,000	\$ 577,611

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 May 2013, the City issued \$1,855,000 in Sales Tax Revenue Refunding Bonds, Series A. The bonds bear an interest rate of 1.10 percent. The bonds were issued to refund the 2003C Sales Tax Revenue Bonds. The refunding will save the City \$132,417 of debt service expense over the life of the bonds, and will result in an economic gain of \$130,022. The 2003C Sales Tax Revenue Bonds were issued to construct the infrastructure improvements in the Logan River project area. The bonds are to be repaid from property tax increment generated in the Logan River project area of the Redevelopment Agency.

In May 2013, the City issued \$3,515,000 in Sales Tax Revenue Refunding Bonds, Series B. The bonds bear an interest rate of 0.94 percent. The bonds were issued to refund the 2004B Sales Tax Revenue Bonds. The refunding will save the City \$207,671 of debt service expense over the life of the bonds, and will result in an economic gain of \$204,517. The 2004B Sales Tax Revenue Bonds were issued to purchase land and construct the Justice Building.

In October 2012, the City issued \$1,696,000 in Storm Water Revenue Refunding Bonds. The bonds bear an interest rate of 1.45 percent. The bonds were issued to refund the 2007 Storm Water Revenue Bonds. The refunding will save the City \$103,583 of debt service expense over the life of the bonds, and will result in an economic gain of \$99,916. The 2007 Storm Water Revenue Bonds were issued to construct the Dry Canyon debris dam.

In June 2008, the City obtained approval for the issuance of \$3,000,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the water and sewer fund. 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, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the water and sewer fund. 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 November 2006, the City issued \$3,485,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the sewer treatment fund. The bonds bear an interest rate of 3.93 percent. The refunding will save the City \$119,914 of debt service expense over the life of the bonds, and will result in a net present value savings of \$88,294. The bonds were issued to advance refund part of the 2002 Water, Sewer and Solid Waste Revenue Bonds. Refunded 2002 bonds in the amount of \$2,870,000 were outstanding as of June 30, 2013.



CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

In November 2006, the City issued \$2,595,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the water and sewer fund. The bonds bear an interest rate of 3.93 percent. The refunding will save the City \$60,410 of debt service expense over the life of the bonds, and will result in a net present value savings of \$85,427 due to the use of debt service reserves. 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 January 2005, the City issued \$910,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the water and sewer fund. 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 4.50 percent.

In September 2004, the City issued \$5,000,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the water and sewer fund. 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 March 2002, the City issued \$9,045,000 in Water, Sewer and Solid Waste Revenue Bonds. The bonds are to be repaid by the sewer treatment fund. The bonds bear interest rates of 3.00 to 4.80 percent. The bonds were issued for the construction of sewer treatment related improvements. The bonds were partially refunded by the 2006 Water, Sewer and Solid Waste Revenue Bonds.

Bond trust indentures of certain revenue bonds specify the City maintain net revenue to debt service coverage ratios. As of June 30, 2013, the City has met this requirement.

Revenue bonds outstanding as of June 30, 2013, are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
2013A Sales Tax Refunding - RDA	1.10%	\$ 1,855,000
2013B Sales Tax Refunding	0.94%	3,515,000
2006 Excise Tax	4.26%	1,668,000
2002 Sewer Treatment	3.00% - 4.80%	950,000
2004 State Drinking Water	2.57%	3,496,000
2005A Water & Sewer	4.50%	215,000
2006 Water & Sewer	3.93%	1,890,000
2006 Sewer Treatment	3.93%	3,390,000
2008 Water & Sewer	4.04%	5,130,000
2008 State Drinking Water	1.14%	2,263,000
2012 Storm Water Refunding	1.45%	1,696,000
Total		<u>\$ 26,068,000</u>

Revenue bond debt service requirements to maturity are as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Fiscal Year	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,547,000	\$ 110,450	\$ 2,025,000	\$ 605,310
2015	1,566,000	92,087	2,069,000	535,918
2016	1,590,000	65,657	2,096,000	464,765
2017	1,955,000	31,371	2,131,000	398,120
2018	380,000	4,180	2,154,000	330,566
2019-2023	-	-	7,073,000	802,671
2024-2028	-	-	1,482,000	53,531
Total	<u>\$ 7,038,000</u>	<u>\$ 303,745</u>	<u>\$ 19,030,000</u>	<u>\$ 3,190,881</u>

Notes Payable

Notes payable have been issued for storm water improvements.

In June 2013, the City incurred notes payable of \$727,746 for storm water and canal improvements. The notes were incurred in two issuances. The first issuance of \$352,000 bears a zero percent interest rate over 25 years. The second issuance of \$375,746 bears an interest rate of 0.10 over 25 years.

Notes payable outstanding as of June 30, 2013, are as follows:

Purpose	Interest Rates	Amount
Canal & Storm Water Improvements #1	0.00%	\$ 352,000
Canal & Storm Water Improvements #2	0.10%	375,746
Total		<u>\$ 727,746</u>

Notes payable debt service requirements to maturity are as follows:

Fiscal Year	Business-type Activities	
	Principal	Interest
2014	\$ -	\$ -
2015	28,930	376
2016	28,945	361
2017	28,960	346
2018	28,975	331
2019-2023	145,098	1,432
2024-2028	145,472	1,058
2029-2033	145,848	682
2034-2038	146,226	304
2039-2043	29,292	14
Total	<u>\$ 727,746</u>	<u>\$ 4,904</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.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**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 insures against these risks of loss as part of a comprehensive risk management program. To protect the City from general liability exposure, the City purchases commercial excess liability insurance with a \$1,000,000 self insured retention and a \$10,000,000 limit. The City also purchases property and equipment insurance, including earthquake coverage. The City is fully insured for workers compensation through the Utah Local Governments Trust. The City accounts for 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:

<b>Claims Liabilities</b>	<b>June 30, 2013</b>	<b>June 30, 2012</b>
Unpaid claims, beginning	\$ 74,575	\$ 256,980
Incurred claims & changes in estimates (including IBNR)	147,908	454
Claims paid	(104,383)	(182,859)
Unpaid claims, ending	<u>\$ 118,100</u>	<u>\$ 74,575</u>

**Note 12 – Commitments and Contingencies**

Redevelopment Projects

The City has established six redevelopment projects and one economic development project. State statutes applicable to four redevelopment projects require 20 percent of the tax increment generated within the project area to be restricted for low-income housing. The Logan 600 West economic development project and the Logan Downtown development project require 20 percent of the increment generated to be restricted for low-income housing as it is collected. 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, 2013, \$678,267 is restricted for low income housing.

Tax Increment Rebates

The City has entered into several incentive agreements with developers or businesses to pay tax rebate incentives for development within City limits. Rebate requirements vary by agreement and are contingent upon sufficient tax increment actually being received by the City. Tax rebate incentives outstanding as of June 30, 2013 are as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Description	Gross Commitment	Current Year Rebate	Rebates-to- Date
Agreement #1	\$ 66,600	\$ -	\$ -
Agreement #2	52,258	-	52,258
Agreement #3	917,287	83,390	833,900
Agreement #4	n/a	300,715	2,160,462
Agreement #5	1,500,000	-	643,641
Agreement #6	687,500	68,666	615,818
Agreement #7	1,500,000	222,330	938,514
Agreement #8	4,800,000	197,548	752,552
Agreement #9	220,000	12,418	69,957
Agreement #10	225,000	33,838	170,550
Agreement #11	68,431	5,605	21,706
Agreement #12	352,827	-	-
Agreement #13	210,000	9,755	32,378
Agreement #14	250,000	19,057	64,458
Agreement #15	518,061	66,470	229,531
Agreement #16	101,029	13,435	15,753
Agreement #17	98,318	4,119	4,119
Agreement #18	77,286	9,286	9,286
Total	<u>\$ 11,644,597</u>	<u>\$ 1,046,632</u>	<u>\$ 6,614,883</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. Fiscal year 2013 was the final year of this agreement.

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

The City contributes to a Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and 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 plan 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 1-800-753-7361.

Plan members in the Local Governmental Contributory Division Tier 1 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 12.03 percent of their annual salary. For members in the Local Governmental Contributor Division Tier 2, the City is required to contribute 12.74 percent of their annual salary. For members in the Local Governmental Noncontributory Division Tier 1, the City is required to contribute 16.04 percent of their annual salary. Members in the Public Safety Contributory Division Tier 1 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 27.95 percent of their annual salary. For members in the Public Safety Noncontributory Division Tier 2, the City is required to contribute 26.59 percent of their annual salary. For members in the Public Safety Noncontributory Division Tier 1, the City is required to contribute 38.18 percent of their annual salary. Members in the Firefighters System Division Tier 1

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

are required to pay 16.71 percent of their salary (all of which was paid by the employer for the employee) and the City is required to pay 2.08 percent of their annual salary. For members in the Firefighters system Division Tier 2, the City is required to contribute 11.10 percent of their annual salary. 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 Agent-Multiple Public Safety Contributory systems annual pension cost of \$124,153 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include (1) 7.5 percent investment rate of return, (2) projected salary increases of 3.75 percent, and (3) 2.5 percent cost of living adjustment. Both (1) and (2) above include an inflation component of 2.75 percent. The City's unfunded actuarial accrued liability is being amortized over a closed 22 year amortization period. Amortized payments are designed to remain level as a percent of payroll.

Local Governmental System Tier 1 and Tier 2 – Contributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2013	\$ -	\$ 6,572	\$ 71,848	\$ 794,942
2012	-	6,598	32,592	397,971
2011	-	6,705	10,460	111,752

Local Governmental System Tier 1 – Noncontributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2013	\$ -	\$ -	\$ 1,858,301	\$ 11,641,610
2012	-	-	1,631,309	12,103,446
2011	-	-	1,678,529	12,554,447

Public Safety Tier 1 – Contributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2013	\$ -	\$ 49,439	\$ 124,153	\$ 444,198
2012	-	55,044	105,638	494,562
2011	-	57,909	109,002	520,297

Public Safety Tier 2 – Contributory

<b>Fiscal Year</b>	<b>Employee Paid Contributions</b>	<b>Employer Paid for Employee Contributions</b>	<b>Employer Contributions</b>	<b>Salary Subject to Retirement Contributions</b>
2013	\$ -	\$ -	\$ 11,365	\$ 102,383
2012	-	-	1,037	9,923
2011	-	-	-	-

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Public Safety Tier 1 – Noncontributory

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
2013	\$ -	\$ -	\$ 805,090	\$ 2,198,812
2012	-	-	684,757	2,278,632
2011	-	-	682,370	2,166,943

Utah Firefighters Retirement System Tier 1 and Tier 2

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
2013	\$ -	\$ 416,557	\$ 58,992	\$ 2,557,182
2012	-	427,824	-	2,644,155
2011	-	417,069	-	2,577,685

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 124,153	100%	\$ -
2012	105,638	100%	-
2011	109,002	100%	-

Schedule of Funding Progress for Logan City Public Safety

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (B-A)	Funded Ratios (A/B)	Covered Payroll (C)	UAAL Covered Payroll ((B-A)/C)
12/31/2012	\$ 19,911,000	\$ 27,985,000	\$ 8,074,000	71%	\$ 2,595,000	311%
1/1/2012	19,651,000	26,726,000	7,075,000	74%	2,699,000	262%
1/1/2011	19,635,000	26,230,000	6,595,000	75%	2,710,000	243%

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

457 Contributions

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions
2013	\$ 189,687	\$ -
2012	197,663	33,202
2011	220,224	107,181

401(k) Contributions

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions
2013	\$ 666,321	\$ 535,766
2012	641,526	483,789
2011	676,763	425,776

Traditional IRA Contributions

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions
2013	\$ 720	\$ -
2012	620	-
2011	200	-

Roth IRA Contributions

Fiscal Year	Employee Paid Contributions	Employer Paid for Employee Contributions
2013	\$ 12,160	\$ -
2012	13,080	-
2011	8,739	-

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 2013, the employer contributions were \$27,721.

**Note 14 – Economic Dependency**

Utah State University is a significant customer of the City's enterprise funds. During fiscal year 2013, sales to Utah State University totaled \$2,822,406.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**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, 2013, the City had incurred a liability of \$3,610,627 which represents the cost reported to date based on a 58.4 percent estimate of the landfill capacity used. Closure and post-closure costs were estimated to be \$6,187,020 in a 2013 engineering study. The 2013 study resulted in an adjustment to the landfill closure and post-closure liability by reducing the accrual by \$604,424 for prior estimated expenses accrued and an increase in the liability of \$84,235 for the current year accrual. The remaining estimated liability is \$2,576,393, 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 and variability due to various factors including but not limited to technology changes and advancements and plans relating to the future use of the site.

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

**Note 16 – Redevelopment Agency**

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

<b>Logan Downtown RDA</b>		
Revenues:		
Tax increment collected	\$	213,027
Expenditures:		
Acquisition of property		-
Site improvements		180,331
Installation of utilities		-
Administrative costs		80,787
Tax increment rebate		38,081
Debt:		
City of Logan		-



CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Logan River RDA</b>		
Revenues:		
Tax increment collected	\$	571,387
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		24,335
Tax increment rebate		-
Debt:		
Revenue bonds		1,855,000

<b>Logan South Main RDA</b>		
Revenues:		
Tax increment collected	\$	987,786
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		46,708
Tax increment rebate		321,032
Debt:		
City of Logan		-

<b>Logan Northwest RDA</b>		
Revenues:		
Tax increment collected	\$	351,805
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		15,235
Tax increment rebate		-
Debt:		
City of Logan		-

<b>Logan North Main RDA</b>		
Revenues:		
Tax increment collected	\$	94,984
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		160
Tax increment rebate		-
Debt:		
City of Logan		-

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Logan North Retail RDA</b>		
Revenues:		
Tax increment collected	\$	506,674
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		24,883
Tax increment rebate		384,105
Debt:		
City of Logan		-

<b>Logan 600 West EDA</b>		
Revenues:		
Tax increment collected	\$	681,389
Expenditures:		
Acquisition of property		-
Site improvements		-
Installation of utilities		-
Administrative costs		105,901
Tax increment rebate		303,414
Debt:		
City of Logan		-

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

Colorado River Storage Project (CRSP)

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

Intermountain Power Association (IPA)

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

Deseret Generation and Transmission Cooperative (DG&T)

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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.

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 \$68,930,000 Revenue Bonds outstanding at June 30, 2013. In addition, the City is obligated for 40.54 percent of the debt service on \$1,580,000 of debt also outstanding on this project.

UAMPS Pleasant Valley PPM Energy Wind Project

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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

**Note 19 – Fund Balances**

Fund balance is categorized as follows:

Fund Balances	General	Redevelopment Agency	Other Governmental funds	Total
Nonspendable:				
Inventory	\$ 8,026	\$ -	\$ -	\$ 8,026
Prepaid assets	17,364	-	-	17,364
Restricted for:				
Debt service	900,383	225	-	900,608
Capital activities	7,684	-	-	7,684
Streets	2,101,344	-	-	2,101,344
Law enforcement	165,985	-	3,921	169,906
Parks and recreation	-	-	18,742	18,742
Library	-	-	154,260	154,260
Redevelopment	-	4,597,375	-	4,597,375
Other	-	-	3,960	3,960
Committed to:				
Library	-	-	886,862	886,862
Recreation Center maintenance	-	-	339,483	339,483
Communications Center	-	-	1,303,332	1,303,332
Special improvements	-	-	6,796	6,796
Cemetery	-	-	397,831	397,831
Capital projects	-	-	10,807,012	10,807,012
Assigned to:				
Public works	214,875	-	-	214,875
Parks and recreation	14,002	-	-	14,002
Unassigned:	5,890,918	-	-	5,890,918
<b>Total</b>	<b>\$ 9,320,581</b>	<b>\$ 4,597,600</b>	<b>\$ 13,922,199</b>	<b>\$ 27,840,380</b>

**Note 20 – Subsequent Events**

Subsequent to year end, the City purchased property for park and trail improvements. The property was acquired with \$100,000 down and a seller financed note of \$300,000 over 3 years. The City is planning to redeem the note prior to maturity.

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Required Supplementary Information

**City of Logan  
General Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 2,979,777	\$ 2,979,777	\$ 3,050,359	\$ 70,582
Sales tax	7,705,000	7,705,000	10,912,488	3,207,488
Franchise tax	4,825,000	4,825,000	5,042,345	217,345
Licenses and permits	647,500	647,500	817,915	170,415
Intergovernmental	1,975,573	8,309,467	4,642,257	(3,667,210)
Administrative fees	3,721,405	3,721,405	3,721,405	-
Charges for services	2,746,127	2,771,022	2,980,095	209,073
Fines	1,042,460	1,042,460	985,804	(56,656)
Investment earnings	196,000	196,000	218,547	22,547
Miscellaneous	100,000	142,190	313,797	171,607
Total revenues	<u>25,938,842</u>	<u>32,339,821</u>	<u>32,685,012</u>	<u>345,191</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
Municipal council	131,012	131,012	114,381	16,631
Administration	1,045,064	1,053,864	980,357	73,507
Non-departmental	802,759	802,759	2,927,222	(2,124,463)
Finance	1,390,329	1,390,329	1,310,669	79,660
City attorney	532,453	532,453	499,160	33,293
Human resources	302,780	308,580	264,798	43,782
Community development	1,691,737	2,010,153	1,649,234	360,919
Total general government	<u>5,896,134</u>	<u>6,229,150</u>	<u>7,745,821</u>	<u>(1,516,671)</u>
Public safety:				
Police department	6,556,514	6,955,190	6,508,240	446,950
Fire department	4,857,849	4,914,439	4,774,082	140,357
Total public safety	<u>11,414,363</u>	<u>11,869,629</u>	<u>11,282,322</u>	<u>587,307</u>
Public works:				
Public works department	7,094,489	14,571,753	9,452,223	5,119,530
Total public works	<u>7,094,489</u>	<u>14,571,753</u>	<u>9,452,223</u>	<u>5,119,530</u>
Parks and recreation:				
Parks and recreation department	3,604,226	4,827,715	4,376,621	451,094
Total parks and recreation	<u>3,604,226</u>	<u>4,827,715</u>	<u>4,376,621</u>	<u>451,094</u>
Debt service:				
Principal	1,736,125	5,206,125	5,206,125	-
Interest	466,162	483,847	477,847	6,000
Debt issuance cost	-	27,315	27,315	-
Total debt service	<u>2,202,287</u>	<u>5,717,287</u>	<u>5,711,287</u>	<u>6,000</u>
Total expenditures	<u>30,211,499</u>	<u>43,215,534</u>	<u>38,568,274</u>	<u>4,647,260</u>
Revenues over (under) expenditures	<u>(4,272,657)</u>	<u>(10,875,713)</u>	<u>(5,883,262)</u>	<u>4,992,451</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,755,393	4,795,834	4,788,746	(7,088)
Transfers out	(4,681,108)	(4,682,964)	(3,031,964)	1,651,000
Debt issuance	-	3,515,000	3,515,000	-
Sale of fixed assets	-	1,856	47,350	45,494
Total other financing sources (uses)	<u>74,285</u>	<u>3,629,726</u>	<u>5,319,132</u>	<u>1,689,406</u>
Net change in fund balance	(4,198,372)	(7,245,987)	(564,130)	6,681,857
Fund balance, beginning	9,884,711	9,884,711	9,884,711	-
Fund balance, ending	<u>\$ 5,686,339</u>	<u>\$ 2,638,724</u>	<u>\$ 9,320,581</u>	<u>\$ 6,681,857</u>

**City of Logan  
Redevelopment Agency  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property tax	\$ 4,304,785	\$ 4,304,785	\$ 3,407,052	\$ (897,733)
Investment earnings	-	-	23,366	23,366
Miscellaneous	1,080	1,080	18,046	16,966
Total revenues	<u>4,305,865</u>	<u>4,305,865</u>	<u>3,448,464</u>	<u>(857,401)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	1,314,205	1,415,087	1,344,641	70,446
Debt Service:				
Principal	330,000	2,160,000	2,160,000	-
Interest	84,938	94,494	92,785	1,709
Debt issuance cost	-	15,444	15,444	-
Capital Outlay:				
Public works	1,101,007	1,135,478	180,331	955,147
Total expenditures	<u>2,830,150</u>	<u>4,820,503</u>	<u>3,793,201</u>	<u>1,027,302</u>
Revenues over (under) expenditures	<u>1,475,715</u>	<u>(514,638)</u>	<u>(344,737)</u>	<u>169,901</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt issuance	-	1,855,000	1,855,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,855,000</u>	<u>1,855,000</u>	<u>-</u>
Net change in fund balance	1,475,715	1,340,362	1,510,263	169,901
Fund balance, beginning	3,087,337	3,087,337	3,087,337	-
Fund balance, ending	<u>\$ 4,563,052</u>	<u>\$ 4,427,699</u>	<u>\$ 4,597,600</u>	<u>\$ 169,901</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 City Council holds budget workshop meetings, which are open to the public. In addition, the City Council holds a public hearing at which time taxpayer comments are heard. Copies of the proposed budget are made available for public inspection prior to the public hearing. At the conclusion of the hearings, on or before June 22nd, the budget as amended is legally adopted through the passage of a resolution.

The Uniform Fiscal Procedures Act for Utah Cities states a city may appropriate the portion of the fund balance that exceeds five percent of the estimated revenues of the general fund; however, five percent of revenues must be maintained as an emergency reserve. The state auditor's office has determined that accumulated committed, assigned, and unassigned fund balance cannot exceed 25 percent of estimated revenues. If the accumulated committed, assigned, and unassigned fund balance in the general fund exceeds 25 percent of the estimated revenues, the City is required to include that portion that exceeds 25 percent in the subsequent year's expenditure budget.

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

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

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

Supplementary Information

**City of Logan  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>ASSETS</b>										
Cash and cash equivalents	\$ 934,896	\$ 355,279	\$ -	\$ 1,154,342	\$ 6,387	\$ 397,831	\$ 26,623	\$ 8,053,824	\$ 1,810,564	\$ 12,739,746
Investments	-	-	-	-	-	-	-	999,160	-	999,160
Accounts receivable (net of allowance)	-	-	-	69,705	420,377	-	-	-	-	490,082
Property tax receivable	1,495,582	-	-	-	-	-	-	-	-	1,495,582
Interest receivable	-	-	-	-	-	-	-	389	-	389
Due from other governmental units	152,371	-	-	123,119	609	-	-	-	-	276,099
Total assets	<u>2,582,849</u>	<u>355,279</u>	<u>-</u>	<u>1,347,166</u>	<u>427,373</u>	<u>397,831</u>	<u>26,623</u>	<u>9,053,373</u>	<u>1,810,564</u>	<u>16,001,058</u>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	46,145	15,796	-	43,834	200	-	-	-	56,925	162,900
Total liabilities	<u>46,145</u>	<u>15,796</u>	<u>-</u>	<u>43,834</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,925</u>	<u>162,900</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred revenue unavailable	-	-	-	-	420,377	-	-	-	-	420,377
Deferred property tax revenue	1,495,582	-	-	-	-	-	-	-	-	1,495,582
Total deferred inflows of resources	<u>1,495,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,915,959</u>
<b>FUND BALANCES</b>										
Restricted	154,260	-	-	-	-	-	26,623	-	-	180,883
Committed	886,862	339,483	-	1,303,332	6,796	397,831	-	9,053,373	1,753,639	13,741,316
Total fund balances	<u>1,041,122</u>	<u>339,483</u>	<u>-</u>	<u>1,303,332</u>	<u>6,796</u>	<u>397,831</u>	<u>26,623</u>	<u>9,053,373</u>	<u>1,753,639</u>	<u>13,922,199</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,582,849</u>	<u>\$ 355,279</u>	<u>\$ -</u>	<u>\$ 1,347,166</u>	<u>\$ 427,373</u>	<u>\$ 397,831</u>	<u>\$ 26,623</u>	<u>\$ 9,053,373</u>	<u>\$ 1,810,564</u>	<u>\$ 16,001,058</u>

**City of Logan**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2013**

	Library	Recreation Center Maintenance	Willow Park Zoo	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>REVENUES</b>										
Property tax	\$ 1,704,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,704,589
Franchise tax	-	-	-	737,761	-	-	-	-	-	737,761
Intergovernmental	22,892	210,708	166,819	17,025	-	-	-	-	-	417,444
Charges for services	15,104	-	368	889,818	-	22,205	-	-	-	927,495
Fines	51,479	-	-	-	-	-	-	-	-	51,479
Investment earnings	4,777	1,960	503	6,771	131	2,441	-	57,310	7,884	81,777
Miscellaneous	38,394	173	42,585	71,994	64,478	-	37,262	-	-	254,886
Total revenues	<u>1,837,235</u>	<u>212,841</u>	<u>210,275</u>	<u>1,723,369</u>	<u>64,609</u>	<u>24,646</u>	<u>37,262</u>	<u>57,310</u>	<u>7,884</u>	<u>4,175,431</u>
<b>EXPENDITURES</b>										
Current:										
Public safety	-	-	-	1,692,597	-	-	-	-	-	1,692,597
Public works	-	-	-	-	3,349	-	-	-	-	3,349
Parks, recreation and culture	1,681,496	410,988	347,407	-	-	-	-	-	-	2,439,891
Capital outlay:										
Public safety	-	-	-	11,679	-	-	-	148,064	198,042	357,785
Public works	-	-	-	-	-	-	-	75,262	299,575	374,837
Parks, recreation and culture	-	11,065	-	-	-	-	-	-	45,130	56,195
Total expenditures	<u>1,681,496</u>	<u>422,053</u>	<u>347,407</u>	<u>1,704,276</u>	<u>3,349</u>	<u>-</u>	<u>-</u>	<u>223,326</u>	<u>542,747</u>	<u>4,924,654</u>
Revenues over (under) expenditures	<u>155,739</u>	<u>(209,212)</u>	<u>(137,132)</u>	<u>19,093</u>	<u>61,260</u>	<u>24,646</u>	<u>37,262</u>	<u>(166,016)</u>	<u>(534,863)</u>	<u>(749,223)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	271,108	46,206	-	-	20,000	-	1,800,000	940,856	3,078,170
Transfers out	-	-	(15,001)	-	(58,979)	-	(71,132)	-	-	(145,112)
Total other financing sources (uses)	<u>-</u>	<u>271,108</u>	<u>31,205</u>	<u>-</u>	<u>(58,979)</u>	<u>20,000</u>	<u>(71,132)</u>	<u>1,800,000</u>	<u>940,856</u>	<u>2,933,058</u>
Net change in fund balances	155,739	61,896	(105,927)	19,093	2,281	44,646	(33,870)	1,633,984	405,993	2,183,835
Fund balances - beginning	885,383	277,587	105,927	1,284,239	4,515	353,185	60,493	7,419,389	1,347,646	11,738,364
Fund balances - ending	<u>\$ 1,041,122</u>	<u>\$ 339,483</u>	<u>\$ -</u>	<u>\$ 1,303,332</u>	<u>\$ 6,796</u>	<u>\$ 397,831</u>	<u>\$ 26,623</u>	<u>\$ 9,053,373</u>	<u>\$ 1,753,639</u>	<u>\$ 13,922,199</u>

**City of Logan  
Library Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property tax	\$ 1,674,885	\$ 1,674,885	\$ 1,704,589	\$ 29,704
Intergovernmental	-	22,892	22,892	-
Charges for services	6,000	6,000	15,104	9,104
Fines	53,000	53,000	51,479	(1,521)
Investment earnings	10,000	10,000	4,777	(5,223)
Miscellaneous	5,000	5,000	38,394	33,394
Total revenues	<u>1,748,885</u>	<u>1,771,777</u>	<u>1,837,235</u>	<u>65,458</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	1,760,533	1,783,425	1,681,496	101,929
Total expenditures	<u>1,760,533</u>	<u>1,783,425</u>	<u>1,681,496</u>	<u>101,929</u>
Revenues over (under) expenditures	<u>(11,648)</u>	<u>(11,648)</u>	<u>155,739</u>	<u>167,387</u>
Net change in fund balance	(11,648)	(11,648)	155,739	167,387
Fund balance, beginning	885,383	885,383	885,383	-
Fund balance, ending	<u>\$ 873,735</u>	<u>\$ 873,735</u>	<u>\$ 1,041,122</u>	<u>\$ 167,387</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 210,708	\$ 210,708	\$ 210,708	\$ -
Investment earnings	504	504	1,960	1,456
Miscellaneous	6,193	6,193	173	(6,020)
Total revenues	<u>217,405</u>	<u>217,405</u>	<u>212,841</u>	<u>(4,564)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	466,922	466,922	410,988	55,934
Parks, recreation and culture	20,000	20,000	11,065	8,935
Total expenditures	<u>486,922</u>	<u>486,922</u>	<u>422,053</u>	<u>64,869</u>
Revenues over (under) expenditures	<u>(269,517)</u>	<u>(269,517)</u>	<u>(209,212)</u>	<u>60,305</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	271,108	271,108	271,108	-
Total other financing sources (uses)	<u>271,108</u>	<u>271,108</u>	<u>271,108</u>	<u>-</u>
Net change in fund balance	1,591	1,591	61,896	60,305
Fund balance, beginning	277,587	277,587	277,587	-
Fund balance, ending	<u>\$ 279,178</u>	<u>\$ 279,178</u>	<u>\$ 339,483</u>	<u>\$ 60,305</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, 2013**

	<b>Budget</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 166,819	\$ (13,181)
Charges for services	-	-	368	368
Investment earnings	-	-	503	503
Miscellaneous	45,100	45,100	42,585	(2,515)
Total revenues	<u>225,100</u>	<u>225,100</u>	<u>210,275</u>	<u>(14,825)</u>
<b>EXPENDITURES</b>				
Current:				
Parks, recreation and culture	292,751	448,751	347,407	101,344
Total expenditures	<u>292,751</u>	<u>448,751</u>	<u>347,407</u>	<u>101,344</u>
Revenues over (under) expenditures	<u>(67,651)</u>	<u>(223,651)</u>	<u>(137,132)</u>	<u>86,519</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	50,000	46,206	(3,794)
Transfers out	-	(15,001)	(15,001)	-
Total other financing sources (uses)	<u>-</u>	<u>34,999</u>	<u>31,205</u>	<u>(3,794)</u>
Net change in fund balance	(67,651)	(188,652)	(105,927)	82,725
Fund balance, beginning	105,927	105,927	105,927	-
Fund balance, ending	<u>\$ 38,276</u>	<u>\$ (82,725)</u>	<u>\$ -</u>	<u>\$ 82,725</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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Franchise tax	\$ 736,000	\$ 736,000	\$ 737,761	\$ 1,761
Intergovernmental	15,000	15,549	17,025	1,476
Charges for services	952,000	880,000	889,818	9,818
Investment earnings	7,021	7,021	6,771	(250)
Miscellaneous	1,000	73,000	71,994	(1,006)
Total revenues	<u>1,711,021</u>	<u>1,711,570</u>	<u>1,723,369</u>	<u>11,799</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,783,604	1,812,553	1,692,597	119,956
Capital outlay:				
Public safety	65,000	36,600	11,679	24,921
Total expenditures	<u>1,848,604</u>	<u>1,849,153</u>	<u>1,704,276</u>	<u>144,877</u>
Revenues over (under) expenditures	<u>(137,583)</u>	<u>(137,583)</u>	<u>19,093</u>	<u>156,676</u>
Net change in fund balance	(137,583)	(137,583)	19,093	156,676
Fund balance, beginning	1,284,239	1,284,239	1,284,239	-
Fund balance, ending	<u>\$ 1,146,656</u>	<u>\$ 1,146,656</u>	<u>\$ 1,303,332</u>	<u>\$ 156,676</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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 131	\$ 131
Miscellaneous	71,053	71,053	64,478	(6,575)
Total revenues	<u>71,053</u>	<u>71,053</u>	<u>64,609</u>	<u>(6,444)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	5,500	5,500	3,349	2,151
Total expenditures	<u>5,500</u>	<u>5,500</u>	<u>3,349</u>	<u>2,151</u>
Revenues over (under) expenditures	<u>65,553</u>	<u>65,553</u>	<u>61,260</u>	<u>(4,293)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(65,553)	(65,553)	(58,979)	6,574
Total other financing sources (uses)	<u>(65,553)</u>	<u>(65,553)</u>	<u>(58,979)</u>	<u>6,574</u>
Net change in fund balance	-	-	2,281	2,281
Fund balance, beginning	4,515	4,515	4,515	-
Fund balance, ending	<u>\$ 4,515</u>	<u>\$ 4,515</u>	<u>\$ 6,796</u>	<u>\$ 2,281</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, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 22,205	\$ 22,205
Investment earnings	-	-	2,441	2,441
Total revenues	-	-	24,646	24,646
Revenues over (under) expenditures	-	-	24,646	24,646
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Net change in fund balance	20,000	20,000	44,646	24,646
Fund balance, beginning	353,185	353,185	353,185	-
Fund balance, ending	<u>\$ 373,185</u>	<u>\$ 373,185</u>	<u>\$ 397,831</u>	<u>\$ 24,646</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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 37,262	\$ 37,262
Total revenues	<u>-</u>	<u>-</u>	<u>37,262</u>	<u>37,262</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>37,262</u>	<u>37,262</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(75,440)	(71,132)	4,308
Total other financing sources (uses)	<u>-</u>	<u>(75,440)</u>	<u>(71,132)</u>	<u>4,308</u>
Net change in fund balance	-	(75,440)	(33,870)	41,570
Fund balance, beginning	60,493	60,493	60,493	-
Fund balance, ending	<u>\$ 60,493</u>	<u>\$ (14,947)</u>	<u>\$ 26,623</u>	<u>\$ 41,570</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, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 8,020	\$ -	\$ (8,020)
Investment earnings	-	-	57,310	57,310
Total revenues	<u>-</u>	<u>8,020</u>	<u>57,310</u>	<u>49,290</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Public safety	-	148,065	148,064	1
Public works	2,000,000	2,677,554	75,262	2,602,292
Parks, recreation and culture	-	8,020	-	8,020
Total expenditures	<u>2,000,000</u>	<u>2,833,639</u>	<u>223,326</u>	<u>2,610,313</u>
Revenues over (under) expenditures	<u>(2,000,000)</u>	<u>(2,825,619)</u>	<u>(166,016)</u>	<u>2,659,603</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>2,940,000</u>	<u>2,940,000</u>	<u>1,800,000</u>	<u>(1,140,000)</u>
Total other financing sources (uses)	<u>2,940,000</u>	<u>2,940,000</u>	<u>1,800,000</u>	<u>(1,140,000)</u>
Net change in fund balance	940,000	114,381	1,633,984	1,519,603
Fund balance, beginning	<u>7,419,389</u>	<u>7,419,389</u>	<u>7,419,389</u>	<u>-</u>
Fund balance, ending	<u>\$ 8,359,389</u>	<u>\$ 7,533,770</u>	<u>\$ 9,053,373</u>	<u>\$ 1,519,603</u>

**City of Logan**  
**Capital Equipment Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 7,884	\$ 7,884
Total revenues	<u>-</u>	<u>-</u>	<u>7,884</u>	<u>7,884</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Public safety	150,000	203,349	198,042	5,307
Public works	250,000	300,000	299,575	425
Parks, recreation and culture	50,000	50,000	45,130	4,870
Total expenditures	<u>450,000</u>	<u>553,349</u>	<u>542,747</u>	<u>10,602</u>
Revenues over (under) expenditures	<u>(450,000)</u>	<u>(553,349)</u>	<u>(534,863)</u>	<u>18,486</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,450,000	1,451,856	940,856	(511,000)
Total other financing sources (uses)	<u>1,450,000</u>	<u>1,451,856</u>	<u>940,856</u>	<u>(511,000)</u>
Net change in fund balance	1,000,000	898,507	405,993	(492,514)
Fund balance, beginning	1,347,646	1,347,646	1,347,646	-
Fund balance, ending	<u>\$ 2,347,646</u>	<u>\$ 2,246,153</u>	<u>\$ 1,753,639</u>	<u>\$ (492,514)</u>

**City of Logan**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**

	<u>Information Technology</u>	<u>Risk Management</u>	<u>Health Management</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 843,551	\$ 1,745,496	\$ 1,360,501	\$ 3,949,548
Prepaid assets	90,719	14,037	-	104,756
Total current assets	<u>934,270</u>	<u>1,759,533</u>	<u>1,360,501</u>	<u>4,054,304</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation:				
Equipment	70,864	21,862	-	92,726
Total noncurrent assets	<u>70,864</u>	<u>21,862</u>	<u>-</u>	<u>92,726</u>
Total assets	<u>1,005,134</u>	<u>1,781,395</u>	<u>1,360,501</u>	<u>4,147,030</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	48,082	124,444	497,218	669,744
Compensated absences	26,392	8,595	-	34,987
Total current liabilities	<u>74,474</u>	<u>133,039</u>	<u>497,218</u>	<u>704,731</u>
Noncurrent liabilities:				
Compensated absences	7,906	2,575	-	10,481
Total noncurrent liabilities	<u>7,906</u>	<u>2,575</u>	<u>-</u>	<u>10,481</u>
Total liabilities	<u>82,380</u>	<u>135,614</u>	<u>497,218</u>	<u>715,212</u>
<b>NET POSITION</b>				
Net investment in capital assets	70,864	21,862	-	92,726
Unrestricted	851,890	1,623,919	863,283	3,339,092
Total net position	<u>\$ 922,754</u>	<u>\$ 1,645,781</u>	<u>\$ 863,283</u>	<u>\$ 3,431,818</u>

**City of Logan**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2013**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
Operating revenues:				
Charges for services	\$ 1,106,898	\$ 1,195,141	\$ 3,505,892	\$ 5,807,931
Miscellaneous	8,550	-	17,207	25,757
Total operating revenues	<u>1,115,448</u>	<u>1,195,141</u>	<u>3,523,099</u>	<u>5,833,688</u>
Operating expenses:				
Salaries and wages	496,680	257,510	-	754,190
Operating and maintenance	501,787	728,189	3,635,001	4,864,977
Depreciation and amortization	72,239	2,623	-	74,862
Total operating expenses	<u>1,070,706</u>	<u>988,322</u>	<u>3,635,001</u>	<u>5,694,029</u>
Operating income (loss)	<u>44,742</u>	<u>206,819</u>	<u>(111,902)</u>	<u>139,659</u>
Nonoperating revenues (expenses):				
Investment earnings	4,359	9,373	9,528	23,260
Gain (loss) on sale of assets	(50,200)	-	-	(50,200)
Total nonoperating revenue (expense)	<u>(45,841)</u>	<u>9,373</u>	<u>9,528</u>	<u>(26,940)</u>
Change in net position	(1,099)	216,192	(102,374)	112,719
Total net position, beginning	923,853	1,429,589	965,657	3,319,099
Total net position, ending	<u>\$ 922,754</u>	<u>\$ 1,645,781</u>	<u>\$ 863,283</u>	<u>\$ 3,431,818</u>

**City of Logan**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2013**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 1,115,448	\$ 1,195,141	\$ 3,523,099	\$ 5,833,688
Payments for services and supplies	(1,073,619)	(968,284)	(3,721,499)	(5,763,402)
Net cash provided (used) by operating activities	<u>41,829</u>	<u>226,857</u>	<u>(198,400)</u>	<u>70,286</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Purchases of capital assets	(22,826)	-	-	(22,826)
Net cash provided (used) by capital and related financing activities	<u>(22,826)</u>	<u>-</u>	<u>-</u>	<u>(22,826)</u>
<b>Cash Flows From Investing Activities</b>				
Interest and dividends received	4,359	9,373	9,528	23,260
Net cash provided (used) by investing activities	<u>4,359</u>	<u>9,373</u>	<u>9,528</u>	<u>23,260</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	23,362	236,230	(188,872)	70,720
<b>Cash and cash equivalents - beginning</b>	820,189	1,509,266	1,549,373	3,878,828
<b>Cash and cash equivalents - ending</b>	<u>843,551</u>	<u>1,745,496</u>	<u>1,360,501</u>	<u>3,949,548</u>
<b>Shown in the financial statements as:</b>				
Cash and cash equivalents	843,551	1,745,496	1,360,501	3,949,548
<b>Total</b>	<u>843,551</u>	<u>1,745,496</u>	<u>1,360,501</u>	<u>3,949,548</u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	44,742	206,819	(111,902)	139,659
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	72,239	2,623	-	74,862
(Increase) decrease in inventories and prepaids	-	(14,037)	-	(14,037)
Increase (decrease) in accounts payable	(75,152)	31,452	(86,498)	(130,198)
Total adjustments	<u>(2,913)</u>	<u>20,038</u>	<u>(86,498)</u>	<u>(69,373)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 41,829</u>	<u>\$ 226,857</u>	<u>\$ (198,400)</u>	<u>\$ 70,286</u>



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## **Statistical Section**

(Unaudited)

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

### Financial Trends

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

### Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

**City of Logan**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 35,630,820	\$ 33,827,064	\$ 33,547,443	\$ 32,063,095	\$ 37,017,827	\$ 44,175,005	\$ 45,458,112	\$ 46,646,658	\$ 49,858,785	\$ 54,075,787
Restricted	744,598	3,407,503	4,395,122	5,490,087	4,309,531	5,527,716	4,374,963	6,040,894	7,500,583	7,953,879
Unrestricted	(1,887,474)	2,080,296	7,375,465	11,661,764	13,066,078	8,821,025	13,765,957	16,403,797	17,983,316	20,848,581
Total governmental activities net position	<u>34,487,944</u>	<u>39,314,863</u>	<u>45,318,030</u>	<u>49,214,946</u>	<u>54,393,436</u>	<u>58,523,746</u>	<u>63,599,032</u>	<u>69,091,349</u>	<u>75,342,684</u>	<u>82,878,247</u>
Business-type activities										
Net investment in capital assets	47,723,085	53,030,441	54,218,641	60,912,030	69,182,015	70,349,483	70,772,026	83,696,041	93,455,269	108,908,112
Restricted	4,127,056	3,515,899	3,369,056	3,645,224	5,253,402	5,325,737	5,511,717	5,447,511	5,171,222	3,393,512
Unrestricted	4,238,336	4,967,851	11,534,517	13,913,031	19,606,826	30,984,227	40,193,186	42,341,386	52,823,950	58,024,074
Total business-type activities net position	<u>56,088,477</u>	<u>61,514,191</u>	<u>69,122,214</u>	<u>78,470,285</u>	<u>94,042,243</u>	<u>106,659,447</u>	<u>116,476,929</u>	<u>131,484,938</u>	<u>151,450,441</u>	<u>170,325,698</u>
Primary government										
Net investment in capital assets	83,353,905	86,857,505	87,766,084	92,975,125	106,199,842	114,524,488	116,230,138	130,342,699	143,314,054	162,983,899
Restricted	4,871,654	6,923,402	7,764,178	9,135,311	9,562,933	10,853,453	9,886,680	11,488,405	12,671,805	11,347,391
Unrestricted	2,350,862	7,048,147	18,909,982	25,574,795	32,672,904	39,805,252	53,959,143	58,745,183	70,807,266	78,872,655
Total primary government net position	<u>\$90,576,421</u>	<u>\$ 100,829,054</u>	<u>\$ 114,440,244</u>	<u>\$ 127,685,231</u>	<u>\$ 148,435,679</u>	<u>\$ 165,183,193</u>	<u>\$ 180,075,961</u>	<u>\$ 200,576,287</u>	<u>\$ 226,793,125</u>	<u>\$ 253,203,945</u>

**City of Logan  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

<b>Expenses</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Governmental activities:</b>										
General government	\$ 3,576,623	\$ 4,610,847	\$ 4,154,311	\$ 4,030,030	\$ 4,167,912	\$ 4,066,767	\$ 4,401,387	\$ 4,536,569	\$ 3,953,843	\$ 6,247,213
Public safety	11,726,379	10,431,786	10,645,906	11,708,483	11,904,427	16,068,594	12,952,205	13,410,929	13,433,511	13,867,644
Public works	10,731,937	9,483,377	9,218,137	8,917,654	6,698,981	6,163,514	5,991,429	5,618,065	6,067,097	6,424,605
Parks, recreation and culture	5,792,722	5,695,681	5,513,037	5,880,219	5,972,206	6,021,405	5,932,225	6,157,606	6,214,439	6,550,335
Interest on long-term debt	995,108	995,073	883,013	1,066,533	937,438	897,827	807,867	722,554	632,193	720,587
<b>Total governmental activities expenses</b>	<b>32,822,769</b>	<b>31,216,764</b>	<b>30,414,404</b>	<b>31,602,919</b>	<b>29,680,964</b>	<b>33,218,107</b>	<b>30,085,113</b>	<b>30,445,723</b>	<b>30,301,083</b>	<b>33,810,384</b>
<b>Business-type activities:</b>										
Water and sewer	4,453,375	4,984,878	5,329,864	5,995,831	5,956,156	6,391,287	7,341,611	6,479,924	6,720,139	6,605,621
Sewer treatment	1,507,918	1,592,069	1,516,309	1,323,435	1,678,112	1,838,810	1,971,969	1,683,595	1,461,239	2,047,329
Electric	25,218,929	26,661,065	28,154,670	27,057,794	28,509,970	26,954,988	27,836,906	29,339,903	27,857,228	29,529,767
Environmental health	5,792,364	6,437,766	6,832,097	8,406,574	7,363,667	7,630,579	7,213,824	8,015,044	7,391,826	7,606,099
Storm water management	122,146	31,156	146,376	268,693	416,460	653,373	652,774	595,459	583,300	636,962
Golf course	962,228	1,067,436	950,401	964,478	1,039,064	1,082,298	990,145	910,292	977,285	1,058,746
<b>Total business-type activities expenses</b>	<b>38,056,960</b>	<b>40,774,370</b>	<b>42,929,717</b>	<b>44,016,805</b>	<b>44,963,429</b>	<b>44,551,335</b>	<b>46,007,229</b>	<b>47,024,217</b>	<b>44,991,017</b>	<b>47,484,524</b>
<b>Total primary government expenses</b>	<b>70,879,729</b>	<b>71,991,134</b>	<b>73,344,121</b>	<b>75,619,724</b>	<b>74,644,393</b>	<b>77,769,442</b>	<b>76,092,342</b>	<b>77,469,940</b>	<b>75,292,100</b>	<b>81,294,908</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	1,014,502	1,696,466	2,442,210	2,156,641	2,225,184	1,840,998	1,805,623	1,692,739	1,763,563	1,896,727
Public safety	3,080,412	3,024,525	3,072,579	2,522,034	2,542,265	2,707,185	2,663,369	2,695,818	2,727,867	2,743,666
Public works	828,585	99,141	108,824	77,599	65,795	76,508	245,452	73,739	50,393	60,383
Parks, recreation and culture	1,440,889	1,198,062	1,137,552	1,064,335	959,230	833,265	762,949	904,952	1,095,948	1,062,012
Operating grants and contributions	3,122,508	2,347,991	3,624,830	3,731,879	3,432,063	5,633,575	2,910,345	2,635,966	2,542,203	4,337,900
Capital grants and contributions	1,087,746	4,616,339	1,759,227	1,901,121	2,646,992	1,081,431	602,962	575,446	907,301	202,703
<b>Total governmental activities program revenues</b>	<b>10,574,642</b>	<b>12,982,524</b>	<b>12,145,222</b>	<b>11,453,609</b>	<b>11,871,529</b>	<b>12,172,962</b>	<b>8,990,700</b>	<b>8,578,660</b>	<b>9,087,275</b>	<b>10,303,391</b>
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer	7,419,420	7,141,975	8,053,733	9,232,454	9,175,918	9,422,487	9,020,423	9,415,093	9,843,352	11,517,493
Sewer treatment	2,788,190	2,933,363	3,314,190	3,615,552	3,812,998	3,746,692	4,009,174	5,959,987	6,272,841	6,155,411
Electric	28,649,795	28,655,369	31,994,373	32,831,865	35,123,701	33,511,951	33,093,119	34,991,678	37,373,422	38,132,147
Environmental health	7,305,379	8,060,982	8,778,028	10,587,302	11,029,581	10,839,020	10,686,702	10,974,250	11,492,784	11,414,276
Storm water management	-	-	917,264	1,093,681	1,222,361	1,223,386	1,169,523	1,208,046	1,550,770	1,909,928
Golf course	806,988	792,129	854,770	927,906	942,152	929,632	845,998	716,924	725,067	817,084
Operating grants and contributions	217	-	4,100	5,089	5,190	-	-	26,840	1,467,346	650,281
Capital grants and contributions	958,158	465,695	851,185	613,893	4,852,635	1,027,388	591,720	2,414,117	-	-
<b>Total business-type activities program revenues</b>	<b>47,928,147</b>	<b>48,049,513</b>	<b>54,767,643</b>	<b>58,907,742</b>	<b>66,164,536</b>	<b>60,700,556</b>	<b>59,416,659</b>	<b>65,706,935</b>	<b>68,725,582</b>	<b>70,596,620</b>
<b>Total primary government program revenue</b>	<b>58,502,789</b>	<b>61,032,037</b>	<b>66,912,865</b>	<b>70,361,351</b>	<b>78,036,065</b>	<b>72,873,518</b>	<b>68,407,359</b>	<b>74,285,595</b>	<b>77,812,857</b>	<b>80,900,011</b>
<b>Net (expense) revenue</b>	<b>(22,248,127)</b>	<b>(18,234,240)</b>	<b>(18,269,182)</b>	<b>(20,149,310)</b>	<b>(17,809,435)</b>	<b>(21,045,145)</b>	<b>(21,094,413)</b>	<b>(21,867,063)</b>	<b>(21,213,808)</b>	<b>(23,506,993)</b>
<b>Governmental activities</b>	<b>(9,871,187)</b>	<b>(7,275,143)</b>	<b>(11,837,926)</b>	<b>(14,890,937)</b>	<b>(21,201,107)</b>	<b>(16,149,221)</b>	<b>(13,409,430)</b>	<b>(18,682,718)</b>	<b>(23,734,565)</b>	<b>(23,112,096)</b>
<b>Business-type activities</b>	<b>(12,376,940)</b>	<b>(10,959,097)</b>	<b>(6,431,256)</b>	<b>(5,258,373)</b>	<b>(3,391,672)</b>	<b>(4,895,924)</b>	<b>(7,684,983)</b>	<b>(3,184,345)</b>	<b>2,520,757</b>	<b>(394,897)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property tax	4,588,551	4,906,390	4,717,759	5,515,223	6,243,004	6,615,903	7,311,000	7,659,716	7,832,162	8,162,000
Sales tax	8,374,627	8,701,002	9,656,503	9,790,578	8,588,366	7,801,445	7,278,283	7,638,622	8,298,419	10,912,488
Franchise tax	3,495,973	4,406,748	4,549,254	5,494,567	5,544,044	5,486,849	5,795,555	5,890,063	5,572,982	5,780,106
Unrestricted grants and contributions	658,743	202,675	78,334	171,205	-	-	986,052	966,669	532,429	605,042
Unrestricted investment earnings	-	99,548	411,453	872,221	777,448	473,635	405,243	344,296	445,475	346,950
Miscellaneous	1,347,804	2,803,611	485,882	411,034	778,342	459,727	259,746	710,155	477,623	546,130
Gain (loss) on sale of assets	-	-	143,261	133,456	(240,273)	124,616	-	64,315	103,970	-
Special item	-	-	-	(2,419,473)	(2,693,766)	-	-	-	-	-
Transfers	4,397,235	1,941,185	4,229,903	4,077,415	3,990,760	4,213,280	4,133,820	4,085,544	4,202,083	4,689,840
<b>Total general revenues and transfers</b>	<b>22,862,933</b>	<b>23,061,159</b>	<b>24,272,349</b>	<b>24,046,226</b>	<b>22,987,925</b>	<b>25,175,455</b>	<b>26,169,699</b>	<b>27,359,380</b>	<b>27,465,143</b>	<b>31,042,556</b>
<b>Business-type activities:</b>										
Unrestricted investment earnings	695,747	91,756	-	-	861,611	681,263	541,872	410,835	433,021	453,001
Special item	-	-	-	-	(2,500,000)	-	-	-	-	-
Transfers	(4,397,235)	(1,941,185)	(4,229,903)	(4,077,415)	(3,990,760)	(4,213,280)	(4,133,280)	(4,085,544)	(4,202,083)	(4,689,840)
<b>Total general revenues and transfers</b>	<b>(3,701,488)</b>	<b>(1,849,429)</b>	<b>(4,229,903)</b>	<b>(4,077,415)</b>	<b>(5,629,149)</b>	<b>(3,532,017)</b>	<b>(3,591,408)</b>	<b>(3,674,709)</b>	<b>(3,769,062)</b>	<b>(4,236,839)</b>
<b>Total primary government</b>	<b>19,161,445</b>	<b>21,211,730</b>	<b>20,042,446</b>	<b>19,968,811</b>	<b>17,358,776</b>	<b>21,643,438</b>	<b>22,577,751</b>	<b>23,684,671</b>	<b>23,696,081</b>	<b>26,805,717</b>
<b>Change in Net Position</b>										
<b>Governmental activities</b>	614,806	4,826,919	6,003,167	3,896,916	5,178,490	4,130,310	5,075,286	5,492,317	6,251,335	7,535,563
<b>Business-type activities</b>	6,169,699	5,425,714	7,608,023	10,813,522	15,571,958	12,617,204	9,817,482	15,008,009	19,965,503	18,875,257
<b>Total primary government</b>	<b>\$ 6,784,505</b>	<b>\$ 10,252,633</b>	<b>\$ 13,611,190</b>	<b>\$ 14,710,438</b>	<b>\$ 20,750,448</b>	<b>\$ 16,747,514</b>	<b>\$ 14,892,768</b>	<b>\$ 20,500,326</b>	<b>\$ 26,216,838</b>	<b>\$ 26,410,820</b>

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
2004	\$ 3,429,923	\$10,675,052	\$ 3,495,973	\$ 17,600,948
2005	3,586,748	11,091,079	4,406,748	19,084,575
2006	3,116,869	12,309,046	4,549,254	19,975,169
2007	3,836,056	12,479,950	5,494,567	21,810,573
2008	4,199,800	10,947,503	5,544,044	20,691,347
2009	4,205,723	9,887,453	5,486,849	19,580,025
2010	4,504,947	9,362,208	5,795,555	19,662,710
2011	4,567,407	9,806,929	5,890,063	20,264,399
2012	4,673,902	10,465,884	5,572,982	20,712,768
2013	4,754,948	10,912,488	5,780,106	21,447,542

Excludes redevelopment agency revenue.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund			
Nonspendable	\$ 840,464	\$ 243,122	\$ 25,390
Restricted	4,056,096	4,203,487	3,175,396
Committed	-	-	-
Assigned	56,690	165,727	228,877
Unassigned	5,608,584	5,272,375	5,890,918
Total general fund	<u>\$ 10,561,834</u>	<u>\$ 9,884,711</u>	<u>\$ 9,320,581</u>
Other governmental funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	1,984,798	3,297,096	4,778,483
Committed	9,121,795	11,528,605	13,741,316
Assigned	-	-	-
Unassigned	-	-	-
Total other governmental funds	<u>\$ 11,106,593</u>	<u>\$ 14,825,701</u>	<u>\$ 18,519,799</u>

**Note:**

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 16,459,151	\$ 18,014,140	\$ 18,923,516	\$ 20,800,368	\$ 20,375,414	\$ 19,904,197	\$ 20,384,838	\$ 21,188,401	\$ 21,703,563	\$ 24,854,594
Licenses and permits	1,004,591	884,225	1,444,976	957,844	1,118,841	709,501	743,139	691,361	737,553	817,915
Intergovernmental	4,926,897	4,954,586	4,591,346	4,069,543	3,332,786	5,678,084	4,105,042	3,740,301	3,981,933	5,059,701
Administrative fees	1,782,501	1,783,657	2,961,293	3,265,018	3,458,632	3,798,803	3,387,372	3,660,116	3,634,787	3,721,405
Charges for services	4,268,518	4,441,728	4,318,955	3,663,968	3,567,290	3,616,958	3,671,770	3,714,101	3,918,546	3,907,590
Fines	914,074	840,504	997,234	1,198,797	1,106,343	1,131,497	1,062,484	961,786	981,672	1,037,283
Investment earnings	65,363	92,415	387,531	837,831	744,760	456,407	397,424	333,489	422,447	323,690
Miscellaneous	480,460	467,084	1,056,537	772,245	791,959	660,266	508,301	635,005	900,672	586,729
<b>Total revenues</b>	<b>29,901,555</b>	<b>31,478,339</b>	<b>34,681,388</b>	<b>35,565,614</b>	<b>34,496,025</b>	<b>35,955,713</b>	<b>34,260,370</b>	<b>34,924,560</b>	<b>36,281,173</b>	<b>40,308,907</b>
<b>Expenditures</b>										
General government	4,428,880	5,453,694	5,611,918	5,667,274	5,776,064	5,326,007	5,567,149	5,732,128	5,371,158	7,566,779
Public safety	9,765,686	9,544,277	9,750,187	10,775,683	11,139,350	14,995,245	12,206,474	12,398,704	12,671,751	12,874,909
Public works	7,608,933	7,678,762	7,891,821	8,587,871	7,307,112	7,277,794	6,927,667	6,793,448	7,182,029	7,469,884
Parks, recreation and culture	5,172,578	5,195,385	5,040,564	5,374,378	5,527,458	5,433,027	5,426,351	5,483,747	5,599,368	5,873,092
Debt service:										
Principal	1,335,597	1,915,658	2,231,709	1,940,785	2,406,557	2,184,881	2,040,273	2,153,371	2,103,709	7,366,125
Interest	638,250	1,043,139	770,638	973,628	925,895	850,421	798,514	717,788	637,340	570,632
Debt issuance cost	273,405	-	114,371	36,000	-	-	-	-	-	42,759
Capital outlay	6,252,762	3,194,890	2,021,589	3,993,804	5,807,241	9,360,410	2,150,837	1,740,914	3,971,989	5,521,949
<b>Total expenditures</b>	<b>35,476,091</b>	<b>34,025,805</b>	<b>33,432,797</b>	<b>37,349,423</b>	<b>38,889,677</b>	<b>45,427,785</b>	<b>35,117,265</b>	<b>35,020,100</b>	<b>37,537,344</b>	<b>47,286,129</b>
Excess (deficiency) of revenues over (under) expenditures	(5,574,536)	(2,547,466)	1,248,591	(1,783,809)	(4,393,652)	(9,472,072)	(856,895)	(95,540)	(1,256,171)	(6,977,222)
<b>Other Financing sources (uses)</b>										
Transfers in	8,369,117	6,487,977	5,889,587	8,493,503	11,134,628	6,958,446	7,360,633	8,174,916	8,934,742	7,866,916
Transfers out	(2,477,759)	(4,246,792)	(1,659,684)	(4,416,088)	(7,143,868)	(2,745,166)	(3,158,610)	(4,089,372)	(4,732,659)	(3,177,076)
Debt issuance	15,366,101	269,387	7,013,000	3,775,000	275,000	923,634	-	-	-	5,370,000
Debt premium	-	-	259,265	-	-	-	-	-	-	-
Debt refinancing	(10,638,043)	-	(6,961,526)	-	-	-	-	-	-	-
Sale of capital assets	184,165	95,339	1,029,000	167,834	24,073	116,000	370,191	56,285	96,073	47,350
<b>Total other financing sources and uses</b>	<b>10,803,581</b>	<b>2,605,911</b>	<b>5,569,642</b>	<b>8,020,249</b>	<b>4,289,833</b>	<b>5,252,914</b>	<b>4,572,214</b>	<b>4,141,829</b>	<b>4,298,156</b>	<b>10,107,190</b>
Special item	-	-	-	(620,966)	-	1,085,251	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 5,229,045</b>	<b>\$ 58,445</b>	<b>\$ 6,818,233</b>	<b>\$ 5,615,474</b>	<b>\$ (103,819)</b>	<b>\$ (3,133,907)</b>	<b>\$ 3,715,319</b>	<b>\$ 4,046,289</b>	<b>\$ 3,041,985</b>	<b>\$ 3,129,968</b>
Debt service as a percentage of noncapital expenditures	7.69%	9.60%	9.92%	8.85%	10.07%	8.42%	8.61%	8.63%	8.17%	19.11%

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

Fiscal year	City of Logan			Cache County		Botanical, Cultural, Zoo	State of Utah	Total
	Local Option (2)	Transit (3)	Subtotal: Direct Rate	County Option	County Transportation			
2004	1.00%	0.25%	1.25%	0.25%	0.00%	0.10%	4.75%	6.35%
2005	1.00%	0.25%	1.25%	0.25%	0.00%	0.10%	4.75%	6.35%
2006	1.00%	0.25%	1.25%	0.25%	0.00%	0.10%	4.75%	6.35%
2007	1.00%	0.25%	1.25%	0.25%	0.00%	0.10%	4.75%	6.35%
2008	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.65%	6.55%
2009	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%
2010	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%
2011	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%
2012	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%
2013	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%

**Note:**

- 1- Information obtained from the Utah State Tax Commission as of April 1 of fiscal year
- 2- The City of Logan has adopted the 1 % local option sales tax rate, the maximum allowed by Utah State law
- 3- The transit tax was approved by majority vote of Logan citizens and is remitted directly from the State of Utah to the Cache Valley Transit District



**City of Logan**  
**Sales Taxpayers by Industry (1)**  
**Current Year and Seven Years Ago (in Hundreds) (2)**

Industry (3)	FY 2013		FY 2006	
	Taxable Sales	Percent of Total Sales Tax	Taxable Sales	Percent of Total Sales Tax
Retail	\$ 2,830,492	32.3%	\$ 2,458,050	35.1%
Food Stores	1,272,881	14.5%	862,240	12.3%
Manufacturing	1,154,401	13.2%	1,011,121	14.4%
Services	934,456	10.7%	660,692	9.4%
Eating and Drinking Places	885,993	10.1%	587,379	8.4%
Transportation, Communication, Utilities	436,570	5.0%	402,429	5.7%
Public Administration	202,809	2.3%	181,422	2.6%
Wholesale Trade	263,364	3.0%	226,503	3.2%
Construction	85,516	1.0%	121,228	1.7%
Finance, Insurance, and Real Estate	63,213	0.7%	16,148	0.2%
Other	621,261	7.1%	478,202	6.8%
Total	8,750,956	100%	\$ 7,005,414	100%

**Note:**

- 1- Information provided by Utah State Tax Commission
- 2- FY 2006 was the earliest year available as of the date of the creation of this schedule
- 3- Utah State law prohibits the disclosure of individual vendor sales tax information

**City of Logan  
Sales Tax Generation (1)  
Current Year and Seven Years Ago (2)**

<b>Sales Tax Ranking Largest to Smallest</b>	<b>FY 2013</b>	<b>FY 2006</b>
	<b>Percent of Taxable Sales</b>	<b>Percent of Taxable Sales</b>
1-10	31.0%	30.6%
11-25	13.6%	18.4%
26-50	11.0%	12.4%
51-100	13.0%	13.0%
101-200	13.0%	12.5%
200+	18.4%	13.1%
Total	100%	100%

**Note:**

- 1- Information provided by Utah State Tax Commission
- 2- FY 2006 was the earliest year available as of the date of the creation of this schedule

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

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases		Income	Per Capita
2004	\$6,875,000	\$14,719,000	\$ 938,138	\$1,929,396	\$25,353,000	\$ -	\$ 7,196	\$ 49,821,730	5.50%	\$ 1,087
2005	6,555,000	13,832,000	937,074	1,640,716	24,826,000	-	472,371	48,263,161	4.83%	1,019
2006	6,820,000	12,878,000	672,365	1,138,375	24,742,000	551,000	489,742	47,291,482	4.50%	992
2007	6,430,000	15,176,000	585,249	1,151,706	22,562,000	850,000	316,114	47,071,069	4.21%	981
2008	6,055,000	13,930,000	532,131	694,267	31,832,000	693,848	277,672	54,014,918	4.50%	1,110
2009	5,670,000	12,635,000	196,181	1,448,970	30,217,000	-	96,645	50,263,796	3.93%	1,015
2010	5,270,000	11,291,000	129,810	1,219,068	27,085,000	-	49,340	45,044,218	3.62%	935
2011	4,845,000	9,894,000	3,465	1,014,042	23,885,000	-	-	39,641,507	2.97%	809
2012	4,395,000	8,398,000	-	859,798	20,982,000	-	-	34,634,798	2.56%	709
2013	3,990,705	7,038,000	-	698,673	19,030,000	727,746	-	31,485,124	n/a	n/a

**Note:**

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

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

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (2)</b>	<b>Per Capita (3)</b>
2004	\$ 6,875,000	\$ -	\$ 6,875,000	0.55%	\$ 151
2005	6,555,000	-	6,555,000	0.49%	143
2006	6,820,000	-	6,820,000	0.47%	144
2007	6,430,000	-	6,430,000	0.42%	135
2008	6,055,000	-	6,055,000	0.36%	126
2009	5,670,000	-	5,670,000	0.31%	117
2010	5,270,000	-	5,270,000	0.27%	106
2011	4,845,000	-	4,845,000	0.26%	101
2012	4,395,000	-	4,395,000	0.24%	90
2013	3,990,705	-	3,990,705	0.21%	82

**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.

**City of Logan**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**

<b>Jurisdiction</b>	<b>Net Outstanding Debt</b>	<b>Percentage Applicable to City of Logan</b>	<b>Amount Applicable to City of Logan</b>
Direct:			
City of Logan	\$ 11,727,378	100%	\$ 11,727,378
Subtotal of Direct Debt			<u>11,727,378</u>
Logan City School District	15,547,000	100%	15,547,000
Cache County	9,340,000	39%	3,642,600
Subtotal of Overlapping Debt			<u>19,189,600</u>
Total Direct and Overlapping Debt			<u>\$ 30,916,978</u>

**Note:**

- 1- Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments using the percent of assessed taxable property values located within the boundaries of Logan City.

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

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Legal debt margin:										
Debt limit	\$ 104,343,646	\$ 107,169,440	\$ 115,042,650	\$ 122,120,376	\$ 132,994,864	\$ 144,037,018	\$ 155,578,131	\$ 148,678,851	\$ 149,151,461	\$ 153,988,353
Total net debt applicable to limit	6,875,000	6,555,000	6,820,000	6,430,000	6,055,000	5,670,000	5,270,000	4,845,000	4,395,000	3,920,000
Legal debt margin	<u>\$ 97,468,646</u>	<u>\$ 100,614,440</u>	<u>\$ 108,222,650</u>	<u>\$ 115,690,376</u>	<u>\$ 126,939,864</u>	<u>\$ 138,367,018</u>	<u>\$ 150,308,131</u>	<u>\$ 143,833,851</u>	<u>\$ 144,756,461</u>	<u>\$ 150,068,353</u>
Total net debt applicable to the limit as a percentage of debt limit	7.04%	6.59%	6.12%	5.93%	5.27%	4.55%	3.94%	3.39%	2.95%	2.55%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed valuations:	
Assessed value	\$ 1,924,854,409
Add back: exempt real property	n/a
Total assessed value	<u>1,924,854,409</u>
Legal debt margin	
Debt limitation - 8 percent of total assessed value	153,988,353
Debt applicable to limitation:	
Total bonded debt	3,920,000
Less: Amount available for repayment of general obligation bonds	<u>-</u>
Total debt applicable to limitation	<u>3,920,000</u>
Legal debt margin	<u>\$ 150,068,353</u>

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

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

<b>Fiscal Year</b>	<b>Gross Revenue (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2004	\$ 18,776,526	\$ 8,923,751	\$ 9,852,775	\$ 1,500,000	\$ 693,616	\$ 2,193,616	4.49
2005	18,579,395	10,000,946	8,578,449	1,510,000	705,428	2,215,428	3.87
2006	20,386,051	10,479,536	9,906,515	1,688,000	718,103	2,406,103	4.12
2007	23,137,854	12,347,964	10,789,890	1,130,000	617,621	1,747,621	6.17
2008	24,686,528	11,599,101	13,087,427	1,102,000	615,922	1,717,922	7.62
2009	24,577,346	13,267,596	11,309,750	1,464,000	857,482	2,321,482	4.87
2010	24,078,421	13,836,617	10,241,804	1,615,000	820,352	2,435,352	4.21
2011	26,654,845	13,668,244	12,986,601	1,640,000	766,190	2,406,190	5.40
2012	28,518,236	13,650,877	14,867,359	1,658,000	707,295	2,365,295	6.29
2013	29,406,924	13,511,663	15,895,261	1,683,000	646,448	2,329,448	6.82

**Storm Water Bonds**

<b>Fiscal Year</b>	<b>Gross Revenue (1)</b>	<b>Direct Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2008	\$ 1,097,082	\$ 336,966	\$ 760,116	\$ -	\$ 45,313	\$ 45,313	16.77
2009	1,136,974	473,087	663,887	250,000	115,001	365,001	1.82
2010	1,156,154	442,008	714,146	262,000	104,874	366,874	1.95
2011	1,224,626	394,197	830,429	270,000	94,351	364,351	2.28
2012	2,894,672	400,149	2,494,523	285,000	83,373	368,373	6.77
2013	2,579,434	450,789	2,128,645	295,000	52,316	347,316	6.13

**Note:**

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

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in Thousands)</b>	<b>Personal Income Per Capita (2)</b>	<b>Median Age</b>	<b>Education Level in Years of Formal Schooling</b>	<b>K-12 School Enrollment</b>	<b>Unemployment Rate (3)</b>
2004	45,626	\$ 905,648	\$ 19,849	n/a	n/a	5,801	3.4%
2005	45,816	999,672	21,819	n/a	n/a	5,741	4.0%
2006	47,357	1,051,606	22,206	n/a	n/a	5,738	3.0%
2007	47,660	1,117,510	23,448	n/a	n/a	5,820	2.4%
2008	47,965	1,200,760	25,034	n/a	n/a	5,755	2.0%
2009	48,657	1,277,618	26,258	n/a	n/a	6,118	2.7%
2010	49,534	1,242,678	25,071	n/a	n/a	6,123	4.9%
2011	48,174	1,334,697	27,135	n/a	n/a	6,142	5.8%
2012	49,010	1,350,575	27,631	n/a	n/a	6,120	4.4%
2013	48,879	n/a	n/a	n/a	n/a	n/a	4.7%

**Note:**

- 1- United States Census Bureau
- 2- United States Department of Commerce Bureau of Economic Analysis
- 3- Utah Division of Workforce Services - Cache County



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

Company	Product	Fiscal Year 2013			Fiscal Year 2004		
		Number of Employees (Range)	Rank	Percent of Total City Employment	Number of Employees (Range)	Rank	Percent of Total City Employment
Utah State University	Education	8,000-9,999	1	n/a	5,000-6,999	1	n/a
Icon Health and Fitness, Inc.	Exercise equipment	1,000-1,999	2	n/a	3,000-4,999	2	n/a
Logan Regional Hospital	Health care	1,000-1,999	3	n/a	700-999	3	n/a
Schreiber Foods, Inc.	Cheese products	500-999	4	n/a	400-499	6	n/a
Logan School District	Education	500-999	5	n/a	n/a	-	n/a
Hyclone Laboratories, Inc.	BioGenetic components	500-999	6	n/a	400-699	5	n/a
Convergys	Telephone call center	500-999	7	n/a	n/a	-	n/a
Space Dynamics Laboratory	Scientific research	250-499	8	n/a	n/a	-	n/a
Gossner Foods, Inc.	Cheese and dairy	250-499	9	n/a	n/a	-	n/a
Moore Business	Business forms	250-499	10	n/a	400-699	4	n/a
Tyco Manufacturing	Electronic circuit boards	-	-	n/a	300-399	8	n/a
Sunshine Terrace Foundation	Health care	-	-	n/a	200-399	7	n/a
Herff Jones	Yearbook publishers	-	-	n/a	200-399	9	n/a
Macey's Inc.	Grocery store	-	-	n/a	200-299	10	n/a
Total		n/a		n/a	n/a		n/a

**Note:**

1- Information obtained from the Utah Department of Workforce Services website, jobs.utah.gov

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

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General government	72	67	67	69	64	64	67	66	64	61
Public safety:										
Police:										
Officers/staff	88	89	80	80	79	80	77	80	81	79
Administration	-	-	11	12	11	13	12	12	10	10
Fire:										
Firefighters/officers	47	47	47	46	48	45	48	48	48	49
Administration	3	2	1	1	1	1	1	1	1	1
Parks, recreation and culture	56	57	54	51	55	52	51	48	44	42
Public works:										
Engineering	13	13	12	14	13	13	12	12	13	13
Streets	38	37	35	38	32	32	32	33	32	33
Water/sewer	28	27	31	33	31	32	33	34	31	31
Environmental health	51	46	52	59	52	53	55	55	56	57
Electric	31	32	34	33	31	29	28	28	28	30
<b>Total</b>	<b>427</b>	<b>417</b>	<b>424</b>	<b>436</b>	<b>417</b>	<b>414</b>	<b>416</b>	<b>417</b>	<b>408</b>	<b>406</b>

**Note:**

1- Information obtained from Human Resources

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

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Parks, recreation and culture:										
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	204,177	169,488	173,493	177,772	181,694	185,770	192,916	203,091	216,184	231,433
Municipal water department:										
Number of service connections	16,239	16,415	16,123	16,512	16,971	17,033	17,423	18,099	17,500	17,564
Consumption in gallons	3,568,766,000	3,074,170,000	3,455,723,000	3,786,876,000	3,681,472,000	3,592,309,000	3,351,761,000	3,192,865,000	3,192,272,000	3,642,375,000
Sewer system:										
Number of service connections	15,013	15,154	16,079	16,153	15,135	15,334	15,647	15,809	16,506	16,605
Miles of sewer lines	135	135	141	143	145	149	151	155	152	154
Municipal electric department:										
Number of service connections	18,669	17,400	17,527	18,108	18,179	18,354	18,571	18,638	18,129	18,271
Kilowatt hours consumed	396,034,000	402,499,000	419,299,598	426,326,000	419,657,000	434,143,463	400,318,341	392,866,267	400,214,630	422,147,620
Miles of distribution lines	198	199	216	216	216	225	225	230	231	231
Solid waste and disposal department:										
Number of city users	13,911	15,048	15,610	13,321	13,952	14,321	14,312	14,792	14,783	18,700
Number of county users	16,111	15,309	15,754	17,025	17,558	17,794	18,301	18,572	18,900	20,041
Cubic yards of garbage received	170,103	177,135	188,740	161,189	157,547	150,763	141,637	150,698	143,011	157,296
Building permits issued	442	433	411	417	406	345	358	369	539	569

**Note:**

1- Information obtained from various City departments

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

<b>Function</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	1	2	2	2	2	2	2	2	2	3
Highways and streets:										
Streets (miles)	181	136	136	138	144	145	147	147	146	145
Parks, recreation and culture:										
Parks	36	38	38	39	39	39	39	39	39	39
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	204,177	169,488	173,493	177,772	181,694	185,770	192,916	203,091	216,184	231,433
Water:										
Water mains (miles)	n/a	n/a	n/a	n/a	n/a	174	176	179	180	184
Sewer:										
Sewer lines (miles)	135	135	141	143	145	149	151	155	152	154
Electric:										
Services lines (miles)	198	199	216	216	216	225	225	230	231	231

**Note:**

1- Information obtained from various City departments

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**Single Audit Section**

**City of Logan**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2013**

<b>Federal Grantor/Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA No.</b>	<b>Pass Through Grant No.</b>	<b>Program or Award Amount</b>	<b>Disbursements/ Expenditures</b>
U.S. Department of Agriculture, Natural Resources Conservation Services (NRCS)				
Passed through Cache County:				
Canyon Road Property (ARRA)	10.923	68-8D43-10-14	\$ 1,938,036	\$ 257,274
Passed through Cache County:				
Logan River Dredging (ARRA)	10.923	68-8D43-12-12	3,900,000	267,109
Total NRCS			<u>5,838,036</u>	<u>524,383</u>
U.S. Department of Housing and Urban Development (HUD)				
Community Development Block Grant	14.218	B-09-MC-49-00011	591,493	40,000
Community Development Block Grant	14.218	B-10-MC-49-00011	640,557	47,500
Community Development Block Grant	14.218	B-11-MC-49-00011	500,500	116,401
Community Development Block Grant	14.218	B-12-MC-49-00011	541,920	401,140
Total HUD			<u>2,274,470</u>	<u>605,041</u>
U.S. Department of Justice (DOJ)				
Bulletproof Vest Partnership Grant	16.607	Bulletproof Vest Grant	6,378	6,378
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Youth Alcohol Grant 2011	16.727	JJP2011 J1108	9,975	4,345
Passed through the Utah State Commission on Criminal and Juvenile Justice:				
Narcotics and Gang Enforcement Grant	16.738	13F-03	100,000	93,191
Narcotics and Gang Enforcement Grant	16.738	12A147	6,352	6,352
Total DOJ			<u>122,705</u>	<u>110,266</u>
U.S. Department of Transportation/National Highway Traffic Safety Administration (NHTSA)				
Passed through the Utah State Dept of Public Safety/ Highway Safety Office:				
Distracted Driving Program	20.600	HS-2013-Logan PD-00129	40,027	26,198
Total NHTSA			<u>40,027</u>	<u>26,198</u>
U.S. Department of Health and Human Services (HHS)				
Passed through the Utah State Deptment of Workforce Services:				
FY13 Aspire Kids Grant - Brider Elementary	93.575	130121	31,000	31,000
FY13 Aspire Kids Grant - Ellis Elementary	93.575	130122	31,000	31,000
FY13 Aspire Kids Grant - Woodruff Elementary	93.575	130123	31,000	31,000
Total HHS			<u>93,000</u>	<u>93,000</u>
U.S. Department of Homeland Security/Federal Emergency Management Agency (HLS/FEMA)				
Passed through the Utah State Division of Emergency Services and Homeland Security:				
Emergency Public Assistance Grant	97.036	LOGT03G	116,759	116,759
Passed through the Utah Department of Public Safety's Division of Emergency Management:				
FY12 Emergency Management Performance Grant	97.042	EMPG-2012	11,000	11,000
Total HLS/FEMA			<u>127,759</u>	<u>127,759</u>
Total Federal Awards			<u>\$ 8,495,997</u>	<u>\$ 1,486,647</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	\$236,100

**Note 4 – Loans**

As of June 30, 2013, 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	\$3,496,000
66.468	Capitalization Grants for Drinking Water	\$2,263,000



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# Hansen, Bradshaw, Malmrose & Erickson

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

### INDEPENDENT AUDITORS' REPORT

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Logan, Utah ("the City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 22, 2013.

#### *Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

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

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

October 22, 2013

# Hansen, Bradshaw, Malmrose & Erickson

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## REPORT 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

### INDEPENDENT AUDITORS' REPORT

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

#### *Compliance*

We have audited the compliance of City of Logan, Utah ("the City") with the types of compliance requirements described in the U.S. Office of Management and Budget 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, 2013. 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.

#### *Management's Responsibility*

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the entity's management.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on the City's compliance with the applicable compliance requirements based on our compliance audit.

We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the compliance 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. A compliance 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 compliance audit provides a reasonable basis for our opinion. Our compliance audit does not provide a legal determination on the City's compliance with those requirements.

### *Opinion*

In our opinion, the City of Logan, Utah 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, 2013.

### *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 compliance audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our compliance auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 the City'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.

### *Purpose of the This Report*

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

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

October 22, 2013

City of Logan  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2013

A. Summary of Auditors' Results:

- |    |  |               |
|----|--|---------------|
| 1. | Type of Report Issued:   | Unmodified    |
| 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:  | Unmodified    |
| 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           |

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

None

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

None

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**State Compliance Section**



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# Hansen, Bradshaw, Malmrose & Erickson

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*Members of the  
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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

### INDEPENDENT AUDITORS' REPORT

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

#### *Compliance*

We have audited the City of Logan, Utah's ("the City") compliance with the general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2013.

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

Cash Management	Transfers from Utility Enterprise Funds
Budgetary Compliance	Locally Generated Taxes and Fees
Fund Balance	Government Records Access
Justice Courts	Management Act
Impact Fees	Conflicts of Interest
Utah Retirement Systems Compliance	Open and Public Meetings Act

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

B & C Road Funds (Department of Transportation)

#### *Management's Responsibility*

Compliance with the requirements referred to above is the responsibility of the City's management.

#### *Auditors' Responsibility*

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 the *State of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the City and its major programs 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 of the City's compliance with those requirements.

### ***Opinion***

In our opinion, the City of Logan, Utah, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2013.

### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

October 22, 2013

**City of Logan**  
**Schedule of Expenditures of Utah State Grants, Contracts, and Loan Funds**  
**For the Year Ended June 30, 2013**

<u>Grants Name</u>	<u>Award/ Contract No.</u>	<u>Year of Last Audit</u>	<u>Disbursements/ Expenditures</u>
Administrative Office of the Courts			
Justice Court Grant	FY13		\$ 7,200
Total Administrative Office of the Courts			<u>7,200</u>
State of Utah Commission on Criminal and Juvenile Justice (CCJJ)			
State Asset Forfeiture Grant (SAFG)	13N28		4,982
Total Utah Commission on Criminal and Juvenile Justice (CCJJ)			<u>4,982</u>
Utah Department of Health			
911 EMS Grant	FY13		549
Total Utah Department of Health			<u>549</u>
Utah Department of Public Safety			
Alcohol Enforcement	FY13		56,589
Total Utah Department of Public Safety			<u>56,589</u>
Utah Department of Transportation			
Class C Road Funds	FY13	FY 2013	1,771,998
200 E. Minor Arterial, Logan, Cache County	HPP-LC05(29)		10,000
Total Utah Department of Transportation			<u>1,781,998</u>
Utah Department of Community and Culture			
Community Library Enhancement Fund (CLEF)	USL13-0154		13,980
AWE Literacy Grant	FY13		8,912
Zoo Operating Grant	GF13-ZOOS		54,400
Total Utah Department of Community and Culture			<u>77,292</u>
Total State Awards			<u>\$ 1,928,610</u>