

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Logan, Utah  
Fiscal Year Ended, June 30, 2015

City of Logan, Utah  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2015  
With  
Independent Auditors' Report



Prepared by



FINANCE DEPARTMENT

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

## 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 .....	44
Note 7 – Interfund Transfers .....	45
Note 8 – Leases.....	45
Note 9 – Long-Term Liabilities.....	45
Note 10 – Restricted Assets.....	49
Note 11 – Risk Management .....	49
Note 12 – Commitments and Contingencies .....	49
Note 13 – Employee Retirement Systems and Pension Plans .....	50
Note 14 – Environmental Health Landfill Closure and Post-Closure Costs.....	55
Note 15 – Redevelopment Agency .....	55
Note 16 – Investments in Power Projects and Related Contracts .....	56
Note 17 – Industrial Revenue Bonds .....	58
Note 18 – Fund Balances .....	58
Note 19 – Subsequent Event .....	59
Note 20 – GASB 68 Restatement .....	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
Schedule of the Proportionate Share of the Net Pension Liability .....	64
Schedule of Pension Contributions.....	65
Schedule of Changes in the Net Pension Liability and Related Ratios – Public Safety Retirement System.....	66

#### Notes to Required Supplementary Information

Note 1 – Budgetary Information.....	67
Note 2 – Actuarially Determined Pension Contributions .....	67

#### Supplementary Information

Combining Balance Sheet – Nonmajor Governmental Funds .....	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds ....	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library Fund.....	72
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recreation Center Maintenance Fund.....	73
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Communication Center Fund .....	74
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Improvement Fund.	75
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cemetery Perpetual Care Fund .....	76
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Donations Fund .....	77
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund.....	78
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Equipment Fund .....	79
Combining Statement of Net Position – Internal Service Funds.....	80
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds .....	81
Combining Statement of Cash Flows – Internal Service Funds.....	82

#### STATISTICAL SECTION: (unaudited)

Net Position by Component.....	84
Changes in Net Position .....	85
Governmental Activities Tax Revenues by Source.....	86
Fund Balances of Governmental Funds .....	87
Changes in Fund Balances of Governmental Funds.....	88
Sales Tax Rates Direct and Overlapping Governments.....	89
Sales Taxpayers by Industry.....	90
Sales Tax Generation .....	91
Ratios of Outstanding Debt by Type .....	92
Ratios of General Bonded Debt Outstanding .....	93
Direct and Overlapping Governmental Activities Debt .....	94
Legal Debt Margin Information .....	95
Pledged-Revenue Coverage .....	96
Demographic and Economic Statistics.....	97
Principal Employers .....	98
Full-time Equivalent City Government Employees by Function .....	99
Operating Indicators .....	100
Capital Asset Statistics by Function .....	101

#### SINGLE AUDIT SECTION:

Single Audit Reports .....	104
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#### STATE COMPLIANCE SECTION:

State Compliance Report.....	117
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October 23, 2015

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, 2015.

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, 2015, 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 17, 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 (USU) is located on Logan's east bench. USU is the State's land-grant and space-grant institution.

### **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 USU, Icon Health and Fitness, Moore Business Communication, Conserve, TTM Technologies, Schreiber's Foods, Thermo Fisher Scientific, GE Healthcare Life Sciences, 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 USU. 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 18 percent of operating revenue (including operating transfers). 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, 2014. 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 GAAP 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,

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

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



Government Finance Officers Association

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

Presented to

**City of Logan  
Utah**

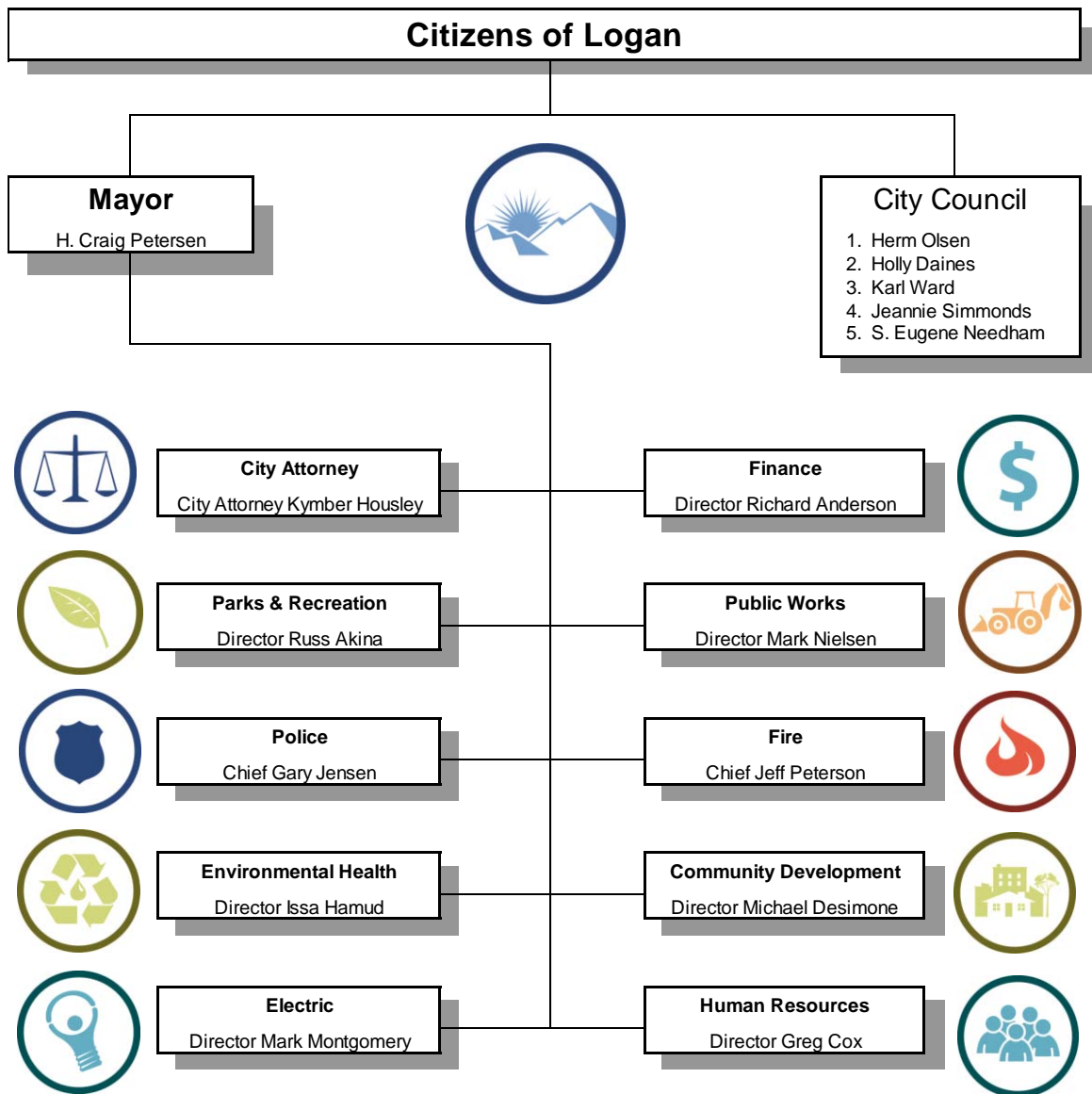
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO





## Financial Section



Picture Source  
Elevations Photography

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South

Bountiful, Utah 84010

801-296-0200

Fax 801-296-1218

## INDEPENDENT AUDITORS' REPORT

E. Lynn Hansen, CPA  
Clarke R. Bradshaw, CPA  
Gary E. Malmrose, CPA  
Edwin L. Erickson, CPA  
Michael L. Smith, CPA  
Jason L. Tanner, CPA

Robert D. Wood, CPA  
Aaron R. Hixson, CPA  
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, 2015, 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.

### *Auditors' 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, 2015, 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 on pages 13-19, budgetary comparison information on pages 62-63, and pension schedules on pages 64-66 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 23, 2015 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.

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

October 23, 2015

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, 2015. 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 \$302,354,523 (net position). Of this amount, \$81,369,100 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.

Net position increased by \$26,352,260.

The City's governmental funds reported a combined ending fund balance of \$33,328,894, an increase of \$3,613,731 in comparison to the prior year. The general fund reported fund balance of \$10,245,128, of which \$4,446,650 is categorized as unassigned.

The City's total bonded debt decreased by \$3,670,000.

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

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

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

**Proprietary Funds**

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

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

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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 44,927,193	\$ 41,078,648	\$ 81,762,114	\$ 74,365,248	\$ 126,689,307	\$ 115,443,896
Capital assets	73,881,787	68,766,461	154,750,117	151,070,594	228,631,904	219,837,055
Total assets	118,808,980	109,845,109	236,512,231	225,435,842	355,321,211	335,280,951
Total deferred outflows of resources	2,046,208	1,522,346	344,303	296,360	2,390,511	1,818,706
Current liabilities	6,740,200	7,104,847	8,728,606	8,779,334	15,468,806	15,884,181
Noncurrent liabilities	13,071,245	17,168,422	19,987,004	23,044,119	33,058,249	40,212,541
Total liabilities	19,811,445	24,273,269	28,715,610	31,823,453	48,527,055	56,096,722
Total deferred inflows of resources	6,476,966	5,000,672	353,178	-	6,830,144	5,000,672
Net position:						
Net investment in capital assets	67,156,564	59,823,124	139,276,808	133,846,087	206,433,372	193,669,211
Restricted	11,278,285	9,825,255	3,273,766	3,263,661	14,552,051	13,088,916
Unrestricted	16,131,928	12,445,135	65,237,172	56,799,001	81,369,100	69,244,136
Total net position (as restated)	\$ 94,566,777	\$ 82,093,514	\$ 207,787,746	\$ 193,908,749	\$ 302,354,523	\$ 276,002,263

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 \$302,354,523 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, infrastructure, 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,171,777	\$ 6,129,228	\$ 66,522,648	\$ 70,446,487	\$ 72,694,425	\$ 76,575,715
Operating grants and contributions	6,567,127	5,592,515	-	-	6,567,127	5,592,515
Capital grants and contributions	2,831,339	2,169,442	1,631,264	6,010,481	4,462,603	8,179,923
General revenues:						
Property tax	5,317,845	5,398,314	-	-	5,317,845	5,398,314
Sales tax	11,884,897	11,270,803	-	-	11,884,897	11,270,803
Franchise tax	5,331,691	5,518,641	-	-	5,331,691	5,518,641
Grants and contributions not restricted to specific programs	358,817	385,350	-	-	358,817	385,350
Other	1,601,185	1,883,473	407,614	297,206	2,008,799	2,180,679
Total revenues	40,064,678	38,347,766	68,561,526	76,754,174	108,626,204	115,101,940
Expenses:						
General government	6,638,507	6,582,383	-	-	6,638,507	6,582,383
Public safety	13,917,317	14,244,566	-	-	13,917,317	14,244,566
Public works	5,396,464	5,971,262	-	-	5,396,464	5,971,262
Parks, recreation and culture	6,318,141	6,283,633	-	-	6,318,141	6,283,633
Interest and fiscal charges	221,471	278,279	-	-	221,471	278,279
Water and sewer	-	-	7,768,486	7,044,288	7,768,486	7,044,288
Sewer treatment	-	-	1,381,471	1,734,806	1,381,471	1,734,806
Electric	-	-	29,938,197	29,767,620	29,938,197	29,767,620
Environmental health	-	-	8,424,667	8,656,539	8,424,667	8,656,539
Storm water management	-	-	1,074,899	1,383,774	1,074,899	1,383,774
Golf course	-	-	1,194,324	1,124,726	1,194,324	1,124,726
Total expenses	32,491,900	33,360,123	49,782,044	49,711,753	82,273,944	83,071,876
Increase (decrease) in net position, before transfers and extraordinary item	7,572,778	4,987,643	18,779,482	27,042,421	26,352,260	32,030,064
Extraordinary item	-	-	-	2,649,059	-	2,649,059
Transfers	4,900,485	2,749,824	(4,900,485)	(2,749,824)	-	-
Increase (decrease) in net position	12,473,263	7,737,467	13,878,997	26,941,656	26,352,260	34,679,123
Net position, beginning (as restated)	82,093,514	74,356,047	193,908,749	166,967,093	276,002,263	241,323,140
Net position, ending	\$ 94,566,777	\$ 82,093,514	\$ 207,787,746	\$ 193,908,749	\$ 302,354,523	\$ 276,002,263

### Governmental Activities

Governmental activities net position increased by \$12,473,263 for the current fiscal year. Key elements of this increase are as follows:

- Net investment in capital assets increased by approximately \$7,300,000. This increase is composed of new investment in capital assets as well as the retirement of outstanding debt on existing assets, net of depreciation.
- Restricted net position increased by approximately \$1,400,000, primarily related to redevelopment.
- Unrestricted net position increased by approximately \$3,700,000, due to a conservative approach to budgeting and spending as well as a reduction in the net pension liability.

### Business-type Activities

Business-type activities net position increased by \$13,878,997. Key elements of this increase are as follows:

- The water and sewer fund net position increased by approximately \$2,400,000 due to conservative budgeting and investment in capital assets. Negative unrestricted net position is caused by an interfund loan used to finance the construction of capital improvements. The assets are classified as net investment in capital assets while the loan is classified as, and decreases, unrestricted net position.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The sewer treatment fund net position increased by approximately \$4,500,000. 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 \$1,800,000. The increase is due to planned investment in capital assets.
- The environmental health fund net position increased by approximately \$2,500,000. This increase is due to a planned increase in reserves to pay for future capital projects including the opening of a new landfill.
- The storm water management fund net position increased by approximately \$2,500,000. The increase is due to planned investment in capital assets.
- The golf course fund net position decreased by approximately \$100,000 due to the depreciation of capital assets constructed in prior fiscal years using resources transferred from the general fund. While the overall financial condition of the golf course fund continues to improve, it has not reached the point of being self-sustaining.

**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 \$33,328,894, with an increase of \$3,613,731 compared to the prior fiscal year. Of the total balance, \$2,313,927 is nonspendable, \$11,278,285 is restricted, \$14,708,908 is committed, \$581,124 is assigned, and \$4,446,650 is unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the general fund reported a fund balance of \$10,245,128, of which \$2,313,927 is nonspendable, \$2,903,427 is restricted, \$581,124 is assigned, and \$4,446,650 is unassigned.

Fund balance of the general fund decreased by \$93,321 due to planned transfers to the capital projects fund, a nonmajor governmental fund.

Fund balance of the redevelopment agency fund increased by \$1,814,296 due to a planned buildup of fund balance.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Proprietary Funds**

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

Unrestricted net position in the City's major proprietary funds totaled the following: (1) negative \$2,706,548 in the water and sewer fund, (2) \$26,621,138 in the sewer treatment fund, (3) \$26,456,179 in the electric fund, (4) \$10,586,091 in the environmental health fund, (5) \$2,800,882 in the storm water management fund, and (6) a negative \$116,634 in the golf course fund. The finances of these funds were discussed earlier as part of the business-type activities.

**General Fund Budgetary Highlights**

Differences between the general fund's original budget and the final amended budget amounted to a total increase in appropriations of \$4,768,572 or 11.7 percent. A significant part of the increase in appropriations is briefly summarized as follows:

- The City appropriated approximately \$3,500,000 for grants received from various entities.
- The City appropriated approximately \$750,000 to reserves from the sale of land.

Other increases in appropriations were for miscellaneous items.

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

- Administrative fee revenue and associated expenditures are budgeted for in the general fund for centralized administrative services; however, revenues and expenditures are eliminated in the general fund and corresponding expenses are recorded in the specific funds.
- 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.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities amounts to \$206,433,372 (net of related debt). This investment in capital assets includes land, buildings, infrastructure, and equipment.

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

- The City completed construction of the Country Manor flood control project. Approximately \$1,500,000 was spent on this project during the year.
- The City completed construction of the water and sewer fund fiber loop project. Approximately \$700,000 was spent on this project during the year.
- The City continued construction of the 1000 North 600 East intersection improvements. Approximately \$1,300,000 was spent on this project during the year.

CITY OF LOGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS

	City of Logan's Capital Assets					
	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 20,878,384	\$ 20,075,064	\$ 9,752,918	\$ 9,631,069	\$ 30,631,302	\$ 29,706,133
Work in progress	2,144,348	4,332,901	2,432,502	15,181,167	4,576,850	19,514,068
Buildings	12,452,254	13,675,651	19,091,489	20,352,200	31,543,743	34,027,851
Infrastructure	33,770,136	26,897,313	93,395,282	77,746,891	127,165,418	104,644,204
Equipment	4,636,665	3,785,532	30,077,926	28,159,267	34,714,591	31,944,799
Total	\$ 73,881,787	\$ 68,766,461	\$ 154,750,117	\$ 151,070,594	\$ 228,631,904	\$ 219,837,055

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 principal outstanding on bonds and notes of \$22,450,060. Of this amount, \$2,925,000 comprises debt backed by the full faith and credit of the City and the remainder represents debt secured by other revenue sources (e.g., sales tax, excise tax, etc.).

	Bonds, Notes and Leases					
	Governmental		Business-type		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 2,925,000	\$ 3,435,000	\$ -	\$ -	\$ 2,925,000	\$ 3,435,000
Revenue bonds	3,925,000	5,491,000	14,936,000	16,530,000	18,861,000	22,021,000
Notes	-	-	664,060	694,507	664,060	694,507
Leases	-	70,475	-	-	-	70,475
Total	\$ 6,850,000	\$ 8,996,475	\$ 15,600,060	\$ 17,224,507	\$ 22,450,060	\$ 26,220,982

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.



## Basic Financial Statements

**City of Logan**  
**Statement of Net Position**  
**June 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 33,599,662	\$ 70,562,006	\$ 104,161,668
Accounts receivable (net of allowance)	579,054	4,008,064	4,587,118
Property tax receivable	4,946,225	-	4,946,225
Due from other governmental units	3,699,655	11,827	3,711,482
Prepaid assets	90,794	222,643	313,437
Inventory	8,365	780,779	789,144
Internal balances	721,198	(721,198)	-
Total current assets	<u>43,644,953</u>	<u>74,864,121</u>	<u>118,509,074</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	924,965	3,111,058	4,036,023
Prepaid assets	-	3,784,724	3,784,724
Net pension asset	357,275	2,211	359,486
Capital assets not being depreciated:			
Land	20,878,384	9,752,918	30,631,302
Work in progress	2,144,348	2,432,502	4,576,850
Capital assets, net of accumulated depreciation:			
Buildings	12,452,254	19,091,489	31,543,743
Infrastructure	33,770,136	93,395,282	127,165,418
Equipment	4,636,665	30,077,926	34,714,591
Total noncurrent assets	<u>75,164,027</u>	<u>161,648,110</u>	<u>236,812,137</u>
Total assets	<u>118,808,980</u>	<u>236,512,231</u>	<u>355,321,211</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	36,956	126,751	163,707
Deferred outflows related to pensions	2,009,252	217,552	2,226,804
Total deferred outflows of resources	<u>2,046,208</u>	<u>344,303</u>	<u>2,390,511</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	3,163,240	5,964,443	9,127,683
Unearned revenue	82,985	4,422	87,407
Compensated absences	1,289,460	559,908	1,849,368
Interest payable	79,515	64,322	143,837
Notes payable	-	39,511	39,511
Bonds payable	2,125,000	2,096,000	4,221,000
Total current liabilities	<u>6,740,200</u>	<u>8,728,606</u>	<u>15,468,806</u>
Noncurrent liabilities:			
Compensated absences	299,812	236,334	536,146
Notes payable	-	624,549	624,549
Bonds payable	4,748,565	12,840,000	17,588,565
Landfill closure/post-closure costs	-	3,538,137	3,538,137
Net pension liability	8,022,868	2,747,984	10,770,852
Total noncurrent liabilities	<u>13,071,245</u>	<u>19,987,004</u>	<u>33,058,249</u>
Total liabilities	<u>19,811,445</u>	<u>28,715,610</u>	<u>48,527,055</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	4,946,225	-	4,946,225
Deferred gain on refunding	12,689	-	12,689
Deferred inflows related to pensions	1,518,052	353,178	1,871,230
Total deferred inflows of resources	<u>6,476,966</u>	<u>353,178</u>	<u>6,830,144</u>
<b>NET POSITION</b>			
Net investment in capital assets	67,156,564	139,276,808	206,433,372
Restricted for:			
Debt service	924,965	1,424,756	2,349,721
Capital activities	-	1,849,010	1,849,010
Streets	1,762,904	-	1,762,904
Redevelopment	8,160,721	-	8,160,721
Other	429,695	-	429,695
Unrestricted	16,131,928	65,237,172	81,369,100
Total net position	<u>\$ 94,566,777</u>	<u>\$ 207,787,746</u>	<u>\$ 302,354,523</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

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	\$ 6,638,507	\$ 1,628,017	\$ 20,260	\$ -	\$ (4,990,230)	\$ -	\$ (4,990,230)
Public safety	13,917,317	3,481,883	1,404,886	2,276,532	(6,754,016)	-	(6,754,016)
Public works	5,396,464	78,478	4,175,156	554,807	(588,023)	-	(588,023)
Parks, recreation and culture	6,318,141	983,399	966,825	-	(4,367,917)	-	(4,367,917)
Debt service - Interest and fiscal charges	221,471	-	-	-	(221,471)	-	(221,471)
Total governmental activities	<u>32,491,900</u>	<u>6,171,777</u>	<u>6,567,127</u>	<u>2,831,339</u>	<u>(16,921,657)</u>	<u>-</u>	<u>(16,921,657)</u>
Business-type activities:							
Water and sewer	7,768,486	10,532,297	-	369,940	-	3,133,751	3,133,751
Sewer treatment	1,381,471	6,137,788	-	-	-	4,756,317	4,756,317
Electric	29,938,197	35,125,016	-	-	-	5,186,819	5,186,819
Environmental health	8,424,667	11,899,252	-	-	-	3,474,585	3,474,585
Storm water management	1,074,899	1,903,590	-	1,261,324	-	2,090,015	2,090,015
Golf course	1,194,324	924,705	-	-	-	(269,619)	(269,619)
Total business-type activities	<u>49,782,044</u>	<u>66,522,648</u>	<u>-</u>	<u>1,631,264</u>	<u>-</u>	<u>18,371,868</u>	<u>18,371,868</u>
Total primary government	<u>\$ 82,273,944</u>	<u>\$ 72,694,425</u>	<u>\$ 6,567,127</u>	<u>\$ 4,462,603</u>	<u>(16,921,657)</u>	<u>18,371,868</u>	<u>1,450,211</u>
General revenues:							
Property tax					5,317,845	-	5,317,845
Sales tax					11,884,897	-	11,884,897
Franchise tax					5,331,691	-	5,331,691
Grants and contributions not restricted to specific programs					358,817	-	358,817
Unrestricted investment earnings					206,631	407,614	614,245
Miscellaneous					1,272,984	-	1,272,984
Gain on sale of assets					121,570	-	121,570
Transfers					4,900,485	(4,900,485)	-
Total general revenues and transfers					<u>29,394,920</u>	<u>(4,492,871)</u>	<u>24,902,049</u>
Change in net position					<u>12,473,263</u>	<u>13,878,997</u>	<u>26,352,260</u>
Net position, beginning (as restated)					<u>82,093,514</u>	<u>193,908,749</u>	<u>276,002,263</u>
Net position, ending					<u>\$ 94,566,777</u>	<u>\$ 207,787,746</u>	<u>\$ 302,354,523</u>

The accompanying notes are an integral part of this statement.



**City of Logan  
Balance Sheet  
Governmental Funds  
June 30, 2015**

	<b>General</b>	<b>Redevelopment Agency</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,405,194	\$ 8,213,181	\$ 15,476,032	\$ 29,094,407
Interfund receivables - pooled cash	40,000	-	-	40,000
Accounts receivable (net of allowance)	150,213	-	426,167	576,380
Property tax receivable	2,727,791	599,623	1,618,811	4,946,225
Due from other funds	2,277,262	-	-	2,277,262
Due from other governmental units	3,484,291	-	215,364	3,699,655
Prepaid assets	28,300	-	-	28,300
Inventory	8,365	-	-	8,365
Restricted assets:				
Cash and cash equivalents	924,840	125	-	924,965
Total assets	<u>15,046,256</u>	<u>8,812,929</u>	<u>17,736,374</u>	<u>41,595,559</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	1,990,352	52,460	859,338	2,902,150
Unearned revenue	82,985	-	-	82,985
Total liabilities	<u>2,073,337</u>	<u>52,460</u>	<u>859,338</u>	<u>2,985,135</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue unavailable	-	-	335,305	335,305
Deferred property tax revenue	2,727,791	599,623	1,618,811	4,946,225
Total deferred inflows of resources	<u>2,727,791</u>	<u>599,623</u>	<u>1,954,116</u>	<u>5,281,530</u>
<b>FUND BALANCES</b>				
Nonspendable	2,313,927	-	-	2,313,927
Restricted	2,903,427	8,160,846	214,012	11,278,285
Committed	-	-	14,708,908	14,708,908
Assigned	581,124	-	-	581,124
Unassigned	4,446,650	-	-	4,446,650
Total fund balances	<u>10,245,128</u>	<u>8,160,846</u>	<u>14,922,920</u>	<u>33,328,894</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,046,256</u>	<u>\$ 8,812,929</u>	<u>\$ 17,736,374</u>	<u>\$ 41,595,559</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, 2015**

Total fund balances - governmental fund types		\$ 33,328,894
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	20,878,384	
Work in progress	2,144,348	
Buildings	12,452,254	
Infrastructure	33,770,136	
Equipment	4,512,590	
Total		73,757,712
Other items, including net pension assets, are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.		
		2,399,836
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	(79,515)	
Bonds payable - current	(2,125,000)	
Bonds payable - noncurrent	(4,748,565)	
Compensated absences payable - current	(1,243,240)	
Compensated absences payable - noncurrent	(289,065)	
Total		(8,485,385)
Other items, including net pension liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds.		
		(9,042,941)
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		2,608,661
Net position of governmental activities		<u>\$ 94,566,777</u>

The accompanying notes are an integral part of this statement.

**City of Logan**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General	Redevelopment Agency	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property tax	\$ 3,005,352	\$ 539,578	\$ 1,772,915	\$ 5,317,845
Sales tax	11,884,897	-	-	11,884,897
Franchise tax	5,042,936	-	288,755	5,331,691
Licenses and permits	723,861	-	-	723,861
Intergovernmental	3,455,258	2,717,276	979,756	7,152,290
Charges for services	3,154,731	-	1,436,171	4,590,902
Fines	802,287	-	54,727	857,014
Investment earnings	92,448	33,433	61,286	187,167
Miscellaneous	1,084,906	-	229,005	1,313,911
Total revenues	<u>29,246,676</u>	<u>3,290,287</u>	<u>4,822,615</u>	<u>37,359,578</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,371,403	-	-	6,371,403
Public safety	11,973,302	-	1,672,342	13,645,644
Public works	3,610,171	1,053,738	1,800	4,665,709
Parks, recreation and culture	3,597,660	-	2,165,189	5,762,849
Debt service:				
Principal	1,781,475	365,000	-	2,146,475
Interest	220,613	16,890	-	237,503
Capital outlay:				
Public safety	86,214	-	549,073	635,287
Public works	1,656,345	40,363	3,169,274	4,865,982
Parks, recreation and culture	494,993	-	146,231	641,224
Total expenditures	<u>29,792,176</u>	<u>1,475,991</u>	<u>7,703,909</u>	<u>38,972,076</u>
Revenues over (under) expenditures	<u>(545,500)</u>	<u>1,814,296</u>	<u>(2,881,294)</u>	<u>(1,612,498)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,590,722	-	4,898,525	10,489,247
Transfers out	(5,454,987)	-	(133,775)	(5,588,762)
Disposal of capital assets	316,444	-	9,300	325,744
Total other financing sources (uses)	<u>452,179</u>	<u>-</u>	<u>4,774,050</u>	<u>5,226,229</u>
Net change in fund balances	<u>(93,321)</u>	<u>1,814,296</u>	<u>1,892,756</u>	<u>3,613,731</u>
Fund balances, beginning	10,338,449	6,346,550	13,030,164	29,715,163
Fund balances, ending	<u>\$ 10,245,128</u>	<u>\$ 8,160,846</u>	<u>\$ 14,922,920</u>	<u>\$ 33,328,894</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, 2015**

Net changes in fund balances - total governmental funds \$ 3,613,731

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	6,142,492	
Depreciation expense	<u>(3,127,235)</u>	
Total		3,015,257

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	2,276,532	
Disposal of assets	<u>(200,266)</u>	
Total		2,076,266

Governmental funds report revenues not collected within 60 days as deferred revenues until subsequently collected. These transactions are recorded as revenues when earned in the statement of activities. (40,927)

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.

Retirement of long-term debt	<u>2,146,475</u>	
Total		2,146,475

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.

Third party pension contributions	328,461	
Change in compensated absences	954,579	
Interest expense	<u>16,032</u>	
Total		1,299,072

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. 363,389

Change in net position of governmental activities	<u><u>\$ 12,473,263</u></u>
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The accompanying notes are an integral part of this statement.

City of Logan  
Statement of Net Position  
Proprietary Funds  
June 30, 2015

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 1,816,150	\$ 26,360,076	\$ 23,980,151	\$ 15,333,320	\$ 3,069,595	\$ 2,714	\$ 70,562,006
Accounts receivable (net of allowance)	553,538	382,059	2,172,919	778,470	107,963	13,115	4,008,064
Due from other funds	-	-	1,777,262	-	-	-	1,777,262
Due from other governmental units	11,827	-	-	-	-	-	11,827
Prepaid assets	-	-	222,643	-	-	-	222,643
Inventory	40,643	-	605,292	-	16,251	118,593	780,779
Total current assets	2,422,158	26,742,135	28,758,267	16,111,790	3,193,809	134,422	77,362,581
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	1,426,508	-	-	1,684,548	2	-	3,111,058
Prepaid assets	-	-	3,784,724	-	-	-	3,784,724
Net pension asset	1,014	-	412	785	-	-	2,211
Capital assets not being depreciated:							
Land	352,607	2,481,227	1,289,683	2,549,044	1,699,639	1,380,718	9,752,918
Work in progress	103,267	-	1,583,724	455,286	290,225	-	2,432,502
Capital assets, net of accumulated depreciation:							
Buildings	2,128,774	98,568	777,587	14,523,391	-	1,563,169	19,091,489
Infrastructure	55,402,471	10,188,156	4,570,897	1,839,788	19,616,084	1,777,886	93,395,282
Equipment	3,349,955	41,654	22,171,539	4,472,170	9,829	32,779	30,077,926
Total noncurrent assets	62,764,596	12,809,605	34,178,566	25,525,012	21,615,779	4,754,552	161,648,110
Total assets	65,186,754	39,551,740	62,936,833	41,636,802	24,809,588	4,888,974	239,010,691
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred loss on refunding	34,382	92,369	-	-	-	-	126,751
Deferred outflows related to pensions	153,585	1,274	26,207	34,181	425	1,880	217,552
Total deferred outflows of resources	187,967	93,643	26,207	34,181	425	1,880	344,303
<b>LIABILITIES</b>							
Current liabilities:							
Interfund payables - pooled cash	-	-	-	-	-	40,000	40,000
Accounts payable	290,425	43,088	4,743,702	457,244	356,142	73,842	5,964,443
Due to other funds	4,054,524	-	-	-	-	-	4,054,524
Unearned revenue	-	-	-	-	-	4,422	4,422
Compensated absences	102,438	8,749	210,384	198,691	8,490	31,156	559,908
Interest payable	54,158	5,494	-	-	4,670	-	64,322
Notes payable	-	-	-	-	39,511	-	39,511
Bonds payable	1,266,000	490,000	-	-	340,000	-	2,096,000
Total current liabilities	5,767,545	547,331	4,954,086	655,935	748,813	149,420	12,823,130
Noncurrent liabilities:							
Compensated absences	43,239	3,693	88,802	83,866	3,583	13,151	236,334
Notes payable	-	-	-	-	624,549	-	624,549
Bonds payable	9,275,000	2,865,000	-	-	700,000	-	12,840,000
Landfill closure/post-closure costs	-	-	-	3,538,137	-	-	3,538,137
Net pension liability	508,843	54,352	949,366	1,137,068	18,163	80,192	2,747,984
Total noncurrent liabilities	9,827,082	2,923,045	1,038,168	4,759,071	1,346,295	93,343	19,987,004
Total liabilities	15,594,627	3,470,376	5,992,254	5,415,006	2,095,108	242,763	32,810,134
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflows related to pensions	66,970	6,895	121,177	145,659	2,304	10,173	353,178
Total deferred inflows of resources	66,970	6,895	121,177	145,659	2,304	10,173	353,178
<b>NET POSITION</b>							
Net investment in capital assets	50,830,456	9,546,974	30,393,430	23,839,679	19,911,717	4,754,552	139,276,808
Restricted for:							
Debt service	1,424,754	-	-	-	2	-	1,424,756
Capital activities	164,462	-	-	1,684,548	-	-	1,849,010
Unrestricted	(2,706,548)	26,621,138	26,456,179	10,586,091	2,800,882	(116,634)	63,641,108
Total net position	\$ 49,713,124	\$ 36,168,112	\$ 56,849,609	\$ 36,110,318	\$ 22,712,601	\$ 4,637,918	\$ 206,191,682

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, 2015**

Total net position for proprietary funds	\$ 206,191,682
Internal service fund allocation for prior year	1,306,270
Internal service fund allocation for current year	289,794
Total business-type net position	<u><u>\$ 207,787,746</u></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, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>							<b>Governmental Activities</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	\$ 10,088,717	\$ 6,137,769	\$ 34,423,245	\$ 11,610,268	\$ 1,881,022	\$ 917,488	\$ 65,058,509	\$ 5,990,105
Connection fees	122,985	-	330,338	-	-	-	453,323	-
Miscellaneous	313,703	-	371,433	280,399	22,489	7,217	995,241	51,661
Total operating revenues	10,525,405	6,137,769	35,125,016	11,890,667	1,903,511	924,705	66,507,073	6,041,766
Operating expenses:								
Salaries and wages	1,727,391	305,734	2,912,031	3,397,888	57,865	507,201	8,908,110	761,729
Administrative fees	1,236,952	205,163	1,275,518	1,116,311	413,039	27,981	4,274,964	-
Operating and maintenance	2,018,579	413,609	24,068,103	2,538,212	269,551	493,608	29,801,662	4,593,986
Landfill closure/post-closure costs	-	-	-	(253,647)	-	-	(253,647)	-
Depreciation and amortization	2,360,106	311,383	1,800,815	1,820,288	318,976	175,381	6,786,949	48,424
Total operating expenses	7,343,028	1,235,889	30,056,467	8,619,052	1,059,431	1,204,171	49,518,038	5,404,139
Operating income (loss)	3,182,377	4,901,880	5,068,549	3,271,615	844,080	(279,466)	16,989,035	637,627
Nonoperating revenues (expenses):								
Investment earnings	20,175	121,690	190,858	81,084	9,904	(522)	423,189	19,464
Gain (loss) on disposal of assets	(5,806)	-	44,495	81,365	-	-	120,054	(3,908)
Interest expense	(505,652)	(149,736)	-	-	(18,466)	-	(673,854)	-
Total nonoperating revenue (expense)	(491,283)	(28,046)	235,353	162,449	(8,562)	(522)	(130,611)	15,556
Income (loss) before transfers and capital contributions	2,691,094	4,873,834	5,303,902	3,434,064	835,518	(279,988)	16,858,424	653,183
Capital contributions	369,940	-	-	-	1,261,324	-	1,631,264	-
Transfers in	-	-	-	-	388,481	167,981	556,462	-
Transfers out	(691,840)	(314,161)	(3,529,947)	(920,999)	-	-	(5,456,947)	-
Change in net position	2,369,194	4,559,673	1,773,955	2,513,065	2,485,323	(112,007)	13,589,203	653,183
Total net position, beginning (as restated)	47,343,930	31,608,439	55,075,654	33,597,253	20,227,278	4,749,925	192,602,479	3,551,542
Total net position, ending	\$ 49,713,124	\$ 36,168,112	\$ 56,849,609	\$ 36,110,318	\$ 22,712,601	\$ 4,637,918	\$ 206,191,682	\$ 4,204,725

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, 2015**

Total changes in net position of proprietary funds	\$ 13,589,203
Internal service fund allocation for current year	289,794
Total changes in business-type net position	<u>\$ 13,878,997</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, 2015**

	<b>Business-Type Activities - Enterprise Funds</b>							<b>Governmental Activities</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>
<b>Cash Flows From Operating Activities</b>								
Receipts from customers and users	\$ 10,727,940	\$ 6,152,221	\$ 34,933,178	\$ 11,916,681	\$ 1,890,255	\$ 932,130	\$ 66,552,405	\$ 6,039,092
Payments for employee services	(1,806,934)	(312,553)	(3,036,155)	(3,552,990)	(59,000)	(512,306)	(9,279,938)	(777,062)
Payments for supplies and services	(2,210,262)	(466,836)	(26,852,447)	(3,176,997)	(504,736)	(489,950)	(33,701,228)	(4,345,360)
Payments for interfund services	(1,236,952)	(205,163)	(1,275,518)	(1,116,311)	(413,039)	(27,981)	(4,274,964)	-
Net cash provided (used) by operating activities	5,473,792	5,167,669	3,769,058	4,070,383	913,480	(98,107)	19,296,275	916,670
<b>Cash Flows From Noncapital Financing Activities</b>								
Transfers from other funds	-	-	-	-	388,481	167,981	556,462	-
Transfers to other funds	(691,840)	(314,161)	(3,529,947)	(920,999)	-	-	(5,456,947)	-
Net cash provided (used) by noncapital and related financing activities	(691,840)	(314,161)	(3,529,947)	(920,999)	388,481	167,981	(4,900,485)	-
<b>Cash Flows From Capital and Related Financing Activities</b>								
Proceeds from capital grants and contributions	(11,827)	-	-	-	3,580,925	-	3,569,098	-
Proceeds from sale of capital assets	28,706	-	263,900	146,235	-	-	438,841	5,425
Purchases of capital assets	(2,127,597)	(199,324)	(4,025,465)	(1,972,650)	(1,901,474)	(18,949)	(10,245,459)	(81,559)
Cash received from other funds	4,054,524	-	2,500,000	-	-	40,000	6,594,524	-
Cash paid to other funds	(5,000,000)	-	(1,777,262)	-	-	(89,000)	(6,866,262)	-
Principal paid on debt	(1,239,000)	(20,000)	-	-	(365,447)	-	(1,624,447)	-
Interest and fees paid on capital debt	(498,273)	(133,885)	-	-	(19,893)	-	(652,051)	-
Net cash provided (used) by capital and related financing activities	(4,793,467)	(353,209)	(3,038,827)	(1,826,415)	1,294,111	(67,949)	(8,785,756)	(76,134)
<b>Cash Flows From Investing Activities</b>								
Sale (purchase) of investments	-	-	2,250,000	-	-	-	2,250,000	-
Interest and dividends received	20,175	121,690	190,858	81,084	9,904	(522)	423,189	19,464
Net cash provided (used) by investing activities	20,175	121,690	2,440,858	81,084	9,904	(522)	2,673,189	19,464
<b>Net increase (decrease) in cash and cash equivalents</b>	8,660	4,621,989	(358,858)	1,404,053	2,605,976	1,403	8,283,223	860,000
<b>Cash and cash equivalents - beginning</b>	3,233,998	21,738,087	24,339,009	15,613,815	463,621	1,311	65,389,841	3,645,255
<b>Cash and cash equivalents - ending</b>	3,242,658	26,360,076	23,980,151	17,017,868	3,069,597	2,714	73,673,064	4,505,255
<b>Shown in the financial statements as:</b>								
Cash and cash equivalents	1,816,150	26,360,076	23,980,151	15,333,320	3,069,595	2,714	70,562,006	4,505,255
Restricted cash and cash equivalents	1,426,508	-	-	1,684,548	2	-	3,111,058	-
<b>Total</b>	3,242,658	26,360,076	23,980,151	17,017,868	3,069,597	2,714	73,673,064	4,505,255
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>								
Operating income (loss)	3,182,377	4,901,880	5,068,549	3,271,615	844,080	(279,466)	16,989,035	637,627
Adjustments to reconcile operating income to net cash provided (used) by operating activities:								
Depreciation and amortization expenses	2,360,106	311,383	1,800,815	1,820,288	318,976	175,381	6,786,949	48,424
(Increase) decrease in receivables	202,535	14,452	(191,838)	26,014	(13,256)	7,425	45,332	(2,674)
(Increase) decrease in inventory and prepaids	22,197	-	(3,339,049)	-	7,175	(13,189)	(3,322,866)	282,728
Increase (decrease) in accounts payable	(212,561)	(52,536)	563,111	(634,192)	(240,986)	22,823	(554,341)	(27,935)
Landfill closure costs	-	-	-	(253,647)	-	-	(253,647)	-
Increase (decrease) in pension expense	(80,862)	(7,510)	(132,530)	(159,695)	(2,509)	(11,081)	(394,187)	(21,500)
Total adjustments	2,291,415	265,789	(1,299,491)	798,768	69,400	181,359	2,307,240	279,043
<b>Net cash provided (used) by operating activities</b>	\$ 5,473,792	\$ 5,167,669	\$ 3,769,058	\$ 4,070,383	\$ 913,480	\$ (98,107)	\$ 19,296,275	\$ 916,670
<b>Noncash Transactions</b>								
Contribution of capital assets	\$ 369,940	\$ -	\$ -	\$ -	\$ 169,860	\$ -	\$ 539,800	\$ -

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. Management of the City is responsible for day-to-day operations. Originally, the Housing Authority was established to receive and administer federal 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. Management of the City is responsible for day-to-day operations. 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 (CCEMS)**

CCEMS was organized as a separate legal entity to provide emergency medical services to the residents of Cache County. CCEMS began operations on January 1, 2005. The responsibility for financial management of CCEMS is retained by the governing board composed of three members from Cache County, three members from the City of Logan, and one member elected at-large from one of the other affected municipalities. The Authority is included as a component unit of Cache County. The City is expressly not obligated for CCEMS debt. The City is a service provider to CCEMS. Through the agreement with CCEMS, the City is compensated a set fee for emergency medical services provided to 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 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, Salt Lake City, Utah 84103, or call 800-872-5961, or visit their website at [www.uamps.com](http://www.uamps.com).

Related Organization

Cache Valley Transit District (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 Environmental Resource Agency (NUERA). NUERA was created to facilitate multijurisdictional cooperation for solid waste disposal. By agreement, any member who wishes to withdraw from the entity has no claim to any portion of the entity's net position. As such, no equity interest is reported by 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 normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for services.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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. For shared funding arrangements with third parties that perform accounting functions, transactions are generally recorded based on the cash basis.

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.

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 regional landfill.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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, sewer treatment, 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 salaries and wages, administrative fees, operating and maintenance, landfill closure and post-closure costs, and depreciation and amortization. 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 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 council resolution presented by the Mayor prior to the end of the fiscal year. Rescinding or changing committed fund balance would similarly require a subsequent council resolution. Fund balance is assigned by the City Council by passage of a council resolution presented by the Mayor subsequent to the end of the fiscal year.

This policy was established by council resolution and may be changed by the City Council by passage of a new 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 due 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 land, buildings, infrastructure, and equipment, are reported in the government-wide financial statements. Buildings include both buildings and improvements associated with buildings. Infrastructure includes systems of assets such as roads, water, and sewer, as well as land improvements generally associated with those systems. Capital assets are defined by the City as land and equipment with an initial, individual cost of more than \$5,000, or infrastructure and buildings with a total cost of more than \$10,000, and an estimated useful life in excess of two years. Such assets are recorded

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

at historical cost or estimated historical cost. Donated 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	10 to 30 years
Infrastructure	20 to 50 years
Equipment	3 to 40 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. The City also recognizes deferred inflows of resources related to pensions.

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. The City also recognizes deferred outflows of resources related to pensions.

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. Refunding of debt may 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**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." No departments exceeded budgets as of June 30, 2015.

**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, 2015, \$4,476,338 of the City's bank balance of \$4,976,338 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 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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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 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, 2015, 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	\$ 102,194,683	\$ 102,194,683	\$ -	\$ -	\$ -
Rep Agreement	2,426,042	2,426,042	-	-	-
Total	<u>\$ 104,620,725</u>	<u>\$ 104,620,725</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.

#### 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, 2015, the City had the following investments and quality ratings:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF	\$ 102,194,683	\$ -	\$ -	\$ -	\$ 102,194,683
Rep Agreement	2,426,042	2,426,042	-	-	-
Total	<u>\$ 104,620,725</u>	<u>\$ 2,426,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,194,683</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, 2015, \$4,777,517 was held by the counterparty's trust department or agent in the City's name. These deposits are not covered by depository insurance and are not collateralized.

**Note 4 – Receivables and Payables**

Receivables

Allowances for doubtful accounts are as follows:

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

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

Uncollectibles related to communication center	\$ 4,088
Uncollectibles related to water and sewer	59,520
Uncollectibles related to sewer treatment	28,150
Uncollectibles related to electric	156,135
Uncollectibles related to environmental health	29,539
Uncollectibles related to storm water management	10,001
Total	<u>\$ 287,433</u>

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Other governmental fund assessments	\$ 287,617
Total	<u>\$ 287,617</u>

Payables

Within accounts payable is accrued payroll payable. As of June 30, 2015, the City had the following accrued payroll liabilities:

<b>Fund</b>	<b>Amount</b>
General fund	\$ 551,463
Other governmental	64,969
Golf course	17,622
Water and sewer	55,200
Sewer treatment	4,360
Electric	85,976
Environmental health	104,439
Storm water management	2,016
Internal service	19,855
Total	<u>\$ 905,900</u>

**Note 5 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015, is as follows:

<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	\$ 20,075,064	\$ 1,013,051	\$ (209,731)	\$ -	\$ 20,878,384
Construction in progress	4,332,901	1,942,730	-	(4,131,283)	2,144,348
Total capital assets not being depreciated	<u>24,407,965</u>	<u>2,955,781</u>	<u>(209,731)</u>	<u>(4,131,283)</u>	<u>23,022,732</u>
Capital assets being depreciated:					
Buildings	38,050,095	-	-	-	38,050,095
Infrastructure	55,488,186	3,749,685	-	4,131,283	63,369,154
Equipment	15,614,388	1,903,119	(806,288)	-	16,711,219
Total capital assets being depreciated	<u>109,152,669</u>	<u>5,652,804</u>	<u>(806,288)</u>	<u>4,131,283</u>	<u>118,130,468</u>
Less accumulated depreciation for:					
Buildings	(24,374,444)	(1,223,397)	-	-	(25,597,841)
Infrastructure	(28,590,873)	(1,008,145)	-	-	(29,599,018)
Equipment	(11,828,856)	(944,116)	698,418	-	(12,074,554)
Total accumulated depreciation	<u>(64,794,173)</u>	<u>(3,175,658)</u>	<u>698,418</u>	<u>-</u>	<u>(67,271,413)</u>
Total capital assets being depreciated, net	<u>44,358,496</u>	<u>2,477,146</u>	<u>(107,870)</u>	<u>4,131,283</u>	<u>50,859,055</u>
Governmental activities capital assets, net	<u>\$ 68,766,461</u>	<u>\$ 5,432,927</u>	<u>\$ (317,601)</u>	<u>\$ -</u>	<u>\$ 73,881,787</u>

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 9,631,069	\$ 121,849	\$ -	\$ -	\$ 9,752,918
Construction in progress	15,181,167	4,095,081	-	(16,843,746)	2,432,502
Total capital assets not being depreciated	24,812,236	4,216,930	-	(16,843,746)	12,185,420
Capital assets being depreciated:					
Buildings	28,562,823	16,795	-	-	28,579,618
Infrastructure	108,153,021	1,515,528	(150,913)	16,563,746	126,081,382
Equipment	64,134,239	5,036,006	(1,889,121)	280,000	67,561,124
Total capital assets being depreciated	200,850,083	6,568,329	(2,040,034)	16,843,746	222,222,124
Less accumulated depreciation for:					
Buildings	(8,210,623)	(1,277,506)	-	-	(9,488,129)
Infrastructure	(30,406,130)	(2,366,014)	86,044	-	(32,686,100)
Equipment	(35,974,972)	(3,143,429)	1,635,203	-	(37,483,198)
Total accumulated depreciation	(74,591,725)	(6,786,949)	1,721,247	-	(79,657,427)
Total capital assets being depreciated, net	126,258,358	(218,620)	(318,787)	16,843,746	142,564,697
Business-type activities capital assets, net	\$ 151,070,594	\$ 3,998,310	\$ (318,787)	\$ -	\$ 154,750,117

During fiscal year 2015 some capital assets were reclassified to improve the consistency of asset classification. The result of this reclassification was to combine improvements and infrastructure.

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

<b>Governmental activities:</b>	
General government	\$ 499,873
Public safety	914,998
Public works	995,255
Parks, recreation and culture	717,108
Capital assets held by internal service funds	48,424
Total	<u>\$ 3,175,658</u>
<b>Business-type activities:</b>	
Water and sewer	\$ 2,360,106
Sewer treatment	311,383
Electric	1,800,815
Environmental health	1,820,288
Storm water management	318,976
Golf course	175,381
Total	<u>\$ 6,786,949</u>

**Note 6 – Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2015, is as follows:

Receivable fund	Payable fund	Amount
General Fund	Water Fund	\$ 2,277,262
Electric Fund	Water Fund	1,777,262
	Total	<u>\$ 4,054,524</u>

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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**Note 7 – Interfund Transfers**

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

Transfers Out	Transfers In				Total
	Governmental		Business-type		
	General Fund	Nonmajor	Storm Water	Golf Course	
		Governmental	Management		
General fund	\$ -	\$ 4,898,525	\$ 388,481	\$ 167,981	\$ 5,454,987
Nonmajor governmental	133,775	-	-	-	133,775
Water and sewer	691,840	-	-	-	691,840
Sewer treatment	314,161	-	-	-	314,161
Electric	3,529,947	-	-	-	3,529,947
Environmental health	920,999	-	-	-	920,999
Total	\$ 5,590,722	\$ 4,898,525	\$ 388,481	\$ 167,981	\$ 11,045,709

**Note 8 – Leases**

Operating Leases

During fiscal year 2014, the City entered into an operating lease agreement for golf carts to be used in golf course operations. Rental payments expensed to the golf course during the current year totaled \$36,900.

Future minimum lease payments are as follows:

Fiscal year	Business-type Activities
2016	\$ 36,900
2017	36,900
2018	33,825
Total minimum lease payments	<u>\$ 107,625</u>

**Note 9 – Long-Term Liabilities**

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, is as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 3,435,000	\$ -	\$ (510,000)	\$ 2,925,000	\$ 535,000
Revenue bonds	5,491,000	-	(1,566,000)	3,925,000	1,590,000
Premium	47,135	-	(23,570)	23,565	-
Total bonds payable	8,973,135	-	(2,099,570)	6,873,565	2,125,000
Capital leases	70,475	-	(70,475)	-	-
Compensated absences	1,539,838	1,340,539	(1,291,105)	1,589,272	1,289,460
Governmental activity long-term liabilities	<u>\$ 10,583,448</u>	<u>\$ 1,340,539</u>	<u>\$ (3,461,150)</u>	<u>\$ 8,462,837</u>	<u>\$ 3,414,460</u>
<b>Business-type activities:</b>					
Revenue bonds payable	\$ 16,530,000	\$ -	\$ (1,594,000)	\$ 14,936,000	\$ 2,096,000
Notes payable	694,507	9,042	(39,489)	664,060	39,511
Compensated absences	773,883	612,265	(589,906)	796,242	559,908
Landfill closure/post-closure costs	3,791,784	-	(253,647)	3,538,137	-
Business-type activity long-term liabilities	<u>\$ 21,790,174</u>	<u>\$ 621,307</u>	<u>\$ (2,477,042)</u>	<u>\$ 19,934,439</u>	<u>\$ 2,695,419</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.

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2016	\$ 535,000	\$ 104,385
2017	565,000	80,416
2018	585,000	58,707
2019	610,000	36,002
2020	630,000	12,206
Total	<u>\$ 2,925,000</u>	<u>\$ 291,716</u>

#### Revenue Bonds

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

In 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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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 bear an interest rate of 1.14 percent. 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. 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 Refunding 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, 2015.

In November 2006, the City issued \$2,595,000 in Water, Sewer and Solid Waste Revenue Refunding 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. The bonds bear an interest rate of 4.50 percent. 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.

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 bear an interest rate of 2.57 percent. 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.

Bond trust indentures of certain revenue bonds specify the City maintain net revenue to debt service coverage ratios. As of June 30, 2015, the City has met this requirement.



CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Revenue bonds outstanding as of June 30, 2015, are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
2013A Sales Tax Refunding - RDA	1.10%	\$ 1,125,000
2013B Sales Tax Refunding	0.94%	1,770,000
2006 Excise Tax	4.26%	1,030,000
2004 State Drinking Water	2.57%	3,176,000
2006 Water & Sewer Refunding	3.93%	1,125,000
2006 Sewer Treatment Refunding	3.93%	3,355,000
2008 Water & Sewer	4.04%	4,260,000
2008 State Drinking Water	1.14%	1,980,000
2012 Storm Water Refunding	1.45%	1,040,000
Total		<u>\$ 18,861,000</u>

Revenue bond debt service requirements to maturity are as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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	-	-	1,459,000	264,747
2020	-	-	1,479,000	215,168
2021-2025	-	-	5,152,000	365,913
2026-2028	-	-	465,000	10,374
Total	<u>\$ 3,925,000</u>	<u>\$ 101,208</u>	<u>\$ 14,936,000</u>	<u>\$ 2,049,653</u>

#### Notes Payable

The City periodically obtains notes payable to finance the purchase of small capital items or to take advantage of unique financing opportunities.

In June 2013, the City incurred notes payable of \$703,549 for storm water and canal improvements. The notes were incurred in two issuances. The first issuance of \$319,777 bears a zero percent interest rate over 18 years. The second issuance of \$383,772 bears an interest rate of 0.10 percent over 18 years.

Notes payable outstanding as of June 30, 2015, are as follows:

<b>Purpose</b>	<b>Interest Rates</b>	<b>Amount</b>
Canal & Storm Water Improvements #1	0.00%	\$ 301,654
Canal & Storm Water Improvements #2	0.10%	362,406
Total		<u>\$ 664,060</u>

Notes payable debt service requirements to maturity are as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Fiscal Year	Business-type Activities	
	Principal	Interest
2016	\$ 39,511	\$ 362
2017	39,532	341
2018	39,553	320
2019	39,575	298
2020	39,596	277
2021-2025	198,304	1,061
2026-2030	198,843	522
2031-2032	69,146	57
Total	<u>\$ 664,060</u>	<u>\$ 3,238</u>

**Note 10 – Restricted Assets**

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

**Note 11 – Risk Management**

The City is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Accordingly, the City 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. The estimate of the claims liability includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense. Estimated recoveries, such as salvage or subrogation, are included in the estimate for the claims liability. Changes in the balances of claims liabilities are as follows:

Claims Liabilities	June 30, 2015	June 30, 2014
Unpaid claims, beginning	\$ 151,000	\$ 118,100
Incurred claims & changes in estimates (including IBNR)	97,937	107,576
Claims paid	(90,371)	(74,676)
Unpaid claims, ending	<u>\$ 158,566</u>	<u>\$ 151,000</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

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

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, 2015, \$1,068,381 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, 2015, are as follows:

<b>Description</b>	<b>Gross Commitment</b>	<b>Current Year Rebate</b>	<b>Rebates-to- Date</b>
Agreement #1	\$ 66,600	\$ -	\$ -
Agreement #2	917,287	-	917,287
Agreement #3	n/a	-	2,160,462
Agreement #4	687,500	3,016	687,500
Agreement #5	1,500,000	205,220	1,361,464
Agreement #6	4,800,000	268,229	1,244,234
Agreement #7	220,000	2,476	94,153
Agreement #8	225,000	20,588	225,000
Agreement #9	68,431	5,472	32,499
Agreement #10	235,000	11,333	53,065
Agreement #11	250,000	19,215	100,667
Agreement #12	589,061	45,103	316,812
Agreement #13	101,029	13,727	42,208
Agreement #14	98,318	8,739	19,163
Agreement #15	59,286	13,241	35,976
Agreement #16	52,258	-	52,258
Total	<u>\$ 9,869,770</u>	<u>\$ 616,359</u>	<u>\$ 7,342,748</u>

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

General Information about the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); Firefighters Retirement System (Firefighters System); are cost-sharing multiple employer public employees retirement systems.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are cost-sharing multiple employer public employees retirement systems.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 Retirement System.

URS is established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. URS defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of URS under the direction of the Board, whose members are appointed by the Governor. URS is composed of fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

#### Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

<b>System</b>	<b>Final Average Salary</b>	<b>Years of Service Required and/or Age Eligible for Benefit</b>	<b>Benefit Percent Per Year of Service</b>	<b>COLA**</b>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year to up to 20 years; 2.0% per year over 20 years	Up to 2.50%
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year to up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
<i>*with actuarial reductions</i> <i>**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit.</i> <i>The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.</i>				

#### Contributions

As a condition of participation in URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11- Local Government Division Tier 1	N/A	6.00%	14.46%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	N/A	18.47%
111- Local Governmental Division Tier 2	N/A	N/A	14.94%
Public Safety Retirement System			
27- Other Division A Contributory Tier 1	N/A	11.13%	31.80%
47- Other Division A Non Contributory Tier 1	N/A	N/A	41.92%
122- Other Division A Contributory Tier 2	N/A	N/A	30.13%
Firefighters System			
32- Division B Tier 1	N/A	16.71%	6.59%
132- Division B Tier 2	N/A	N/A	10.80%

The following numbers of employees were covered by the benefit terms of the Public Safety System:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	21
Active employees	51
Total	114

Pension Assets, Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, the City reported a net pension asset of \$359,486 and a net pension liability of \$10,770,852.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	1.3246823%	\$ -	\$ 5,752,082
Contributory System	0.1757728%	-	50,701
Public Safety System	100.0000000%	-	4,968,069
Firefighters System	3.0536355%	336,045	-
Tier 2 Public Employees System	0.2316261%	7,019	-
Tier 2 Public Safety and Firefighter System	1.1101356%	16,422	-
Total Net Pension Asset / Liability		\$ 359,486	\$ 10,770,852

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the City recognized pension expense of \$2,150,485. At December 31, 2014, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,585	\$ 549,410
Changes in assumptions	-	1,321,820
Net difference between projected and actual earnings on pension plan investments	260,718	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	1,781,501	-
Total	<u>\$ 2,226,804</u>	<u>\$ 1,871,230</u>

The \$1,781,501 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (305,392)
2016	(299,193)
2017	(296,660)
2018	(276,154)
2019	(137,779)
Thereafter	(110,752)

#### Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the following table:

<b>Retired Member Mortality</b>
Class of Member
<b>Educators</b>
Men EDUM (90%)
Women EDUF (100%)
<b>Public Safety and Firefighters</b>
Men RP 2000mWC (100%)
Women EDUF (120%)
<b>Local Government, Public Employees</b>
Men RP 2000mWC (100%)
Women EDUF (120%)
EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2009 – December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent and a real return of 4.75 percent that is net of investment expense.

Every three years, in conjunction with the actuarial valuation, the actuary performs an experience study. Based on the 2014 experience study, the actuary recommended changes in the actuarial assumptions. Some of the changes were to decrease the wage inflation assumption from 3.75 percent to 3.50 percent, decrease the payroll growth assumption from 3.5 percent to 3.25 percent, and changes to the mortality assumptions.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of net pension (asset) / liability	\$ 26,138,507	\$ 10,770,852	\$ (2,590,657)

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**Defined Contribution Pension Plans**

The City participates in defined contribution pension plans sponsored and administered by URS. Voluntary contributions may be made by employees into the plans subject to Internal Revenue Code limitations. For Tier 1 employees allowed to withdraw from URS defined benefit plans, contributions are based on the same rates of contribution paid to the defined benefit plans. For Tier 2 employees, rates are authorized by statute and specified by the URS Board. During fiscal year 2015, contribution rates were 10 percent to the Tier 2 Public Employees Defined Contribution Plan and 12 percent to the Tier 2 Public Safety and Firefighter Defined Contribution Plan. During fiscal year 2015, the City contributed \$622,734 toward these plans.

**Note 14 – 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 City's cost estimates are based on the current methodology, which includes a dome-shaped landfill cap.

As of June 30, 2015, the City incurred a landfill liability of \$3,538,137 which represents the cost reported to date based on a 61.5 percent estimate of the landfill capacity used. Closure and post-closure costs are estimated to be \$5,753,159 based on a 2015 engineering study. The remaining estimated liability is \$2,215,022, which will be recognized as the remaining capacity is used (estimated closing date is 2026). 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 15 – Redevelopment Agency**

In accordance with the Utah State Code, municipalities that have 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	\$	221,247
Expenditures:		
Administrative costs		254,082
Tax increment rebate		9,500



CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Logan River RDA</b>		
Revenues:		
Tax increment collected	\$	573,498
Expenditures:		
Administrative costs		23,940
Debt:		
Revenue bonds		1,490,000

<b>Logan South Main RDA</b>		
Revenues:		
Tax increment collected	\$	887,875
Expenditures:		
Administrative costs		693,188

<b>Logan Northwest RDA</b>		
Revenues:		
Tax increment collected	\$	316,008
Expenditures:		
Administrative costs		13,468

<b>Logan North Main RDA</b>		
Revenues:		
Tax increment collected	\$	91,060

<b>Logan North Retail RDA</b>		
Revenues:		
Tax increment collected	\$	436,355
Expenditures:		
Administrative costs		185,136

<b>Logan 600 West EDA</b>		
Revenues:		
Tax increment collected	\$	668,153
Expenditures:		
Administrative costs		761,861
Tax increment rebate		117,694

**Note 16 – Investments in Power Projects and Related Contracts**

**Colorado River Storage Project (CRSP)**

CRSP 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.

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Intermountain Power Association (IPA)

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

Utah Associated Municipal Power Systems (UAMPS)

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

UAMPS Hunter II Project

In June 1982, the City entered into a power sales contract with UAMPS that expires on the later of (1) the date the principal of, premium, if any, and interest on all of the UAMPS Hunter Project Revenue and Refunding Bonds have been paid, or (2) the final shut down date of the Hunter Steam Electric Generating Unit No. 2 (Hunter II), or (3) June 1, 2032. The contract entitles the City to approximately 2.95 percent of the output of the project.

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 \$60,675,000 Revenue Bonds outstanding at June 30, 2015. In addition, the City is obligated for 40.54 percent of the debt service on \$958,000 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.

UAMPS VEYO

In June 2014, 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 VEYO Heat Recovery Project Revenue Bonds have been paid, or (2) the decommissioning of the project. The contract entitles the City to 22.72 percent of the scheduled output of the UAMPS VEYO

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

Heat Recovery Project. As a participant in the project, the City is obligated for 18.47 percent of the debt service on \$21,390,000 Revenue Bonds outstanding at June 30, 2015.

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 17 – Industrial Revenue Bonds**

In December 1996, the City authorized the issuance of Industrial Revenue Bonds to Sunshine Terrace in the amount of \$3,825,000. Sunshine Terrace is responsible for all bond payments and neither the City nor its resources are liable for repayment. The bonds are scheduled to mature on December 1, 2016.

In December 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 18 – Fund Balances**

Fund balance is categorized as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

<b>Fund Balances</b>	<b>General</b>	<b>Redevelopment Agency</b>	<b>Other Governmental funds</b>	<b>Total</b>
Nonspendable:				
Inventory	\$ 8,365	\$ -	\$ -	\$ 8,365
Interfund receivables	2,277,262	-	-	2,277,262
Prepaid assets	28,300	-	-	28,300
Restricted for:				
Debt service	924,840	125	-	924,965
Streets	1,762,904	-	-	1,762,904
Law enforcement	215,683	-	2,598	218,281
Parks and recreation	-	-	30,482	30,482
Library	-	-	177,059	177,059
Redevelopment	-	8,160,721	-	8,160,721
Other	-	-	3,873	3,873
Committed to:				
Library	-	-	1,249,225	1,249,225
Recreation Center maintenance	-	-	402,287	402,287
Communications Center	-	-	1,913,717	1,913,717
Special improvements	-	-	9,174	9,174
Cemetery	-	-	438,264	438,264
Capital projects	-	-	10,696,241	10,696,241
Assigned to:				
Law enforcement	18,330	-	-	18,330
Fire	55,679	-	-	55,679
Public works	403,679	-	-	403,679
Parks and recreation	24,122	-	-	24,122
Other	79,314	-	-	79,314
Unassigned:	4,446,650	-	-	4,446,650
Total	<u>\$ 10,245,128</u>	<u>\$ 8,160,846</u>	<u>\$ 14,922,920</u>	<u>\$ 33,328,894</u>

**Note 19 – Subsequent Event**

In July 2015, the City issued \$2,418,000 in General Obligation Refunding Bonds. Proceeds from the bonds were used to refund the 2005 General Obligation Bonds. The bonds bear interest rates of 1.44 percent. The refunding will save the City \$117,281 of debt service expense over the life of the bonds, and will result in an economic gain of \$116,176.

**Note 20 – GASB 68 Restatement**

The Governmental Accounting Standards Board issued Statement No. 68, "Accounting and Financial Reporting for Pensions" resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement of net position of proprietary funds as follows:

CITY OF LOGAN  
NOTES TO THE FINANCIAL STATEMENTS

	Business-Type Activities - Enterprise Funds							Governmental Activities
	Water and Sewer	Sewer Treatment	Electric	Environmental Health	Storm Water Management	Golf Course	Total	Internal Service Funds
<b>Net position, June 30, 2014</b>	\$ 47,846,006	\$ 31,675,922	\$ 56,252,108	\$ 35,004,709	\$ 20,249,829	\$ 4,849,491	\$ 195,878,065	\$ 3,744,758
Deferred outflows of resources related to pensions	129,535	66	3,498	5,845	22	97	139,063	189
Net pension liability	631,611	67,549	1,179,952	1,413,301	22,573	99,663	3,414,649	193,405
<b>Net position, June 30, 2014 (as restated)</b>	<u>\$ 47,343,930</u>	<u>\$ 31,608,439</u>	<u>\$ 55,075,654</u>	<u>\$ 33,597,253</u>	<u>\$ 20,227,278</u>	<u>\$ 4,749,925</u>	<u>\$ 192,602,479</u>	<u>\$ 3,551,542</u>

The implementation of this statement resulted in the restatement of net position of governmental and business-type activities as follows:

	Governmental Activities	Business-type Activities	Total
<b>Net position, June 30, 2014</b>	\$ 90,615,714	\$ 197,184,335	\$ 287,800,049
Net pension asset	6,556	-	6,556
Deferred outflows of resources related to pensions	1,448,433	139,063	1,587,496
Net pension liability	9,977,189	3,414,649	13,391,838
<b>Net position, June 30, 2014 (as restated)</b>	<u>\$ 82,093,514</u>	<u>\$ 193,908,749</u>	<u>\$ 276,002,263</u>

## 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, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 2,982,374	\$ 2,982,374	\$ 3,005,352	\$ 22,978
Sales tax	11,685,000	11,685,000	11,884,897	199,897
Franchise tax	5,065,000	5,065,000	5,042,936	(22,064)
Licenses and permits	668,500	668,500	723,861	55,361
Intergovernmental	1,983,385	4,672,140	3,455,258	(1,216,882)
Administrative fees	4,516,359	4,516,359	-	(4,516,359)
Charges for services	2,735,743	2,915,254	3,154,731	239,477
Fines	973,000	975,784	802,287	(173,497)
Investment earnings	66,000	66,000	92,448	26,448
Miscellaneous	135,000	196,060	1,084,906	888,846
Total revenues	30,810,361	33,742,471	29,246,676	(4,495,795)
EXPENDITURES				
Current:				
General government:				
Municipal council	130,874	130,874	117,189	13,685
Administration	1,046,846	1,049,946	916,731	133,215
Non-departmental	3,539,786	3,697,174	1,591,090	2,106,084
Finance	1,475,211	1,475,211	1,422,490	52,721
City attorney	562,503	562,503	493,692	68,811
Human resources	318,330	322,830	246,696	76,134
Community development	1,753,779	2,257,439	1,583,515	673,924
Total general government	8,827,329	9,495,977	6,371,403	3,124,574
Public safety:				
Police department	6,860,616	7,205,121	6,764,955	440,166
Fire department	5,356,042	5,478,553	5,294,561	183,992
Total public safety	12,216,658	12,683,674	12,059,516	624,158
Public works:				
Public works department	7,466,312	9,060,814	5,266,516	3,794,298
Total public works	7,466,312	9,060,814	5,266,516	3,794,298
Parks and recreation:				
Parks and recreation department	3,298,920	4,720,380	4,092,653	627,727
Total parks and recreation	3,298,920	4,720,380	4,092,653	627,727
Debt service:				
Principal	1,781,475	1,781,475	1,781,475	-
Interest	224,413	224,413	220,613	3,800
Total debt service	2,005,888	2,005,888	2,002,088	3,800
Total expenditures	33,815,107	37,966,733	29,792,176	8,174,557
Revenues over (under) expenditures	(3,004,746)	(4,224,262)	(545,500)	3,678,762
OTHER FINANCING SOURCES (USES)				
Transfers in	4,884,495	5,597,325	5,590,722	(6,603)
Transfers out	(6,932,570)	(6,819,016)	(5,454,987)	1,364,029
Disposal of capital assets	-	96,565	316,444	219,879
Total other financing sources (uses)	(2,048,075)	(1,125,126)	452,179	1,577,305
Net change in fund balance	(5,052,821)	(5,349,388)	(93,321)	5,256,067
Fund balance, beginning	10,338,449	10,338,449	10,338,449	-
Fund balance, ending	\$ 5,285,628	\$ 4,989,061	\$ 10,245,128	\$ 5,256,067

**City of Logan  
Redevelopment Agency  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 4,383,317	\$ 4,383,317	\$ 539,578	\$ (3,843,739)
Intergovernmental	-	-	2,717,276	2,717,276
Investment earnings	-	-	33,433	33,433
Total revenues	4,383,317	4,383,317	3,290,287	(1,093,030)
EXPENDITURES				
Current:				
Public works	1,158,600	1,265,575	1,053,738	211,837
Debt Service:				
Principal	365,000	365,000	365,000	-
Interest	21,390	21,390	16,890	4,500
Capital Outlay:				
Public works	675,351	715,956	40,363	675,593
Total expenditures	2,220,341	2,367,921	1,475,991	891,930
Revenues over (under) expenditures	2,162,976	2,015,396	1,814,296	(201,100)
Net change in fund balance	2,162,976	2,015,396	1,814,296	(201,100)
Fund balance, beginning	6,346,550	6,346,550	6,346,550	-
Fund balance, ending	\$ 8,509,526	\$ 8,361,946	\$ 8,160,846	\$ (201,100)



**City of Logan**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years**

	Noncontributory	Contributory	Public Safety	Firefighters	Tier 2 Public Employees	Tier 2 Public Safety and Firefighter
	<b>2015</b>					
Proportion of the net pension liability	1.3246823%	0.1757728%	100.0000000%	3.0536355%	0.2316261%	1.1101356%
Proportionate share of the net pension liability (asset)	\$ 5,752,082	\$ 50,701	\$ 4,968,069	\$ (336,045)	\$ (7,019)	\$ (16,422)
Covered employee payroll	11,263,793	94,495	2,473,704	2,578,896	1,137,629	459,513
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.10%	53.70%	200.80%	-13.00%	-0.60%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability	90.20%	94.00%	83.30%	101.30%	103.50%	120.50%

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

**City of Logan**  
**Schedule of Pension Contributions**  
**Last Ten Fiscal Years**

	Noncontributory	Contributory	Public Safety	Firefighters	Tier 2 Public Employees	Tier 2 Public Safety and Firefighter
	<b>2015</b>					
Contractually required contribution	\$ 2,082,030	\$ 13,043	\$ 988,569	\$ 141,152	\$ 95,563	\$ 50,022
Contributions in relation to the contractually required contribution	(2,082,030)	(13,043)	(988,569)	(141,152)	(95,563)	(50,022)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 11,263,793	\$ 94,495	\$ 2,473,704	\$ 2,578,896	\$ 1,137,629	\$ 459,513
Contributions as a percentage of covered-employee payroll	18.48%	13.80%	39.96%	5.47%	8.40%	10.89%

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

**City of Logan**  
**Public Safety Retirement System**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Last Ten Fiscal Years**

	<u>2015</u>
<b>Total pension liability</b>	
Service cost	\$ 523,589
Interest	2,110,015
Difference between expected and actual experience	234,198
Assumption changes	(420,000)
Benefit payments, including refunds of employee contributions	(1,367,389)
<b>Net Change in total pension liability</b>	<u>1,080,413</u>
<b>Total pension liability, beginning</b>	<u>28,741,243</u>
<b>Total pension liability, ending</b>	<u><u>29,821,656</u></u>
 <b>Plan fiduciary net position</b>	
Contributions-employer	988,769
Contributions-employee	35,018
Net investment income	1,671,638
Benefit payments, including refunds of employee contributions	(1,367,389)
Administrative expenses	(10,969)
Other changes	100,371
<b>Net Change in plan fiduciary net position</b>	<u>1,417,438</u>
<b>Plan fiduciary net position, beginning</b>	<u>23,436,149</u>
<b>Plan fiduciary net position, ending</b>	<u><u>24,853,587</u></u>
 <b>Net pension liability</b>	<u><u>\$ 4,968,069</u></u>
 Plan fiduciary net position as a percentage of the total pension liability	83.34%
Projected covered employee payroll	\$ 2,473,704
Net pension liability as a percentage of covered employee payroll	200.84%

**Note:**

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation

CITY OF LOGAN  
NOTES 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). For operating reasons, revenues and expenditures for centralized administrative services are budgeted for in the general fund. However, for reporting purposes these revenues and expenditures are eliminated and administrative expenditures or expenses are recorded in the various funds. 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 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 or carry forward specific unexpended appropriations 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.

**Note 2 – Actuarially Determined Pension Contributions**

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.



## Supplementary Information

**City of Logan**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2015**

	Library	Recreation Center Maintenance	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>ASSETS</b>									
Cash and cash equivalents	\$ 1,384,361	\$ 409,993	\$ 1,763,028	\$ 9,124	\$ 438,264	\$ 36,953	\$ 9,210,229	\$ 2,224,080	\$ 15,476,032
Accounts receivable (net of allowance)	-	-	90,862	335,305	-	-	-	-	426,167
Property tax receivable	1,618,811	-	-	-	-	-	-	-	1,618,811
Due from other governmental units	97,343	-	117,086	935	-	-	-	-	215,364
Total assets	<u>3,100,515</u>	<u>409,993</u>	<u>1,970,976</u>	<u>345,364</u>	<u>438,264</u>	<u>36,953</u>	<u>9,210,229</u>	<u>2,224,080</u>	<u>17,736,374</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	55,420	7,706	57,259	885	-	-	720,132	17,936	859,338
Total liabilities	<u>55,420</u>	<u>7,706</u>	<u>57,259</u>	<u>885</u>	<u>-</u>	<u>-</u>	<u>720,132</u>	<u>17,936</u>	<u>859,338</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred revenue unavailable	-	-	-	335,305	-	-	-	-	335,305
Deferred property tax revenue	1,618,811	-	-	-	-	-	-	-	1,618,811
Total deferred inflows of resources	<u>1,618,811</u>	<u>-</u>	<u>-</u>	<u>335,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,954,116</u>
<b>FUND BALANCES</b>									
Restricted	177,059	-	-	-	-	36,953	-	-	214,012
Committed	1,249,225	402,287	1,913,717	9,174	438,264	-	8,490,097	2,206,144	14,708,908
Total fund balances	<u>1,426,284</u>	<u>402,287</u>	<u>1,913,717</u>	<u>9,174</u>	<u>438,264</u>	<u>36,953</u>	<u>8,490,097</u>	<u>2,206,144</u>	<u>14,922,920</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,100,515</u>	<u>\$ 409,993</u>	<u>\$ 1,970,976</u>	<u>\$ 345,364</u>	<u>\$ 438,264</u>	<u>\$ 36,953</u>	<u>\$ 9,210,229</u>	<u>\$ 2,224,080</u>	<u>\$ 17,736,374</u>

**City of Logan**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2015**

	Library	Recreation Center Maintenance	Communication Center	Special Improvement	Cemetery Perpetual Care	Community Donations	Capital Projects	Capital Equipment	Total
<b>REVENUES</b>									
Property tax	\$ 1,772,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,772,915
Franchise tax	-	-	288,755	-	-	-	-	-	288,755
Intergovernmental	13,773	210,708	755,275	-	-	-	-	-	979,756
Charges for services	17,080	-	1,379,087	-	40,004	-	-	-	1,436,171
Fines	54,727	-	-	-	-	-	-	-	54,727
Investment earnings	6,211	1,940	7,296	190	2,296	-	34,246	9,107	61,286
Miscellaneous	45,524	-	101,711	56,495	-	25,275	-	-	229,005
Total revenues	<u>1,910,230</u>	<u>212,648</u>	<u>2,532,124</u>	<u>56,685</u>	<u>42,300</u>	<u>25,275</u>	<u>34,246</u>	<u>9,107</u>	<u>4,822,615</u>
<b>EXPENDITURES</b>									
Current:									
Public safety	-	-	1,672,342	-	-	-	-	-	1,672,342
Public works	-	-	-	1,800	-	-	-	-	1,800
Parks, recreation and culture	1,732,686	432,503	-	-	-	-	-	-	2,165,189
Capital outlay:									
Public safety	-	-	317,647	-	-	-	-	231,426	549,073
Public works	-	-	-	-	-	-	2,338,203	831,071	3,169,274
Parks, recreation and culture	-	12,358	-	-	-	-	28,403	105,470	146,231
Total expenditures	<u>1,732,686</u>	<u>444,861</u>	<u>1,989,989</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>2,366,606</u>	<u>1,167,967</u>	<u>7,703,909</u>
Revenues over (under) expenditures	<u>177,544</u>	<u>(232,213)</u>	<u>542,135</u>	<u>54,885</u>	<u>42,300</u>	<u>25,275</u>	<u>(2,332,360)</u>	<u>(1,158,860)</u>	<u>(2,881,294)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	271,108	-	-	20,000	-	3,332,417	1,275,000	4,898,525
Transfers out	-	-	-	(55,477)	(65,000)	(13,298)	-	-	(133,775)
Disposal of capital assets	-	-	-	-	-	-	-	9,300	9,300
Total other financing sources (uses)	<u>-</u>	<u>271,108</u>	<u>-</u>	<u>(55,477)</u>	<u>(45,000)</u>	<u>(13,298)</u>	<u>3,332,417</u>	<u>1,284,300</u>	<u>4,774,050</u>
Net change in fund balances	177,544	38,895	542,135	(592)	(2,700)	11,977	1,000,057	125,440	1,892,756
Fund balances - beginning	1,248,740	363,392	1,371,582	9,766	440,964	24,976	7,490,040	2,080,704	13,030,164
Fund balances - ending	<u>\$ 1,426,284</u>	<u>\$ 402,287</u>	<u>\$ 1,913,717</u>	<u>\$ 9,174</u>	<u>\$ 438,264</u>	<u>\$ 36,953</u>	<u>\$ 8,490,097</u>	<u>\$ 2,206,144</u>	<u>\$ 14,922,920</u>



**City of Logan  
Library Fund  
Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property tax	\$ 1,748,060	\$ 1,748,060	\$ 1,772,915	\$ 24,855
Intergovernmental	-	15,773	13,773	(2,000)
Charges for services	10,000	10,000	17,080	7,080
Fines	50,000	50,000	54,727	4,727
Investment earnings	3,100	3,100	6,211	3,111
Miscellaneous	10,000	10,000	45,524	35,524
Total revenues	1,821,160	1,836,933	1,910,230	73,297
EXPENDITURES				
Current:				
Parks, recreation and culture	1,791,801	1,814,084	1,732,686	81,398
Total expenditures	1,791,801	1,814,084	1,732,686	81,398
Revenues over (under) expenditures	29,359	22,849	177,544	154,695
Net change in fund balance	29,359	22,849	177,544	154,695
Fund balance, beginning	1,248,740	1,248,740	1,248,740	-
Fund balance, ending	\$ 1,278,099	\$ 1,271,589	\$ 1,426,284	\$ 154,695

**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, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 210,708	\$ 210,708	\$ 210,708	\$ -
Investment earnings	1,000	1,000	1,940	940
Total revenues	211,708	211,708	212,648	940
EXPENDITURES				
Current:				
Parks, recreation and culture	455,613	460,445	432,503	27,942
Parks, recreation and culture	20,000	15,168	12,358	2,810
Total expenditures	475,613	475,613	444,861	30,752
Revenues over (under) expenditures	(263,905)	(263,905)	(232,213)	31,692
OTHER FINANCING SOURCES (USES)				
Transfers in	271,108	271,108	271,108	-
Total other financing sources (uses)	271,108	271,108	271,108	-
Net change in fund balance	7,203	7,203	38,895	31,692
Fund balance, beginning	363,392	363,392	363,392	-
Fund balance, ending	\$ 370,595	\$ 370,595	\$ 402,287	\$ 31,692

**City of Logan**  
**Communication Center Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Franchise tax	\$ 730,000	\$ 730,000	\$ 288,755	\$ (441,245)
Intergovernmental	15,000	307,899	755,275	447,376
Charges for services	1,410,000	1,410,000	1,379,087	(30,913)
Investment earnings	7,021	7,021	7,296	275
Miscellaneous	96,000	96,000	101,711	5,711
Total revenues	2,258,021	2,550,920	2,532,124	(18,796)
EXPENDITURES				
Current:				
Public safety	2,095,983	2,096,346	1,672,342	424,004
Capital outlay:				
Public safety	182,500	502,562	317,647	184,915
Total expenditures	2,278,483	2,598,908	1,989,989	608,919
Revenues over (under) expenditures	(20,462)	(47,988)	542,135	590,123
Net change in fund balance	(20,462)	(47,988)	542,135	590,123
Fund balance, beginning	1,371,582	1,371,582	1,371,582	-
Fund balance, ending	\$ 1,351,120	\$ 1,323,594	\$ 1,913,717	\$ 590,123

**City of Logan**  
**Special Improvement Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 190	\$ 190
Miscellaneous	66,483	66,483	56,495	(9,988)
Total revenues	66,483	66,483	56,685	(9,798)
EXPENDITURES				
Current:				
Public works	5,000	5,000	1,800	3,200
Total expenditures	5,000	5,000	1,800	3,200
Revenues over (under) expenditures	61,483	61,483	54,885	(6,598)
OTHER FINANCING SOURCES (USES)				
Transfers out	(61,483)	(61,483)	(55,477)	6,006
Total other financing sources (uses)	(61,483)	(61,483)	(55,477)	6,006
Net change in fund balance	-	-	(592)	(592)
Fund balance, beginning	9,766	9,766	9,766	-
Fund balance, ending	\$ 9,766	\$ 9,766	\$ 9,174	\$ (592)

**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, 2015**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ -	\$ -	\$ 40,004	\$ 40,004
Investment earnings	-	-	2,296	2,296
Total revenues	-	-	42,300	42,300
Revenues over (under) expenditures	-	-	42,300	42,300
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Transfers out	-	(65,000)	(65,000)	-
Total other financing sources (uses)	20,000	(45,000)	(45,000)	-
Net change in fund balance	20,000	(45,000)	(2,700)	42,300
Fund balance, beginning	440,964	440,964	440,964	-
Fund balance, ending	\$ 460,964	\$ 395,964	\$ 438,264	\$ 42,300

**City of Logan**  
**Community Donations Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 25,275	\$ 25,275
Total revenues	-	-	25,275	25,275
Revenues over (under) expenditures	-	-	25,275	25,275
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(13,895)	(13,298)	597
Total other financing sources (uses)	-	(13,895)	(13,298)	597
Net change in fund balance	-	(13,895)	11,977	25,872
Fund balance, beginning	24,976	24,976	24,976	-
Fund balance, ending	\$ 24,976	\$ 11,081	\$ 36,953	\$ 25,872

**City of Logan**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	\$ -	\$ -	\$ 34,246	\$ 34,246
Total revenues	-	-	34,246	34,246
EXPENDITURES				
Capital outlay:				
Public works	1,800,000	5,247,458	2,338,203	2,909,255
Parks, recreation and culture	-	1,034,219	28,403	1,005,816
Total expenditures	1,800,000	6,281,677	2,366,606	3,915,071
Revenues over (under) expenditures	(1,800,000)	(6,281,677)	(2,332,360)	3,949,317
OTHER FINANCING SOURCES (USES)				
Transfers in	3,690,000	3,690,000	3,332,417	(357,583)
Total other financing sources (uses)	3,690,000	3,690,000	3,332,417	(357,583)
Net change in fund balance	1,890,000	(2,591,677)	1,000,057	3,591,734
Fund balance, beginning	7,490,040	7,490,040	7,490,040	-
Fund balance, ending	\$ 9,380,040	\$ 4,898,363	\$ 8,490,097	\$ 3,591,734

**City of Logan**  
**Capital Equipment Fund**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Investment earnings	\$ -	\$ -	\$ 9,107	\$ 9,107
Total revenues	-	-	9,107	9,107
EXPENDITURES				
Capital outlay:				
Public safety	245,000	245,000	231,426	13,574
Public works	650,000	845,000	831,071	13,929
Parks, recreation and culture	100,000	105,500	105,470	30
Total expenditures	995,000	1,195,500	1,167,967	27,533
Revenues over (under) expenditures	(995,000)	(1,195,500)	(1,158,860)	36,640
OTHER FINANCING SOURCES (USES)				
Transfers in	2,395,000	2,508,554	1,275,000	(1,233,554)
Total other financing sources (uses)	2,395,000	2,514,054	1,284,300	(1,229,754)
Net change in fund balance	1,400,000	1,318,554	125,440	(1,193,114)
Fund balance, beginning	2,080,704	2,080,704	2,080,704	-
Fund balance, ending	\$ 3,480,704	\$ 3,399,258	\$ 2,206,144	\$ (1,193,114)



**City of Logan**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2015**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,039,412	\$ 2,484,330	\$ 981,513	\$ 4,505,255
Accounts receivable (net of allowance)	-	2,674	-	2,674
Prepaid assets	62,494	-	-	62,494
Total current assets	<u>1,101,906</u>	<u>2,487,004</u>	<u>981,513</u>	<u>4,570,423</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation:				
Equipment	99,197	24,878	-	124,075
Total noncurrent assets	<u>99,197</u>	<u>24,878</u>	<u>-</u>	<u>124,075</u>
Total assets	<u>1,201,103</u>	<u>2,511,882</u>	<u>981,513</u>	<u>4,694,498</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pensions	2,722	925	-	3,647
Total deferred outflows of resources	<u>2,722</u>	<u>925</u>	<u>-</u>	<u>3,647</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	59,363	168,903	32,824	261,090
Compensated absences	35,266	10,954	-	46,220
Total current liabilities	<u>94,629</u>	<u>179,857</u>	<u>32,824</u>	<u>307,310</u>
Noncurrent liabilities:				
Compensated absences	8,200	2,547	-	10,747
Net pension liability	116,152	39,469	-	155,621
Total noncurrent liabilities	<u>124,352</u>	<u>42,016</u>	<u>-</u>	<u>166,368</u>
Total liabilities	<u>218,981</u>	<u>221,873</u>	<u>32,824</u>	<u>473,678</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	14,735	5,007	-	19,742
Total deferred inflows of resources	<u>14,735</u>	<u>5,007</u>	<u>-</u>	<u>19,742</u>
<b>NET POSITION</b>				
Net investment in capital assets	99,197	24,878	-	124,075
Unrestricted	870,912	2,261,049	948,689	4,080,650
Total net position	<u>\$ 970,109</u>	<u>\$ 2,285,927</u>	<u>\$ 948,689</u>	<u>\$ 4,204,725</u>

**City of Logan**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	<b>Information Technology</b>	<b>Risk Management</b>	<b>Health Management</b>	<b>Total</b>
Operating revenues:				
Charges for services	\$ 1,127,032	\$ 1,275,123	\$ 3,587,950	\$ 5,990,105
Miscellaneous	14,168	7,551	29,942	51,661
Total operating revenues	<u>1,141,200</u>	<u>1,282,674</u>	<u>3,617,892</u>	<u>6,041,766</u>
Operating expenses:				
Salaries and wages	498,602	263,127	-	761,729
Operating and maintenance	462,864	577,607	3,553,515	4,593,986
Depreciation and amortization	45,660	2,764	-	48,424
Total operating expenses	<u>1,007,126</u>	<u>843,498</u>	<u>3,553,515</u>	<u>5,404,139</u>
Operating income (loss)	<u>134,074</u>	<u>439,176</u>	<u>64,377</u>	<u>637,627</u>
Nonoperating revenues (expenses):				
Investment earnings	5,083	10,804	3,577	19,464
Gain (loss) on sale of assets	(3,908)	-	-	(3,908)
Total nonoperating revenue (expense)	<u>1,175</u>	<u>10,804</u>	<u>3,577</u>	<u>15,556</u>
Change in net position	135,249	449,980	67,954	653,183
Total net position, beginning (as restated)	834,860	1,835,947	880,735	3,551,542
Total net position, ending	<u>\$ 970,109</u>	<u>\$ 2,285,927</u>	<u>\$ 948,689</u>	<u>\$ 4,204,725</u>

**City of Logan**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2015**

	<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	\$ 1,141,200	\$ 1,280,000	\$ 3,617,892	\$ 6,039,092
Payments for employee services	(509,070)	(267,992)	-	(777,062)
Payments for supplies and services	(482,206)	(588,631)	(3,274,523)	(4,345,360)
Net cash provided (used) by operating activities	149,924	423,377	343,369	916,670
<b>Cash Flows From Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	5,425	-	-	5,425
Purchases of capital assets	(81,559)	-	-	(81,559)
Net cash provided (used) by capital and related financing activities	(76,134)	-	-	(76,134)
<b>Cash Flows From Investing Activities</b>				
Interest and dividends received	5,083	10,804	3,577	19,464
Net cash provided (used) by investing activities	5,083	10,804	3,577	19,464
<b>Net increase (decrease) in cash and cash equivalents</b>	78,873	434,181	346,946	860,000
<b>Cash and cash equivalents - beginning</b>	960,539	2,050,149	634,567	3,645,255
<b>Cash and cash equivalents - ending</b>	1,039,412	2,484,330	981,513	4,505,255
<b>Shown in the financial statements as:</b>				
Cash and cash equivalents	1,039,412	2,484,330	981,513	4,505,255
<b>Total</b>	1,039,412	2,484,330	981,513	4,505,255
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	134,074	439,176	64,377	637,627
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and amortization expenses	45,660	2,764	-	48,424
(Increase) decrease in receivables	-	(2,674)	-	(2,674)
(Increase) decrease in inventories and prepaids	(2,404)	7,018	278,114	282,728
Increase (decrease) in accounts payable	(11,358)	(17,455)	878	(27,935)
Increase (decrease) in pension expense	(16,048)	(5,452)	-	(21,500)
Total adjustments	15,850	(15,799)	278,992	279,043
<b>Net cash provided (used) by operating activities</b>	\$ 149,924	\$ 423,377	\$ 343,369	\$ 916,670

## **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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 33,547,443	\$ 32,063,095	\$ 37,017,827	\$ 44,175,005	\$ 45,458,112	\$ 46,646,658	\$ 49,858,785	\$ 54,075,787	\$ 59,823,124	\$ 67,156,564
Restricted	4,395,122	5,490,087	4,309,531	5,527,716	4,374,963	6,040,894	7,500,583	7,953,879	9,825,255	11,272,935
Unrestricted	7,375,465	11,661,764	13,066,078	8,821,025	13,765,957	16,403,797	17,983,316	20,848,581	12,445,135	15,943,727
Total governmental activities net position	45,318,030	49,214,946	54,393,436	58,523,746	63,599,032	69,091,349	75,342,684	82,878,247	82,093,514	94,373,226
Business-type activities										
Net investment in capital assets	54,218,641	60,912,030	69,182,015	70,349,483	70,772,026	83,696,041	93,455,269	108,908,112	133,846,087	139,276,808
Restricted	3,369,056	3,645,224	5,253,402	5,325,737	5,511,717	5,447,511	5,171,222	3,393,512	3,263,661	3,273,766
Unrestricted	11,534,517	13,913,031	19,606,826	30,984,227	40,193,186	42,341,386	52,823,950	58,024,074	56,799,001	65,430,723
Total business-type activities net position	69,122,214	78,470,285	94,042,243	106,659,447	116,476,929	131,484,938	151,450,441	170,325,698	193,908,749	207,981,297
Primary government										
Net investment in capital assets	87,766,084	92,975,125	106,199,842	114,524,488	116,230,138	130,342,699	143,314,054	162,983,899	193,669,211	206,433,372
Restricted	7,764,178	9,135,311	9,562,933	10,853,453	9,886,680	11,488,405	12,671,805	11,347,391	13,088,916	14,546,701
Unrestricted	18,909,982	25,574,795	32,672,904	39,805,252	53,959,143	58,745,183	70,807,266	78,872,655	69,244,136	81,374,450
Total primary government net position	\$ 114,440,244	\$ 127,685,231	\$ 148,435,679	\$ 165,183,193	\$ 180,075,961	\$ 200,576,287	\$ 226,793,125	\$ 253,203,945	\$ 276,002,263	\$ 302,354,523

**Note:**

2014 restated due to GASB 68.

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

<b>Expenses</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>2014</b>	<b>2015</b>
<b>Governmental activities:</b>										
General government	\$ 4,154,311	\$ 4,030,030	\$ 4,167,912	\$ 4,066,767	\$ 4,401,387	\$ 4,536,569	\$ 3,953,843	\$ 6,247,213	\$ 6,582,383	\$ 6,638,507
Public safety	10,645,906	11,708,483	11,904,427	16,068,594	12,952,205	13,410,929	13,433,511	13,867,644	14,244,566	13,917,317
Public works	9,218,137	8,917,654	6,698,981	6,163,514	5,991,429	5,618,065	6,067,097	6,424,605	5,971,262	5,396,464
Parks, recreation and culture	5,513,037	5,880,219	5,972,206	6,021,405	5,932,225	6,157,606	6,214,439	6,550,335	6,283,633	6,318,141
Interest on long-term debt	883,013	1,066,533	937,438	897,827	807,867	722,554	632,193	720,587	278,279	221,471
Total governmental activities expenses	30,414,404	31,602,919	29,680,964	33,218,107	30,085,113	30,445,723	30,301,083	33,810,384	33,360,123	32,491,900
<b>Business-type activities:</b>										
Water and sewer	5,329,864	5,995,831	5,956,156	6,391,287	7,341,611	6,479,924	6,720,139	6,605,621	7,044,288	7,768,486
Sewer treatment	1,516,309	1,323,435	1,678,112	1,838,810	1,971,969	1,683,595	1,461,239	2,047,329	1,734,806	1,381,471
Electric	28,154,670	27,057,794	28,509,970	26,954,988	27,836,906	29,339,903	27,857,228	29,529,767	29,767,620	29,938,197
Environmental health	6,832,097	8,406,574	7,363,667	7,630,579	7,213,824	8,015,044	7,391,826	7,606,099	8,656,539	8,424,667
Storm water management	146,376	268,693	416,460	653,373	652,774	595,459	583,300	636,962	1,383,774	1,074,899
Golf course	950,401	964,478	1,039,064	1,082,298	990,145	910,292	977,285	1,058,746	1,124,726	1,194,324
Total business-type activities expenses	42,929,717	44,016,805	44,963,429	44,551,335	46,007,229	47,024,217	44,991,017	47,484,524	49,711,753	49,782,044
Total primary government expenses	73,344,121	75,619,724	74,644,393	77,769,442	76,092,342	77,469,940	75,292,100	81,294,908	83,071,876	82,273,944
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	2,442,210	2,156,641	2,225,184	1,840,998	1,805,623	1,692,739	1,763,563	1,896,727	2,051,873	1,628,017
Public safety	3,072,579	2,522,034	2,542,265	2,707,185	2,663,369	2,695,818	2,727,867	2,743,666	3,023,976	3,481,883
Public works	108,824	77,599	65,795	76,508	245,452	73,739	50,393	60,383	90,346	78,478
Parks, recreation and culture	1,137,552	1,064,335	959,230	833,265	762,949	904,952	1,095,948	1,062,012	963,033	963,399
Operating grants and contributions	3,624,830	3,731,879	3,432,063	5,633,575	2,910,345	2,635,966	2,542,203	4,337,900	5,592,515	6,567,127
Capital grants and contributions	1,759,227	1,901,121	2,646,992	1,081,431	602,962	575,446	907,301	202,703	2,169,442	2,831,339
Total governmental activities program revenues	12,145,222	11,453,609	11,871,529	12,172,962	8,990,700	8,578,660	9,087,275	10,303,391	13,891,185	15,570,243
<b>Business-type activities:</b>										
Charges for services:										
Water and sewer	8,053,733	9,232,454	9,175,918	9,422,487	9,020,423	9,415,093	9,843,352	11,517,493	11,308,276	10,532,297
Sewer treatment	3,314,190	3,615,552	3,812,998	3,746,692	4,009,174	5,959,987	6,272,841	6,155,411	6,121,506	6,137,788
Electric	31,994,373	32,831,865	35,123,701	33,511,951	33,093,119	34,991,678	37,373,422	38,132,147	38,636,007	35,125,016
Environmental health	8,778,028	10,587,302	11,029,581	10,839,020	10,686,702	10,974,250	11,492,784	11,414,276	11,546,256	11,899,252
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	1,956,884	1,903,590
Golf course	854,770	927,906	942,152	929,632	845,998	716,924	725,067	817,084	877,558	924,705
Operating grants and contributions	4,100	5,089	5,190	-	-	26,840	1,467,346	650,281	-	-
Capital grants and contributions	851,185	613,893	4,852,635	1,027,388	591,720	2,414,117	-	-	6,010,481	1,631,264
Total business-type activities program revenues	54,767,643	58,907,742	66,164,536	60,700,556	59,416,659	65,706,935	68,725,582	70,596,620	76,456,968	68,153,912
Total primary government program revenue	66,912,865	70,361,351	78,036,065	72,873,518	68,407,359	74,285,595	77,812,857	80,900,011	90,348,153	83,724,155
<b>Net (expense) revenue</b>										
Governmental activities	(18,269,182)	(20,149,310)	(17,809,435)	(21,045,145)	(21,094,413)	(21,867,063)	(21,213,808)	(23,506,993)	(19,468,938)	(16,921,657)
Business-type activities	11,837,926	14,890,937	21,201,107	16,149,221	13,409,430	18,682,718	23,734,565	23,112,096	26,745,215	18,371,868
Total primary government net expense	(6,431,256)	(5,258,373)	3,391,672	(4,895,924)	(7,684,983)	(3,184,345)	2,520,757	(394,897)	7,276,277	1,450,211
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Taxes										
Property tax	4,717,759	5,515,223	6,243,004	6,615,903	7,311,000	7,659,716	7,832,162	8,162,000	5,398,314	5,317,845
Sales tax	9,656,503	9,790,578	8,588,366	7,801,445	7,278,283	7,638,622	8,298,419	10,912,488	11,270,803	11,884,897
Franchise tax	4,549,254	5,494,567	5,544,044	5,486,849	5,795,555	5,890,063	5,572,982	5,780,106	5,518,641	5,331,691
Unrestricted grants and contributions	78,334	171,205	-	-	966,052	966,669	532,429	605,042	385,350	358,817
Unrestricted investment earnings	411,453	872,221	777,448	473,635	405,243	344,296	445,475	346,950	178,401	206,631
Miscellaneous	485,882	411,034	778,342	459,727	259,746	710,155	477,623	546,130	1,639,738	1,272,984
Gain (loss) on sale of assets	143,261	133,456	(240,273)	124,616	-	64,315	103,970	-	65,334	121,570
Special item	-	(2,419,473)	(2,693,766)	-	-	-	-	-	-	-
Transfers	4,229,903	4,077,415	3,990,760	4,213,280	4,133,820	4,085,544	4,202,083	4,689,840	2,749,824	4,900,485
Total general revenues and transfers	24,272,349	24,046,226	22,987,925	25,175,455	26,169,699	27,359,380	27,465,143	31,042,556	27,206,405	29,394,920
<b>Business-type activities:</b>										
Unrestricted investment earnings	-	-	861,611	681,263	541,872	410,835	433,021	453,001	297,206	407,614
Special item	-	-	(2,500,000)	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	-	-	2,649,059	-
Transfers	(4,229,903)	(4,077,415)	(3,990,760)	(4,213,280)	(4,133,820)	(4,085,544)	(4,202,083)	(4,689,840)	(2,749,824)	(4,900,485)
Total general revenues and transfers	(4,229,903)	(4,077,415)	(5,629,149)	(3,532,017)	(3,591,948)	(3,674,709)	(3,769,062)	(4,236,839)	196,441	(4,492,871)
Total primary government	20,042,446	19,968,811	17,358,776	21,643,438	22,577,751	23,684,671	23,696,081	26,805,717	27,402,846	24,902,049
<b>Change in Net Position</b>										
Governmental activities	6,003,167	3,896,916	5,178,490	4,130,310	5,075,286	5,492,317	6,251,335	7,535,563	7,737,467	12,473,263
Business-type activities	7,608,023	10,813,522	15,571,958	12,617,204	9,817,482	15,008,009	19,965,503	18,875,257	26,941,656	13,878,997
Total primary government	\$ 13,611,190	\$ 14,710,438	\$ 20,750,448	\$ 16,747,514	\$ 14,892,768	\$ 20,500,326	\$ 26,216,838	\$ 26,410,820	\$ 34,679,123	\$ 26,352,260

**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>
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
2014	5,398,314	11,270,803	5,518,641	22,187,758
2015	5,317,845	11,884,897	5,138,140	22,340,882

**Note:**

Prior to FY 2014 Property Tax excluded RDA Portion.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund					
Nonspendable	\$ 840,464	\$ 243,122	\$ 25,390	\$ 2,506,673	\$ 2,313,927
Restricted	4,056,096	4,203,487	3,175,396	3,291,845	2,903,427
Assigned	56,690	165,727	228,877	92,232	581,124
Unassigned	5,608,584	5,272,375	5,890,918	4,447,699	4,446,650
Total general fund	<u>\$ 10,561,834</u>	<u>\$ 9,884,711</u>	<u>\$ 9,320,581</u>	<u>\$ 10,338,449</u>	<u>\$ 10,245,128</u>
Other governmental funds					
Restricted	\$ 1,984,798	\$ 3,297,096	\$ 4,778,483	\$ 6,533,410	\$ 8,374,858
Committed	9,121,795	11,528,605	13,741,316	12,843,304	14,708,908
Total other governmental funds	<u>\$ 11,106,593</u>	<u>\$ 14,825,701</u>	<u>\$ 18,519,799</u>	<u>\$ 19,376,714</u>	<u>\$ 23,083,766</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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 18,923,516	\$ 20,800,368	\$ 20,375,414	\$ 19,904,197	\$ 20,384,838	\$ 21,188,401	\$ 21,703,563	\$ 24,854,594	\$ 22,187,758	\$ 22,534,433
Licenses and permits	1,444,976	957,844	1,118,841	709,501	743,139	691,361	737,553	817,915	1,072,200	723,861
Intergovernmental	4,591,346	4,069,543	3,332,786	5,678,084	4,105,042	3,740,301	3,981,933	5,059,701	8,147,307	7,152,290
Administrative fees	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	4,318,955	3,663,968	3,567,290	3,616,958	3,671,770	3,714,101	3,918,546	3,907,590	4,115,150	4,590,902
Fines	997,234	1,198,797	1,106,343	1,131,497	1,062,484	961,786	981,672	1,037,283	941,878	857,014
Investment earnings	387,531	837,831	744,760	456,407	397,424	333,489	422,447	323,690	161,142	187,167
Miscellaneous	1,056,537	772,245	791,959	660,266	508,301	635,005	900,672	586,729	1,683,883	1,313,911
Total revenues	34,681,388	35,565,614	34,496,025	35,955,713	34,260,370	34,924,560	36,281,173	40,308,907	38,309,318	37,359,578
<b>Expenditures</b>										
General government	5,611,918	5,667,274	5,776,064	5,326,007	5,567,149	5,732,128	5,371,158	7,566,779	6,095,521	6,371,403
Public safety	9,750,187	10,775,683	11,139,350	14,995,245	12,206,474	12,398,704	12,671,751	12,874,909	13,335,654	13,645,644
Public works	7,891,821	8,587,871	7,307,112	7,277,794	6,927,667	6,793,448	7,182,029	7,469,884	5,192,188	4,665,709
Parks, recreation and culture	5,040,564	5,374,378	5,527,458	5,433,027	5,426,351	5,483,747	5,599,368	5,873,092	5,604,650	5,762,849
Debt service:										
Principal	2,231,709	1,940,785	2,406,557	2,184,881	2,040,273	2,153,371	2,103,709	7,366,125	2,960,198	2,146,475
Interest	770,638	973,628	925,895	850,421	798,514	717,788	637,340	570,632	310,121	237,503
Debt issuance cost	114,371	36,000	-	-	-	-	-	42,759	-	-
Capital outlay	2,021,589	3,993,804	5,807,241	9,360,410	2,150,837	1,740,914	3,971,989	5,521,949	6,025,978	6,142,493
Total expenditures	33,432,797	37,349,423	38,889,677	45,427,785	35,117,265	35,020,100	37,537,344	47,286,129	39,524,310	38,972,076
Excess (deficiency) of revenues over (under) expenditures	1,248,591	(1,783,809)	(4,393,652)	(9,472,072)	(856,895)	(95,540)	(1,256,171)	(6,977,222)	(1,214,992)	(1,612,498)
<b>Other Financing sources (uses)</b>										
Transfers in	5,889,587	8,493,503	11,134,628	6,958,446	7,360,633	8,174,916	8,934,742	7,866,916	6,670,565	10,489,247
Transfers out	(1,659,684)	(4,416,088)	(7,143,868)	(2,745,166)	(3,158,610)	(4,089,372)	(4,732,659)	(3,177,076)	(3,920,741)	(5,588,762)
Debt issuance	7,013,000	3,775,000	275,000	923,634	-	-	-	5,370,000	300,000	-
Debt premium	259,265	-	-	-	-	-	-	-	-	-
Debt refinancing	(6,961,526)	-	-	-	-	-	-	-	-	-
Sale of capital assets	1,029,000	167,834	24,073	116,000	370,191	56,285	96,073	47,350	39,951	325,744
Total other financing sources and uses	5,569,642	8,020,249	4,289,833	5,252,914	4,572,214	4,141,829	4,298,156	10,107,190	3,089,775	5,226,229
Special item	-	(620,966)	-	1,085,251	-	-	-	-	-	-
Net change in fund balances	\$ 6,818,233	\$ 5,615,474	\$ (103,819)	\$ (3,133,907)	\$ 3,715,319	\$ 4,046,289	\$ 3,041,985	\$ 3,129,968	\$ 1,874,783	\$ 3,613,731
Debt service as a percentage of noncapital expenditures	9.92%	8.85%	10.07%	8.42%	8.61%	8.63%	8.17%	19.11%	9.76%	7.26%

**Note:**

In FY 2014, the City began netting administrative fees against the corresponding expenses previously recorded in general government and public works.

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

<b>Fiscal year</b>	<b>City of Logan</b>			<b>Cache County</b>				<b>Total</b>
	<b>Local Option (2)</b>	<b>Transit (3)</b>	<b>Subtotal: Direct Rate</b>	<b>County Option</b>	<b>County Transportation</b>	<b>Botanical, Cultural, Zoo</b>	<b>State of Utah</b>	
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%
2014	1.00%	0.30%	1.30%	0.25%	0.25%	0.10%	4.70%	6.60%
2015	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 Nine Years Ago (In Hundreds)**

Industry (3)	FY 2015		FY 2006	
	Taxable Sales	Percent of Total Sales Tax	Taxable Sales	Percent of Total Sales Tax
Retail	\$ 3,233,657	32.6%	\$ 2,458,050	35.1%
Food Stores	1,460,167	14.7%	862,240	12.3%
Manufacturing	1,254,026	12.6%	1,011,121	14.4%
Eating and Drinking Places	1,051,161	10.6%	587,379	8.4%
Services	970,874	9.8%	660,692	9.4%
Transportation, Communication, Utilities	451,371	4.5%	402,429	5.7%
Public Administration	197,406	2.0%	181,422	2.6%
Wholesale Trade	239,258	2.4%	226,503	3.2%
Construction	114,736	1.2%	121,228	1.7%
Finance, Insurance, and Real Estate	67,877	0.7%	16,148	0.2%
Other	889,856	9.0%	478,202	6.8%
Total	\$ 9,930,389	100%	\$ 7,005,414	100%

**Note:**

- 1- Information provided by Utah State Tax Commission.
- 2- Utah State law prohibits the disclosure of individual vendor sales tax information.

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

<b>Sales Tax Ranking Largest to Smallest</b>	<b>FY 2015</b>	<b>FY 2006</b>
	<b>Percent of Taxable Sales</b>	<b>Percent of Taxable Sales</b>
1-10	30.7%	30.6%
11-25	13.3%	18.4%
26-50	10.6%	12.4%
51-100	13.0%	13.0%
101-200	13.2%	12.5%
200+	19.1%	13.1%
Total	100%	100%

**Note:**

1- Information provided by Utah State Tax Commission.

**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	Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2006	\$6,820,000	\$12,878,000	\$672,365	\$1,138,375	\$24,742,000	\$551,000	\$489,742	\$ 47,291,482	4.23%	\$ 992
2007	6,430,000	15,176,000	585,249	1,151,706	22,562,000	850,000	316,114	47,071,069	3.92%	992
2008	6,055,000	13,930,000	532,131	694,267	31,832,000	693,848	277,672	54,014,918	4.23%	981
2009	5,670,000	12,635,000	196,181	1,448,970	30,217,000	-	96,645	50,263,796	4.04%	1,110
2010	5,270,000	11,291,000	129,810	1,219,068	27,085,000	-	49,340	45,044,218	3.37%	1,015
2011	4,845,000	9,894,000	3,465	1,014,042	23,885,000	-	-	39,641,507	2.94%	935
2012	4,395,000	8,398,000	-	859,798	20,982,000	-	-	34,634,798	2.44%	809
2013	3,990,705	7,038,000	-	698,673	19,030,000	727,746	-	31,485,124	2.09%	644
2014	3,482,135	5,491,000	-	70,475	16,530,000	694,507	-	26,268,117	1.74%	536
2015	2,948,565	3,925,000	-	-	14,936,000	664,060	-	22,473,625	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>
2006	\$ 6,820,000	\$ -	\$ 6,820,000	0.47%	\$ 143
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
2014	3,482,135	-	3,482,135	0.18%	71
2015	2,948,565	-	2,948,565	0.14%	60

**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, 2015**

<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	\$ 6,873,565	100%	\$ 6,873,565
Subtotal of Direct Debt			6,873,565
Logan City School District	46,447,000	100%	46,447,000
Cache County	7,983,561	39%	3,113,589
Subtotal of Overlapping Debt			49,560,589
Total Direct and Overlapping Debt			\$ 56,434,154

**Note:**

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Legal debt margin:										
Debt limit	\$ 115,042,650	\$ 122,120,376	\$ 132,994,864	\$ 144,037,018	\$ 155,578,131	\$ 148,678,851	\$ 149,151,461	\$ 153,988,353	\$ 158,096,945	\$ 168,936,017
Total net debt applicable to limit	<u>6,820,000</u>	<u>6,430,000</u>	<u>6,055,000</u>	<u>5,670,000</u>	<u>5,270,000</u>	<u>4,845,000</u>	<u>4,395,000</u>	<u>3,920,000</u>	<u>3,482,135</u>	<u>2,948,565</u>
Legal debt margin	<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>	<u>\$ 154,614,810</u>	<u>\$ 165,987,452</u>
Total net debt applicable to the limit as a percentage of debt limit	6.59%	6.12%	5.93%	5.27%	4.55%	3.94%	3.39%	2.95%	2.20%	1.75%

**Legal Debt Margin Calculation for Fiscal Year 2015**

Assessed valuations:		
Assessed value		\$ 2,111,700,215
Add back: exempt real property		n/a
Total assessed value		<u>2,111,700,215</u>
Legal debt margin		
Debt limitation - 8 percent of total assessed value		168,936,017
Debt applicable to limitation:		
Total bonded debt	2,948,565	
Less: Amount available for repayment of general obligation bonds	<u>-</u>	
Total debt applicable to limitation		<u>2,948,565</u>
Legal debt margin		<u>\$ 165,987,452</u>



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

<b>Water, Sewer, &amp; Solid Waste Bonds</b>							
<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(3)</b>	<b>Interest(3)</b>	<b>Total</b>	
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	1,720,000	617,621	2,337,621	4.62
2008	24,686,528	11,599,101	13,087,427	1,102,000	615,922	1,717,922	7.62
2009	24,577,346	12,358,196	12,219,150	1,464,000	857,482	2,321,482	5.26
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
2014	29,143,603	13,290,938	15,852,665	2,179,000	583,045	2,762,045	5.74
2015	28,858,155	12,965,645	15,892,510	1,259,000	496,559	1,755,559	9.05

<b>Storm Water Bonds</b>							
<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(3)</b>	<b>Interest(3)</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
2014	1,960,239	1,164,166	796,073	321,000	22,265	343,265	2.32
2015	1,913,415	740,455	1,172,960	335,000	17,509	352,509	3.33

**Note:**

- 1- Includes operating and non-operating revenues excluding capital contributions and transfers.
- 2- Includes operating and non-operating expenses excluding depreciation, amortization, and transfers.
- 3- Includes principal and interest payments.

**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>
2006	45,816	\$ 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	1,418,803	29,027	n/a	n/a	6,063	4.7%
2014	48,913	1,507,703	30,824	n/a	n/a	5,987	2.9%
2015	48,997	n/a	n/a	n/a	n/a	5,967	3.3%

**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**

		FY 2015			FY 2006		
		Number of Employees (Range)	Rank		Number of Employees (Range)	Rank	
Company	Product			Percent of Total City Employment			Percent of Total City Employment
Utah State University	Education	5,000-6,999	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
Conservice, LLC	Scientific & Technical service	500-999	4	n/a	n/a	-	n/a
Schreiber Foods, Inc.	Cheese products	500-999	5	n/a	400-499	-	n/a
Bridgerland Applied Tech Center	Education	250-499	6	n/a	n/a	-	n/a
Budge Clinic	Health care	250-499	7	n/a	n/a	-	n/a
Campbell Scientific Inc.	Manufacturing	250-499	8	n/a	n/a	-	n/a
GE HealthCare Life Sciences	BioGenetic components	250-499	9	n/a	250-499	7	n/a
Gossner Foods, Inc.	Cheese & dairy	250-499	10	n/a	n/a	-	n/a
Moore Business	Business forms	250-499	-	n/a	400-699	5	n/a
Cache Valley Electric	Electronic contractors	-	-	n/a	500-699	6	n/a
Tyco Manufacturing	Electronic components	-	-	n/a	250-499	9	n/a
Sunshine Terrace	Health care	-	-	n/a	250-499	8	n/a
Logan City School District	Education	-	-	n/a	500-999	4	n/a
Herff Jones	Yearbook publishers	-	-	n/a	250-499	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>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government	67	69	64	64	67	66	64	61	62	61
Public safety:										
Police:										
Officers/staff	80	80	79	80	77	80	81	79	75	81
Administration	11	12	11	13	12	12	10	10	10	8
Fire:										
Firefighters/officers	47	46	48	45	48	48	48	49	50	52
Administration	1	1	1	1	1	1	1	1	1	1
Parks, recreation and culture	54	51	55	52	51	48	44	42	42	42
Public works:										
Engineering	12	14	13	13	12	12	13	13	13	13
Streets	23	26	20	20	20	21	20	21	19	18
Storm Water	1	1	1	1	1	1	1	1	1	1
Shops	11	11	11	11	11	11	11	11	11	12
Water/sewer	31	33	31	32	33	34	31	31	28	30
Environmental health	52	59	52	53	55	55	56	57	59	58
Electric	34	33	31	29	28	28	28	30	30	30
Total	<u>424</u>	<u>436</u>	<u>417</u>	<u>414</u>	<u>416</u>	<u>417</u>	<u>408</u>	<u>406</u>	<u>401</u>	<u>407</u>

**Note:**

1- Information obtained from Human Resources.

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

<b>Function</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>2014</b>	<b>2015</b>
Parks, recreation and culture:										
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	173,493	177,772	181,694	185,770	192,916	203,091	216,184	231,433	231,605	223,415
Municipal water department:										
Number of service connections	16,123	16,512	16,971	17,033	17,423	18,099	17,500	17,564	17,217	17,981
Consumption in gallons	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	3,372,342,000	3,214,878,000
Sewer system:										
Number of service connections	16,079	16,153	15,135	15,334	15,647	15,809	16,506	16,605	16,296	16,999
Miles of sewer lines	141	143	145	149	151	155	152	154	154	155
Municipal electric department:										
Number of service connections	17,527	18,108	18,179	18,354	18,571	18,638	18,129	18,271	18,019	19,153
Kilowatt hours consumed	419,299,598	426,326,000	419,657,000	434,143,463	400,318,341	392,866,267	400,214,630	422,147,620	410,122,735	399,803,756
Miles of distribution lines	216	216	216	225	225	230	231	231	235	235
Solid waste and disposal department:										
Number of city users	15,610	13,321	13,952	14,321	14,312	14,792	14,783	14,475	14,518	15,136
Number of county users	15,754	17,025	17,558	17,794	18,301	18,572	18,900	19,266	19,142	19,795
Cubic yards of garbage received	188,740	161,189	157,547	150,763	141,637	150,698	143,011	157,296	164,320	151,021
Building permits issued	411	417	406	345	358	369	539	569	527	608

**Note:**

1- Information obtained from various City departments.

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

<b>Function</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>2014</b>	<b>2015</b>
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire stations	2	2	2	2	2	2	2	3	3	3
Highways and streets:										
Streets (miles)	136	138	144	145	147	147	146	145	145	146
Parks, recreation and culture:										
Parks	38	39	39	39	39	39	39	39	40	40
Libraries	1	1	1	1	1	1	1	1	1	1
Volumes	173,493	177,772	181,694	185,770	192,916	203,091	216,184	231,433	231,605	223,415
Water:										
Water mains (miles)	n/a	n/a	n/a	174	176	179	180	184	186	186
Sewer:										
Sewer lines (miles)	141	143	145	149	151	155	152	154	154	155
Electric:										
Services lines (miles)	216	216	216	225	225	230	231	231	235	235

**Note:**

1- Information obtained from various City departments.



### **Single Audit Section**



**City of Logan**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2015**

<b>Federal Grantor/Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA No.</b>	<b>Pass Through Grant No.</b>	<b>Program or Award Amount</b>	<b>Disbursements/ Expenditures</b>
U.S. Department of Housing and Urban Development (HUD)				
Community Development Block Grant	14.218	B-10-MC-49-0011	\$ 640,557	\$ 54,320
Community Development Block Grant	14.218	B-12-MC-49-0011	488,989	27,775
Community Development Block Grant	14.218	B-13-MC-49-0011	482,244	78,300
Community Development Block Grant	14.218	B-14-MC-49-0011	474,885	198,422
Total HUD			<u>2,086,675</u>	<u>358,817</u>
U.S. Department of Justice (DOJ)				
Bulletproof Vest Partnership Program	16.607	1121-0235	19,907	6,438
Passed through the State of Utah Commission on Criminal and Juvenile Justice:				
Justice Assistance Grant - State Task Force	16.738	15F03	88,317	85,546
Justice Assistance Grant - Equipment	16.738	14A147	7,500	7,500
Total DOJ			<u>115,724</u>	<u>99,484</u>
U.S. Department of Transportation/National Highway Traffic Safety Administration (NHTSA)				
Passed through the State of Utah Dept of Public Safety/ Highway Safety Office:				
Distracted Driving Program 2014	20.600	PT140105	14,000	5,208
Total NHTSA			<u>14,000</u>	<u>5,208</u>
U.S. Department of Health and Human Services (HHS)				
Passed through the Utah Department of Workforce Services:				
Afterschool Curriculum & Equipment - Bridger	93.575	15DWS0109	4,510	4,502
Afterschool Curriculum & Equipment - Ellis	93.575	15DWS0110	4,510	4,503
Afterschool Curriculum & Equipment - Woodruff	93.575	15DWS0108	4,510	4,502
Aspire Kids Grant - Bridger	93.575	140251	31,000	31,000
Aspire Kids Grant - Ellis	93.575	140253	31,000	31,000
Aspire Kids Grant - Woodruff	93.575	140252	31,000	31,000
CCDF Match Partnership	93.575	151040	32,730	32,730
Total HHS			<u>139,260</u>	<u>139,237</u>
U.S. Department of Homeland Security/Federal Emergency Management Agency (HLS/FEMA)				
Passed through the Utah Division of Emergency Management:				
Emergency Management Performance Grant	97.042	2014-DEM-042	11,000	11,000
Emergency Management Performance Grant - EOC Management Project	97.042	2014-DEM-010	10,000	10,000
Total HLS/FEMA			<u>21,000</u>	<u>21,000</u>
Total Federal Awards			<u>\$ 2,376,659</u>	<u>\$ 623,746</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 – Loans**

As of June 30, 2015, 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	\$3,176,000
66.468	Capitalization Grants for Drinking Water	\$1,980,000

**Note 4 – Omni Circular**

As part of an effort to reform and strengthen federal grant making, the OMB published new guidance pertaining to federal awards, OMB Uniform Guidance: Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly referred to as the Omni Circular. The new guidance is part of an effort to more effectively focus federal grant resources on improving performance and outcomes. The Omni Circular is effective for all awards issued on or after December 26, 2014. The City has three awards that fall into this category: pass through grant numbers 15DWS0108, 15DWS0109, and 15DWS0110.



# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South

Bountiful, Utah 84010

801-296-0200

Fax 801-296-1218

## 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, 2015, 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 23, 2015.

### *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 City'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.

E. Lynn Hansen, CPA  
Clarke R. Bradshaw, CPA  
Gary E. Malmrose, CPA  
Edwin L. Erickson, CPA  
Michael L. Smith, CPA  
Jason L. Tanner, CPA

Robert D. Wood, CPA  
Aaron R. Hixson, CPA  
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Jeffrey B. Miles, CPA

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of Certified Public  
Accountants*

*Members of the  
Private Company  
Practice Section*

### ***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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

October 23, 2015

# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South  
Bountiful, Utah 84010  
801-296-0200  
Fax 801-296-1218

## REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### *Independent Auditors' Report*

E. Lynn Hansen, CPA  
Clarke R. Bradshaw, CPA  
Gary E. Malmrose, CPA  
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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, 2015. 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, 2015.

### *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 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 23, 2015

City of Logan  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

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: | No            |
| 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



City of Logan  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015

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

None

City of Logan  
Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2015

There were no findings in the prior year regarding federal awards.



**State Compliance Section**



# Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South  
Bountiful, Utah 84010  
801-296-0200  
Fax 801-296-1218

E. Lynn Hansen, CPA  
Clarke R. Bradshaw, CPA  
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## REPORT IN ACCORDANCE WITH THE *UTAH STATE COMPLIANCE AUDIT GUIDE ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, AND INTERNAL CONTROL OVER COMPLIANCE, AND SCHEDULE OF EXPENDITURES OF STATE AWARDS*

### *Independent Auditors' Report*

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

### *Report On Compliance with General State Compliance Requirements and for Each Major State Program*

We have audited the City of Logan, Utah's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

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

The City received state funding from the following program classified as a major program for the year ended June 30, 2015:

B & C Road Funds (Department of Transportation)

### *Management's Responsibility*

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above.

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 Utah State Compliance Audit Guide. Those standards and the Utah State 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 direct and material effect on the City or its major state 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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

### ***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 the City or on each of its major state programs for the year ended June 30, 2015.

### ***Report On Internal Control over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the Utah State Compliance Audit Guide, 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 general state or major state program compliance requirement 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 general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a *material weakness* in internal control over compliance, 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.

### **Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.



The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

October 23, 2015

**City of Logan**  
**Schedule of Expenditures of Utah State Grants, Contracts, and Loan Funds**  
**For the Year Ended June 30, 2015**

<b>Grants Name</b>	<b>Award/Contract No.</b>	<b>Year of Last Audit</b>	<b>Disbursements/Expenditures</b>
State of Utah Commission on Criminal and Juvenile Justice (CCJJ)			
State Asset Forfeiture Grant (SAFG) - Concrete Pad	15N28		\$ 2,500
State Asset Forfeiture Grant (SAFG) - Drug Buy Money	15N58		4,000
Total Utah Commission on Criminal and Juvenile Justice			<u>6,500</u>
The Office of the Utah Attorney General			
Internet Crimes Against Children (ICAC)	FY15		14,564
Total Office of the Utah Attorney General			<u>14,564</u>
Utah 9-1-1 Committee			
Phone Upgrade Grant	FY15		270,280
Total Utah 9-1-1 Committee			<u>270,280</u>
Utah Department of Health			
911 EMS Grant	FY15		363
Total Utah Department of Health			<u>363</u>
Utah Substance Abuse Advisory (USAAV) Council			
Beer Tax Funds - Alcohol Enforcement	FY15		56,558
Total Utah Substance Abuse Advisory (USAAV) Council			<u>56,558</u>
Utah Department of Transportation (UDOT)			
Class C Road Funds	FY15	FY2015	1,876,721
Total Utah Department of Transportation			<u>1,876,721</u>
Utah Department of Heritage and Arts, Utah State Library Division			
Community Library Enhancement Fund (CLEF)	USL15-0138		13,273
Dia de los Libros Mini Grant	FY15		500
Total Utah Department of Heritage and Arts			<u>13,773</u>
Utah Department of Workforce Services			
Housing & Community Development Division			
Willow Park Zoo	GF15-ZOOS		54,400
Total Utah Department of Workforce Services			<u>54,400</u>
Total State Awards			<u>\$ 2,293,159</u>

