
OFFICIAL NOTICE OF BOND SALE

And

PRELIMINARY OFFICIAL STATEMENT



**Board of Education of
Logan City School District, Utah**

\$19,500,000*
General Obligation School Building Bonds
(Utah School District Bond Guaranty Program), Series 2019

Electronic bids will be received up to 10:00:00 A.M., M.S.T., via the ***PARITY***® electronic bid submission system, on Thursday, February 21, 2019.

* Preliminary; subject to change.

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**OFFICIAL NOTICE OF BOND SALE
(Bond Sale to Be Conducted Electronically)**

\$19,500,000*

**GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM), SERIES 2019
OF THE
BOARD OF EDUCATION OF LOGAN CITY SCHOOL DISTRICT, UTAH**

Bids will be received electronically (as described under “PROCEDURES REGARDING ELECTRONIC BIDDING” below) by the Business Administrator of the Board of Education (the “*Board*”) of Logan City School District, Utah (the “*District*”), via the PARITY[®] electronic bid submission system (“*PARITY*[®]”), at 10:00:00 a.m., Mountain Standard Time, on Thursday, February 21, 2019, for the purchase (all or none) of \$19,500,000* aggregate principal amount of the Board’s General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019 (the “*2019 Bonds*”). Pursuant to a resolution of the Board adopted on November 27, 2018 the Board has authorized the Business Administrator (or, in the event of his absence or incapacity, the Superintendent of the Board, or in the event of his absence or incapacity, the President of the Board), as the designated officer of the Board (the “*Designated Officer*”), to review and consider the bids on Thursday, February 21, 2019.

DESCRIPTION OF 2019 BONDS: The 2019 Bonds will be dated as of the date of issuance and delivery¹ thereof, will be issuable only as fully-registered bonds in book-entry form, will be issued in denominations of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity, and will mature on June 15 of each of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT*	YEAR	PRINCIPAL AMOUNT*
2020	\$240,000	2030	\$ 380,000
2021	250,000	2031	390,000
2022	260,000	2032	400,000
2023	275,000	2033	415,000
2024	295,000	2034	430,000
2025	305,000	2035	445,000
2026	320,000	2036	3,335,000
2027	335,000	2037	3,450,000
2028	355,000	2038	3,565,000
2029	370,000	2039	3,685,000

TERM BONDS AND MANDATORY SINKING FUND REDEMPTION AT BIDDER’S OPTION: The 2019 Bonds scheduled to mature on two or more of the maturity dates may be rescheduled, at bidder’s option, to mature as term bonds on one or more dates within that period, in which event such 2019 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates as will correspond to the above-designated maturity dates and principal amounts maturing on those dates.

ADJUSTMENT OF PRINCIPAL AMOUNT OF THE 2019 BONDS: The Board may adjust the aggregate principal amount of the 2019 Bonds maturing in any year as described in this paragraph. The adjustment of maturities may be made in such amounts as are necessary to properly size the issue so that proceeds

¹ The anticipated date of delivery of the 2019 Bonds is Wednesday, March 6, 2019.

* Preliminary; subject to change. See caption “ADJUSTMENT OF PRINCIPAL AMOUNT OF THE 2019 BONDS” in this Official Notice of Bond Sale.

available to the Board will be approximately \$20,500,000. Any such adjustment will be in an amount of \$5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits, and the Board will consider the bid as having been made for the adjusted amount of the 2019 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2019 Bonds to the public and the price to be paid to the Board, by (b) the principal amount of the 2019 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The Designated Officer expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., Mountain Standard Time, on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2019 Bonds will be adjusted and the corresponding changes to the principal amount of 2019 Bonds maturing on one or more of the above-designated maturity dates for the 2019 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by facsimile transmission to Zions Public Finance, Inc., the Municipal Advisor (the "*Municipal Advisor*") to the Board, at fax number 801.844.4484 within one-half hour of the time the Municipal Advisor notifies the successful bidder that such bidder's bid appears to be the best bid received (as described under the caption "NOTIFICATION" below), the amount of any original issue discount or premium on each maturity of the 2019 Bonds and the amount received from the sale of the 2019 Bonds to the public that will be retained by the successful bidder as its compensation.

RATINGS: The Board will, at its own expense, pay fees of Moody's Investors Service, Inc. for rating the 2019 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

PURCHASE PRICE: The purchase price bid for the 2019 Bonds shall not be less than the principal amount of the 2019 Bonds (\$19,500,000).

INTEREST RATES: Bidders must specify the rate of interest with respect to each maturity of 2019 Bonds. Bidders will be permitted to bid different rates of interest for each separate maturity of 2019 Bonds, but:

- (a) the highest interest rate bid for any of the 2019 Bonds shall not exceed five percent (5.00%) per annum;
- (b) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent ($1/8^{\text{th}}$ or $1/20^{\text{th}}$ of 1%) per annum;
- (c) no 2019 Bond shall bear more than one rate of interest;
- (d) interest shall be computed from the dated date of a 2019 Bond to its stated maturity date at the single interest rate specified in the bid for the 2019 Bonds of such maturity;
- (e) the same interest rate shall apply to all 2019 Bonds maturing at one time;
- (f) the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for immediately available funds;
- (g) any premium must be paid in the funds specified for the payment of the 2019 Bonds as part of the purchase price;
- (h) there shall be no supplemental interest coupons;

- (i) a zero percent (0%) interest rate may not be used; and
- (j) interest shall be computed on the basis of a 360-day year of 12, 30-day months.

Interest will be payable semiannually on June 15 and December 15 of each year, commencing June 15, 2019.

BOND REGISTRAR AND PAYING AGENT; PLACE OF PAYMENT: U.S. Bank, National Association, Salt Lake City, Utah, will be the paying agent and bond registrar for the 2019 Bonds. The Board may remove any paying agent and any bond registrar, and any successor thereto, and appoint a successor or successors thereto. So long as the 2019 Bonds are outstanding in book-entry form, the principal of and interest on the 2019 Bonds will be paid under the standard procedures of The Depository Trust Company (“DTC”).

OPTIONAL REDEMPTION: The 2019 Bonds maturing on or after June 15, 2029, are subject to redemption prior to maturity in whole or in part at the option of the Board on December 15, 2028, or on any date thereafter, from such maturities or parts thereof as may be selected by the Board, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than thirty (30) nor more than forty-five (45) days’ prior written notice, at a redemption price of one hundred percent (100%) of the principal amount of the 2019 Bonds to be redeemed, plus accrued interest thereon to the redemption date.

SECURITY; STATE OF UTAH GUARANTY: The 2019 Bonds will be full general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the same as to both principal and interest.

Pursuant to the Utah school district bond guaranty, Title 53G, Chapter 4, Part 8 of the Utah Code Annotated 1953, as amended, the full faith and credit and unlimited taxing power of the State of Utah will, upon original issuance of the 2019 Bonds, be pledged to guarantee full and timely payment of the principal of (at stated maturity) and interest on the 2019 Bonds as such payments become due.

AWARD: Award or rejection of bids will be made by the Board, acting through its Designated Officer, on Thursday, February 21, 2019. The 2019 Bonds will be awarded to the responsible bidder offering to pay not less than the principal amount of the 2019 Bonds and specifying a rate or rates of interest that result in the lowest effective interest rate to the Board. The effective interest rate to the Board shall be the interest rate per annum determined on a per annum true interest cost (“TIC”) basis by discounting the scheduled semiannual debt service payments of the Board on the 2019 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2019 Bonds (based on a 360-day year consisting of 12, 30-day months), compounded semiannually and to the bid price.

PROMPT AWARD: The Designated Officer will take action awarding the 2019 Bonds or rejecting all bids not later than 6:00 p.m., Mountain Standard Time, on Thursday, February 21, 2019, unless such time of award is waived by the successful bidder.

NOTIFICATION: The Municipal Advisor, on behalf of the Board, will notify the apparent successful bidder (electronically via PARITY®) as soon as possible after the Designated Officer’s receipt of bids, that such bidder’s bid appears to be the best bid received which conforms to the requirements of this Official Notice of Bond Sale, subject to verification by the Designated Officer not later than 6:00 p.m., Mountain Standard Time, on Thursday, February 21, 2019.

PROCEDURES REGARDING ELECTRONIC BIDDING: A prospective bidder must communicate its bid for the 2019 Bonds electronically via PARITY® on or before 10:00:00 a.m., Mountain Standard Time, on Thursday, February 21, 2019. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Bond

Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY[®], potential bidders may contact the Municipal Advisor at One S. Main St, 18th Fl, Salt Lake City, UT 84133, 801.844.7373 or i-Deal LLC at 1359 Broadway, 2nd Fl, New York, NY 10018, 212.849.5021.

For purposes of PARITY[®], the time as maintained by PARITY[®] shall constitute the official time.

Each prospective bidder shall be solely responsible to register to bid via PARITY[®] as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access PARITY[®] for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the Board nor i-Deal LLC shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Board nor i-Deal LLC shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY[®]. The Board is using PARITY[®] as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the 2019 Bonds.

FORM OF BID: Each bidder is required to transmit electronically via PARITY[®] an unconditional bid specifying the lowest rate or rates of interest and the purchase price, which shall not be less than the principal amount of the 2019 Bonds, at which the bidder will purchase the 2019 Bonds. Each bid must be for all the 2019 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2019 Bonds represented on a TIC basis, as described under "AWARD" above, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of PARITY[®]; *provided, however*, that in the event a prospective bidder cannot access PARITY[®] through no fault of its own, it may so notify the Municipal Advisor by telephone at 801.844.7373. Thereafter, it may submit its bid by telephone to the Municipal Advisor at 801.844.7373, who shall transcribe such bid into written form, or by facsimile transmission to the Municipal Advisor at 801.844.4484, in either case before 10:00:00 a.m., Mountain Standard Time, on Thursday, February 21, 2019. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by facsimile transmission (as described above), the time as maintained by PARITY[®] shall constitute the official time. Each bid submitted as provided in this paragraph must specify: (a) an offer to purchase not less than all of the 2019 Bonds; and (b) the lowest rate of interest at which the bidder will purchase the 2019 Bonds at a price of not less than the principal amount of the 2019 Bonds, as described under "AWARD" above. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission to an official of the Board. Neither the Board nor the Municipal Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of telephone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Business Administrator, the apparent successful bidder will provide written confirmation of its bid (by facsimile transmission) to the Business Administrator prior to 2:00 p.m., Mountain Standard Time, on Thursday, February 21, 2019.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at its option, to cancel its obligation to purchase the 2019 Bonds if the Board shall fail to execute the 2019 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$200,000 (the "Deposit"), is required only from the successful bidder. The Deposit shall be payable to the order of the Board in the

form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 p.m., Mountain Standard Time, on the date of sale. As an alternative to wiring funds, a bidder may deliver a cashier's or certified check, payable to the order of the Board, with its bid. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The Board shall, as security for the faithful performance by the successful bidder of its obligation to take up and pay for the 2019 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder and hold the proceeds of the Deposit of the successful bidder or invest the same (at the Board's risk) in obligations that mature at or before the delivery of the 2019 Bonds as described under the caption "MANNER AND TIME OF DELIVERY" below, until disposed of as follows: (a) at such delivery of the 2019 Bonds and upon compliance with the successful bidder's obligation to take up and pay for the 2019 Bonds, the full amount of the Deposit held by the Board, without adjustment for interest, shall be applied toward the purchase price of the 2019 Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the Board; and (b) if the successful bidder fails to take up and pay for the 2019 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the Board as liquidated damages.

SALE RESERVATIONS: The Board, acting through its Designated Officer, reserves the right: (a) to waive any irregularity or informality in any bid or in the electronic bidding process; (b) to reject any and all bids for the 2019 Bonds; and (c) to resell the 2019 Bonds as provided by law.

MANNER AND TIME OF DELIVERY: The successful bidder will be given at least seven business days' advance notice of the proposed date of the delivery of the 2019 Bonds when that date has been determined. It is now estimated that the 2019 Bonds will be delivered in book-entry form on or about Wednesday, March 6, 2019. The 2019 Bonds will be delivered as a single bond certificate for each maturity of the 2019 Bonds, registered in the name of DTC or its nominee. Delivery of the 2019 Bonds will be made in Salt Lake City, Utah, except that the successful bidder may at its option and expense designate some other place of delivery, that expense to include travel expenses of two Board officials or two representatives of the Board and closing expenses. The successful bidder must also agree to pay for the 2019 Bonds in federal funds that will be immediately available to the Board in Logan, Utah, on the day of delivery.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the 2019 Bonds, but neither the failure to print such numbers on any 2019 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the 2019 Bonds in accordance with terms of the contract of sale. All expenses in relation to the providing of CUSIP numbers for the 2019 Bonds shall be paid for by the Board.

TAX-EXEMPT STATUS: In the opinion of Chapman and Cutler LLP, Bond Counsel, subject to the Board's compliance with certain covenants, under present law, interest on the 2019 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Failure to comply with certain of such Board covenants could cause interest on the 2019 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds. Ownership of the 2019 Bonds may result in other federal tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds.

It is further the opinion of Bond Counsel that under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the 2019 Bonds may result in other state and local tax consequences to certain taxpayers; Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds. Prospective purchasers of the 2019 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

ISSUE PRICE: The winning bidder shall assist the Board in establishing the issue price of the 2019 Bonds and shall execute and deliver to the Board at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2019 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as *Annex 1* with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Board and Bond Counsel. All actions to be taken by the Board under this Official Notice of Bond Sale to establish the issue price of the 2019 Bonds may be taken on behalf of the Board by the Municipal Advisor and any notice or report to be provided to the Board may be provided to the Municipal Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the 2019 Bonds) will apply to the initial sale of the 2019 Bonds (the “*competitive sale requirements*”) because:

- (a) the Board shall disseminate this Official Notice of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (b) all bidders shall have an equal opportunity to bid;
- (c) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (d) the Board anticipates awarding the sale of the 2019 Bonds to the bidder who submits a firm offer to purchase the 2019 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Bond Sale.

Any bid submitted pursuant to this Official Notice of Bond Sale shall be considered a firm offer for the purchase of the 2019 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the winning bidder. The Board shall then treat the first price at which 10% of a maturity of the 2019 Bonds (the “*10% test*”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Board if any maturity of the 2019 Bonds satisfies the 10% test as of the date and time of the award of the 2019 Bonds. The Board will *not* require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the 2019 Bonds as the issue price of that maturity. Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that all of the maturities of the 2019 Bonds will be subject to the 10% test in order to establish the issue price of the 2019 Bonds.*

In the event the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the 2019 Bonds, the winning bidder agrees to promptly report to the Board the prices at which the unsold 2019 Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the 2019 Bonds of that maturity or until all 2019 Bonds of that maturity have been sold to the public.

By submitting a bid, each bidder confirms that: (a) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which

it sells to the public the unsold 2019 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the 2019 Bonds of that maturity or all 2019 Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (b) any agreement among underwriters relating to the initial sale of the 2019 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2019 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold 2019 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the 2019 Bonds of that maturity or all 2019 Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any 2019 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Bond Sale. Further, for purposes of this Official Notice of Bond Sale:

(a) “*public*” means any person other than an underwriter or a related party,

(b) “*underwriter*” means (i) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the 2019 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2019 Bonds to the public),

(c) a purchaser of any of the 2019 Bonds is a “*related party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “*sale date*” means the date that the 2019 Bonds are awarded by the Board to the winning bidder.

Any questions regarding the certificate should be directed to Chapman and Cutler LLP, Bond Counsel, 215 South State Street, Suite 800, Salt Lake City, Utah 84111, 801.536.1426, fax: 801.533.9595, bjerke@chapman.com.

LEGAL OPINION AND CLOSING CERTIFICATES: The unqualified approving opinion of Chapman and Cutler LLP covering the legality of the 2019 Bonds will be furnished to the successful bidder. Closing certificates will also be furnished, dated as of the date of delivery of and payment for the 2019 Bonds, including a statement that there is no litigation pending or, to the knowledge of the signer thereof, threatened affecting the validity of the 2019 Bonds.

DISCLOSURE CERTIFICATE: The closing papers will include a certificate executed by the President, the Business Administrator or other officer of the District confirming to the successful bidder that, to the best of the knowledge of the signers thereof, and after reasonable investigation: (a) the Preliminary Official Statement (the “*Preliminary Official Statement*”) circulated with respect to the 2019

Bonds did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (b) the final Official Statement (the “*Official Statement*”) did not as of its date and does not at the time of the delivery of the 2019 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, should the Official Statement be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Official Statement shall relate to the Official Statement as so supplemented or amended.

CONTINUING DISCLOSURE: The Board covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “*Undertaking*”) to provide ongoing disclosure about the Board for the benefit of the beneficial owners of the 2019 Bonds on or before the date of delivery of the 2019 Bonds as required under paragraph (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed upon in writing by the successful bidder. For more information regarding the Undertaking and the Board’s compliance with prior undertakings, see “CONTINUING DISCLOSURE UNDERTAKING” in the Preliminary Official Statement.

The successful bidder’s obligation to purchase the 2019 Bonds shall be conditioned upon the Board delivering the Undertaking on or before the date of delivery of the 2019 Bonds.

DELIVERY OF COPIES OF OFFICIAL STATEMENT: The Board shall deliver to the successful bidder on such business day as directed in writing by the successful bidder, which is not earlier than the second business day or later than the seventh business day after the award of the 2019 Bonds as described under the caption “AWARD” above, copies of the Official Statement in sufficient quantity, as directed in writing by the successful bidder, to comply with paragraph (b)(4) of the Rule and the Rules of the Municipal Securities Rulemaking Board.

After the original issuance and delivery of the 2019 Bonds, if any event relating to or affecting the Board shall occur as a result of which it is necessary in the opinion of counsel for the successful bidder to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a prospective purchaser, the Board shall, for so long as the successful bidder is obligated by the Rule to deliver an Official Statement to prospective purchasers, forthwith prepare and furnish to the successful bidder such information with respect to itself as the successful bidder deems necessary to amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, in the light of the circumstances existing at the time the Official Statement is delivered to a prospective purchaser.

MUNICIPAL ADVISOR: The Board has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2019 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2019 Bonds.

WAIVER OF CONFLICTS: By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Board in the 2019 Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Board in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel. If a bidder does not agree to such consent and waiver, such bidder should not submit a bid for the 2019 Bonds.

ADDITIONAL INFORMATION: For copies of this Official Notice of Bond Sale, the Preliminary Official Statement and information regarding the electronic bidding procedures and other related information, contact the Municipal Advisor, Zions Public Finance, Inc., One South Main Street, 18th Floor, Salt Lake City, Utah 84133, 801.844.7376, fax: 801.844.4484, alex.buxton@zionsbancorp.com or cara.bertot@zionsbancorp.com. The Preliminary Official Statement (including the Official Notice of Bond Sale) is also available at i-dealprospectus.com, munihub.com and munios.com.

DATED this 12th day of February, 2019.

BOARD OF EDUCATION OF LOGAN CITY SCHOOL
DISTRICT, UTAH

By _____
President

[SEAL]

By _____
Business Administrator

ANNEX 1

CERTIFICATE OF PURCHASER

\$ _____

**BOARD OF EDUCATION OF LOGAN CITY SCHOOL DISTRICT, UTAH
GENERAL OBLIGATION SCHOOL BUILDING BONDS
(UTAH SCHOOL DISTRICT BOND GUARANTY PROGRAM)
SERIES 2019**

[TO BE DATED THE CLOSING DATE]

The undersigned, on behalf of _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “*Bonds*”) of the Board of Education of Logan City School District, Utah (the “*Issuer*”).

I. Defined Terms

1. “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

2. “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February [21], 2019.

5. “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

II. General

1. On the Sale Date the Purchaser purchased the Bonds from the Issuer by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Bond Sale” and having its bid accepted by the Issuer. The Purchaser has not modified the terms of the purchase since the Sale Date.

III. Price

[1. [To be used if at least 3 bids are received] Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Schedule A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.]

[1. [To be used if there are not at least 3 bids received] As of the date of this certificate, for each of the _____ Maturities of the Bonds, the first price at which at least 10% of each of such Maturities of the Bonds was sold to the Public is the respective price listed in *Schedule A*.

2. With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of these Maturities at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of each of these Maturities equal to 10% or more of each of these Maturities will be at or below the expected sale price listed on the attached *Schedule A* (the “*Expected First Sale Price*”).]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Dates as of the day and year first above written.

By: _____

Name: _____

Its: _____

SCHEDULE A

TO CERTIFICATE OF PURCHASER

Re: \$_____, Board of Education of Logan City School District, Utah,
General Obligation School Building Bonds (Utah School District Bond Guaranty
Program), Series 2019

The Bonds are dated March 6, 2019, and are due on June 15 of the years, in the amounts, bearing interest at the rates, and first sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)	EXPECTED OFFERING PRICE (% OF PAR)	TOTAL DOLLAR PRICE BASED ON LOWER OF FIRST SALE PRICE OR OFFER PRICE (\$)
	\$	%	%	%	\$

Total

\$_____

\$_____

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PRELIMINARY OFFICIAL STATEMENT

\$19,500,000*



Board of Education of Logan City School District, Utah

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019

On Thursday, February 21, 2019 up to 10:00:00 A.M., M.S.T., electronic bids will be received by means of the **PARITY**® electronic bid submission system. See the “OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding.”

The 2019 Bonds, as defined herein, will be awarded to the successful bidder(s) and issued pursuant to a resolution of the Board of Education of Logan City School District, Utah (the “Board”), adopted on November 27, 2018.

The Board has deemed this PRELIMINARY OFFICIAL STATEMENT final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2019 Bonds as permitted by the Rule.

For copies of the OFFICIAL NOTICE OF BOND SALE, the PRELIMINARY OFFICIAL STATEMENT, and other related information with respect to the 2019 Bonds contact the Municipal Advisor:



Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484
eric.pehrson@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated February 12, 2019, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

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PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2019

NEW ISSUE

Rating: Moody's "Aaa" (State of Utah Guaranty; underlying "Aa2")
See "STATE OF UTAH GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

Subject to compliance by Board with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See "TAX MATTERS" herein for a more complete discussion.



\$19,500,000*

Board of Education of Logan City School District, Utah

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019

The \$19,500,000* General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019 are issuable by the Board of Education of Logan City School District, Utah, as fully-registered bonds and, when initially issued, will be in book-entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2019 Bonds.

Principal of and interest on the 2019 Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2019) are payable by U.S. Bank National Association, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2019 BONDS—Book-Entry System" herein.

The 2019 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2019 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption At Bidder's Option" herein.

The 2019 Bonds will be general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in Logan City School District, Utah, fully sufficient to pay the 2019 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the

State of Utah

under the provisions of the Utah school district bond guaranty. See "STATE OF UTAH GUARANTY" herein.

Dated: Date of Delivery¹

Due: June 15, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2019 Bonds.

The 2019 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Thursday, February 21, 2019 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated February 12, 2019).

Zions Public Finance, Inc., Salt Lake City, Utah, is acting as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated February __, 2019, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, March 6, 2019.

Logan City School District, Utah

\$19,500,000*

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019

Dated: Date of Delivery¹

Due: June 15, as shown below

Due June 15	CUSIP® 540567	Principal Amount	Interest Rate	Yield/ Price
2020.....		\$ 240,000	%	%
2021.....		250,000		
2022.....		260,000		
2023.....		275,000		
2024.....		295,000		
2025.....		305,000		
2026.....		320,000		
2027.....		335,000		
2028.....		355,000		
2029.....		370,000		
2030.....		380,000		
2031.....		390,000		
2032.....		400,000		
2033.....		415,000		
2034.....		430,000		
2035.....		445,000		
2036.....		3,335,000		
2037.....		3,450,000		
2038.....		3,565,000		
2039.....		3,685,000		

\$ _____ % Term Bond due June 15, 20__—Price of _____ %
(CUSIP®540567 __)

¹ The anticipated date of delivery is Wednesday, March 6, 2019.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2019 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: the Board of Education of Logan City School District, Utah (the “Board”); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); U.S. Bank National Association (as Paying Agent); the State of Utah; the successful bidder(s); or any other entity. The information contained herein has been obtained from the Board, The Depository Trust Company, New York, New York, the State of Utah, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2019 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board, since the date hereof.

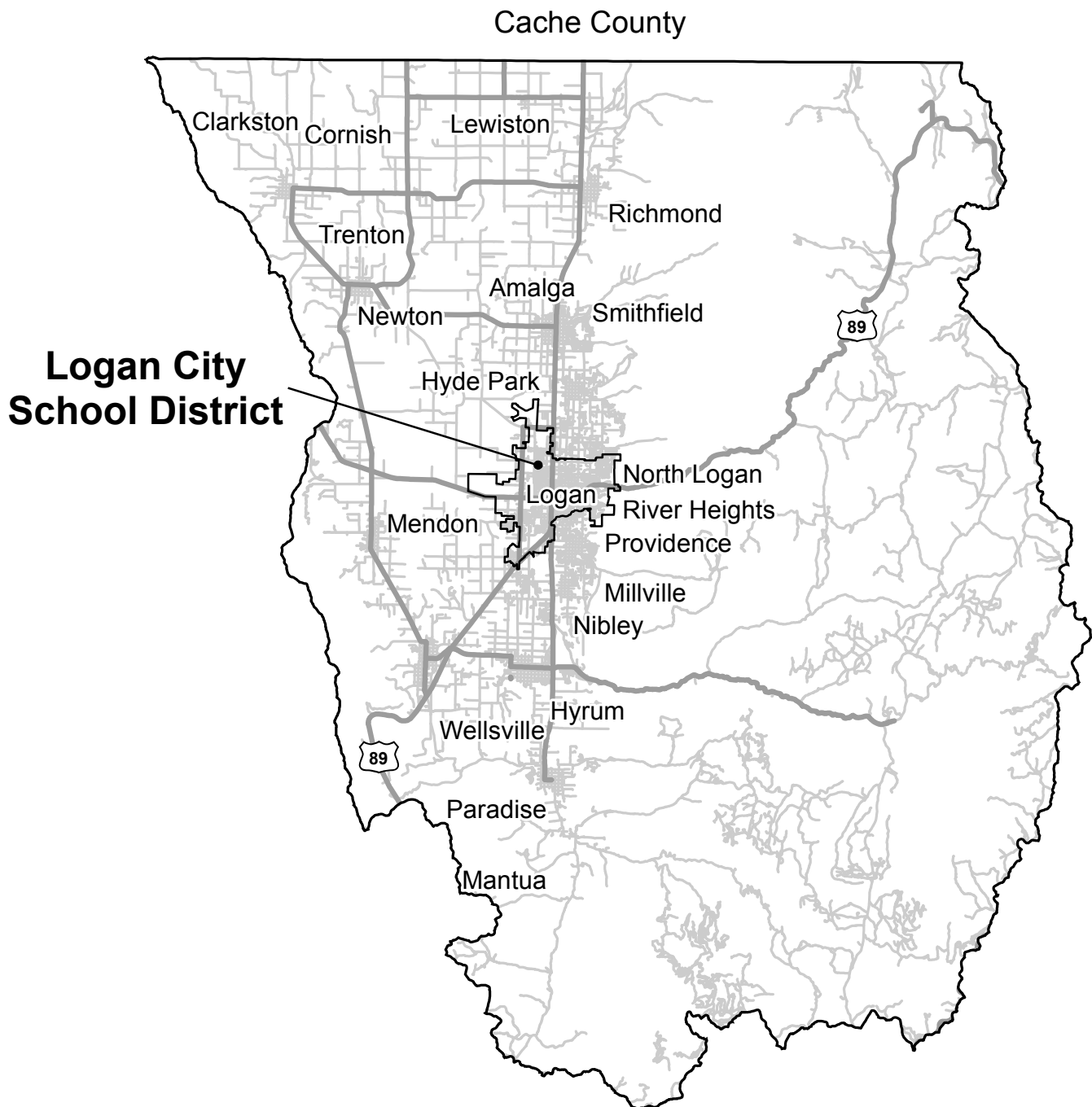
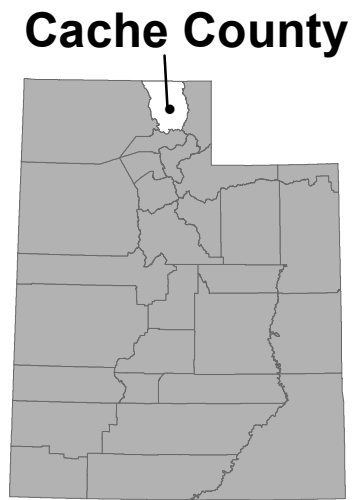
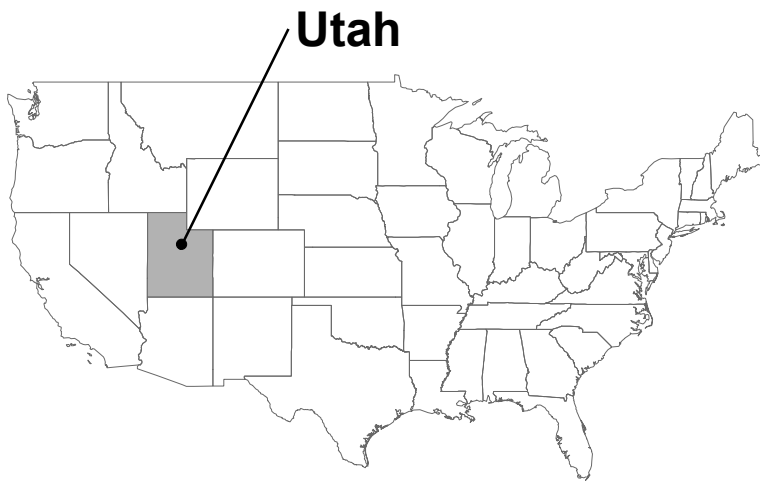
The 2019 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2019 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2019 Bonds to dealers and others. With any offering of the 2019 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2019 Bonds. Such transactions may include overallotments in connection with the purchase of 2019 Bonds to stabilize their market price and to cover the successful bidder’s short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2019 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2019 Bonds.

The information available at websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2019 Bonds and is not a part of this OFFICIAL STATEMENT.



OFFICIAL STATEMENT RELATED TO

\$19,500,000*

Board of Education of Logan City School District, Utah

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019

INTRODUCTION

This introduction is only a brief description of the 2019 Bonds, as hereinafter defined, the security and source of payment for the 2019 Bonds and certain information regarding the Board of Education (the “Board”) of Logan City School District, Utah (the “District”). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT, including the appendices. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018;” “APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;” “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX D—BOOK—ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] June 30, 20YY” shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. The terms “Calendar Year[s] 20YY” or “Tax Year[s] 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2019 Bonds will be awarded pursuant to competitive bidding received by means of the **PARITY®** electronic bid submission system on Thursday, February 21, 2019 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated February 12, 2019).

See the “OFFICIAL NOTICE OF BOND SALE” above.

Logan City School District, Utah

The District was established in 1872 and is located approximately 90 miles north of Salt Lake City, Utah and 20 miles south of the Utah–Idaho border. The District shares approximately the same boundaries with those of the City of Logan, Utah (the “City”). The City, incorporated in 1866, covers an area of approximately 13.5 square miles and is the county seat of Cache County, Utah (the “County”). The Coun-

* Preliminary; subject to change.

ty has two school districts within its borders, the District and Cache County School District. The City had 51,115 residents according to the 2017 population estimate by the U.S. Census Bureau and ranked as the 12th largest city (out of approximately 245 municipal entities) in the State of Utah. The remaining population outside the District's boundaries and within Cache County School District is approximately 73,323. The City is home to Utah State University ("USU"), which has an estimated enrollment of approximately 24,000 students. See "LOGAN CITY SCHOOL DISTRICT, UTAH" below.

The 2019 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information about the issuance and sale by the Board of its \$19,500,000* General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019 (the "2019 Bond" or "2019 Bonds"), initially issued in book-entry form only.

Security

The 2019 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all taxable property in the District, fully sufficient to pay the 2019 Bonds as to both principal and interest. See "SECURITY AND SOURCES OF PAYMENT" and "FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Ad Valorem Tax Levy And Collection" below.

Payment of the principal of and interest on the 2019 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Utah school district bond guaranty, Title 53G, Chapter 4, Part 8 (the "Guaranty Act"), Utah Code Annotated 1953, as amended (the "Utah Code"). See "STATE OF UTAH GUARANTY" below.

Authorization For And Purpose Of The 2019 Bonds

Authorization. The 2019 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the "Local Government Bonding Act"), Utah Code; the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code; and the applicable provisions of Title 53G of the Utah Code, (ii) the resolution of the Board adopted on November 27, 2018 (the "Resolution"), which provides for the issuance of the 2019 Bonds, and (iii) other applicable provisions of law.

The 2019 Bonds were authorized at a special bond election held for that purpose on November 5, 2013 (the "2013 Bond Election"). The proposition submitted to the voters of the District was as follows:

Shall the Board of Education of Logan City School District, Utah, be authorized to issue general obligation bonds in an amount not to exceed \$55,000,000 and to mature in no more than twenty-one (21) years from the date or dates of issuance of such bonds for the purpose of raising money for constructing and acquiring buildings and furnishings and remodeling and updating existing school property under the charge of the Board of Education, and, to the extent necessary, for providing moneys for the refunding, at or prior to the maturity thereof, of general obligation bonds of the Board authorized hereunder or heretofore issued and now outstanding?

At the 2013 Bond Election there were 2,714 votes cast in favor of the issuance of bonds and 2,006 votes cast against the issuance of bonds, for a total vote count of 4,720, with approximately 57.5% in favor of the issuance of bonds.

* Preliminary; subject to change.

The 2019 Bonds are the second and final block of bonds to be issued from the 2013 Bond Election. After the sale and delivery of the 2019 Bonds, the Board will have no remaining authorization from the 2013 Bond Election.

Purpose. The 2019 Bonds are being issued to fund various equipment and acquisition and construction projects as set forth in the 2013 Bond Election proposition and to pay certain costs of issuance. See “THE 2019 BONDS—Sources And Uses Of Funds” below.

Redemption Provisions

The 2019 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “THE 2019 BONDS—Redemption Provisions” and “—Mandatory Sinking Fund Redemption At Bidder’s Option” below.

Registration, Denominations, Manner Of Payment

The 2019 Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2019 Bonds. Purchases of 2019 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2019 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2019 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX D—BOOK-ENTRY SYSTEM.”

Principal of and interest on the 2019 Bonds (interest payable June 15 and December 15 of each year, commencing June 15, 2019) are payable by U.S. Bank National Association (“U.S. Bank”), as paying agent (the “Paying Agent”) for the 2019 Bonds, to the registered owners of the 2019 Bonds. So long as Cede & Co. is the registered owner of the 2019 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2019 Bonds, as described in “APPENDIX D—BOOK-ENTRY SYSTEM.”

So long as DTC or its nominee is the registered owner of the 2019 Bonds, neither the Board nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2019 Bonds. Under these same circumstances, references herein and in the Resolution to the “Bondowners” or “Registered Owners” of the 2019 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2019 Bonds.

Tax-Exempt Status Of The 2019 Bonds

Subject to compliance by the Board with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals.

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act.

See “TAX MATTERS” below for a more complete discussion.

Professional Services

In connection with the issuance of the 2019 Bonds, the following have served the Board in the capacity indicated.

Attorney for the Board

Burbidge & White LLC
950 Gateway Tower West
15 W S Temple St
Salt Lake City UT 84101
801.359.7000 | f 801.236.5319
nburbidge@burbidgewhite.com

Bond Registrar and Paying Agent

U.S. Bank National Association
170 S Main St Ste 200
Salt Lake City UT 84101
801.534.6083 | f 801.534.6013
brandon.elzinga@usbank.com

Bond Counsel

Chapman and Cutler LLP
215 S State St Ste 800
Salt Lake City UT 84111–2266
801.536.1426 | f 801.533.9595
bjjerke@chapman.com

Municipal Advisor

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
alex.buxton@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2019 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2019 Bonds by Chapman and Cutler LLP, Bond Counsel to the Board, and certain other conditions. Certain legal matters will be passed on for the Board by the attorney for the Board, Burbidge & White LLC, Salt Lake City, Utah. It is expected that the 2019 Bonds, in book-entry form only, will be available for delivery in Salt Lake City, Utah for deposit with U.S. Bank, a “fast agent” of DTC, on or about Wednesday, March 6, 2019.

Continuing Disclosure Undertaking

The Board will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2019 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board, the District, the 2019 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document, and references herein to the 2019 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The “basic documentation” which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2019 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”) to the Board:

Alex Buxton, Vice President, alex.buxton@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com
Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133-1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board concerning the 2019 Bonds is:

Jeff Barben, Business Administrator, jeff.barben@loganschools.org
Logan City School District
101 W Center St
Logan UT 84321
435.755.2300 | f 435.755.2311

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the State guaranty for the 2019 Bonds is:

David Damschen, Utah State Treasurer, ddamschen@utah.gov
Utah State Treasurer's Office
350 N State St Ste C-180
(PO Box 142315)
Salt Lake City UT 84114-2315
801.538.1042 | f 801.538.1465

SECURITY AND SOURCES OF PAYMENT

The 2019 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2019 Bonds as to both principal and interest.

See "FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Property Tax Matters" and "STATE OF UTAH SCHOOL FINANCE" below.

Payment of the principal of and interest on the 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. See "STATE OF UTAH GUARANTY" below.

STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the 2019 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the Utah School Bond Default Avoidance Program (the "Program" or the "School District Bond Guaranty"). The State's guaranty is contained in Section 53G-4-802 (2)(a) of the Guaranty Act, which provides as follows:

The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of bonds guaranteed under the Guaranty Act that the State will not alter, impair, or limit the rights vested by the Program with respect to said bonds until said bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) bonds which are guaranteed by the State for which payment is provided by the deposit of direct obligations of the United States government under the provisions of the Refunding Bond Act, Title 11, Chapter 27, Utah Code, will no longer be secured by the State's guaranty subsequent to such provision for payment. This is likely to occur only if such bonds are refunded in advance of their maturity. In such an event, such bonds would then be secured solely by the obligations pledged for their payment and not by the State's guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board (the "Business Administrator") is required to transfer moneys sufficient for scheduled debt service payments on the 2019 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2019 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Business Administrator must immediately notify the Paying Agent and the Utah State Treasurer (the "State Treasurer") by (i) telephone and (ii) a writing sent by (a) facsimile transmission and (b) first-class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2019 Bonds, then the Paying Agent must at least 10 days before the scheduled debt service payment notify the State Treasurer of that failure by (i) telephone and (ii) a writing sent by (a) facsimile transmission and (b) first-class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2019 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State's payment, and transfers the Board's obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the 2019 Bonds on behalf of the Board, the State will use cash on hand (or from other legally available moneys) to make the payment. Under the Guaranty Act, the State Treasurer is required to immediately intercept any payments from the Uniform School Fund or from any other source of operating moneys provided by the State to the Board. The intercepted payments will be used to reimburse the State until all obligations of the Board to the State, including interest and penalties, are paid in full. The State does not currently expect to have to advance moneys to the Board pursuant to its guaranty. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short-term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short-term State debt in the form of general obligation notes as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short-term debt provide that such debt will carry the full faith and credit of the State and will be issued with a maturity of not more

than 18 months so that the State could, if necessary, obtain liquidity financing on short notice. Under the State Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

As of the date of this OFFICIAL STATEMENT, the State has guaranteed the following (statistics include this issuer but not this bond issue) under the Guaranty Act:

Number of school districts (out of 41 school districts in the State)	40
Number of total bond issues	343
Aggregate total principal amount outstanding	\$3,403,784,000

The approximate aggregate total annual principal and interest payments (interest payments include anticipated federal interest subsidies on “Build America Bonds” and “Qualified School Construction Bonds”) due on bonds guaranteed by the State under the Program during Fiscal Years 2019 through 2024, inclusive, is as follows (currently, the Program’s annual principal and interest payments extend to Fiscal Year 2039):

Fiscal Year 2019	\$431,682,100
Fiscal Year 2020	376,400,668
Fiscal Year 2021	366,950,396
Fiscal Year 2022	335,714,953
Fiscal Year 2023	314,650,534
Fiscal Year 2024	299,934,665

(Source: Zions Public Finance, Inc.)

Purpose Of The Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the 2019 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the 2019 Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school board under the Program. He or she must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

No Call On State Guaranty

Since the Guaranty Act’s inception in January 1997, the State has not been called upon to pay the principal of and interest on any bonds guaranteed under the Guaranty Act.

State Of Utah–Financial And Operating Information

The CAFR of the State for Fiscal Year 2018 (the “State CAFR”), its most recent official statements and current continuing disclosure information for its general obligation (CUSIP® 917542) and lease revenue (CUSIP® 917547) bond debt are currently on file with EMMA (<http://www.emma.msrb.org/>). The financial and operating information with respect to the State contained in the State CAFR, such official statements and continuing disclosure information, and the Master Agreement are hereby included by reference in this OFFICIAL STATEMENT; provided, however, the Board has not reviewed or approved and taken the responsibility for such financial and operating information incorporated herein by reference.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated “AAA” by Fitch Ratings (“Fitch”), “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”), and “AAA” by S&P Global Ratings (“S&P”).

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2019 Bonds

The Board will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2019 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

The Board represents that in the last five years, there are no instances in which the Board failed to comply, in all material respects, with each disclosure undertaking previously entered by it pursuant to the Rule.

Based on prior disclosure undertakings the Board submits its comprehensive annual financial report for each Fiscal Year Ending June 30 (the “CAFR”) and other operating and financial information on or before January 26 (on or before 210 days from the end of the Fiscal Year). The Board will submit the Fiscal Year 2019 financial report and other required operating and financial information for the 2019 Bonds on or before January 26, 2020, and annually thereafter on or before each January 26.

A failure by the Board to comply with the Disclosure Undertaking will not constitute a default under the Resolution and Beneficial Owners of the 2019 Bonds are limited to the remedies described in the Disclosure Undertaking. See “APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.” A failure by the Board to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2019 Bonds and their market price.

The State has entered a Master Continuing Disclosure Agreement (the “Master Agreement”) for the benefit of the Beneficial Owners of the bonds, including the 2019 Bonds, guaranteed by the State pursuant to the Guaranty Act. See “STATE OF UTAH GUARANTY” below. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to MSRB through EMMA pursuant to the Rule, but solely as to its responsibilities under its guaranty. See “STATE OF UTAH GUARANTY—State Of Utah—Financial And Operating Information” below. Based on prior disclosure undertakings the State submits its Fiscal Year Ending June 30 CAFR and other operating and financial information on or before January 15 (on or before 199 days from the end of the Fiscal Year). The State has agreed to submit the State’s Fiscal Year 2019 CAFR and other operating and financial information on or before January 15, 2020 (and annually thereafter on or before each January 15).

The Board is responsible for continuing disclosure under the Rule for all other matters relating to the 2019 Bonds.

Bond Counsel expresses no opinion as to whether the Disclosure Undertaking or the Master Agreement complies with the requirements of the Rule.

THE 2019 BONDS

General

The 2019 Bonds will be dated the date of their original issuance and delivery¹ (the “Dated Date”) and will mature on June 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT. The 2019 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2019 Bonds is payable semiannually on each June 15 and December 15, commencing June 15, 2019. Interest on the 2019 Bonds will be computed based on a 360-day year comprised of 12, 30-day months.

U.S. Bank is the Bond Registrar (the initial “Bond Registrar”) and Paying Agent for the 2019 Bonds under the Resolution.

The 2019 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2019 Bonds are being issued within the constitutional debt limit imposed on boards of education of school districts in the State. See “DEBT STRUCTURE OF LOGAN CITY SCHOOL DISTRICT, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity” below.

Redemption Provisions

Optional Redemption. The 2019 Bonds maturing on and after June 15, 2029 are subject to redemption prior to maturity in whole or in part at the option of the Board on December 15, 2028, or on any date thereafter, from such maturities or parts thereof as shall be selected by the Board at the redemption price of 100% of the principal amount of the 2019 Bonds to be redeemed plus accrued interest (if any) thereon to the redemption date.

Selection for Redemption. If less than all 2019 Bonds of any maturity are to be redeemed, the 2019 Bonds or portion of 2019 Bonds of such maturity to be redeemed will be selected by lot by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2019 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or a whole multiple thereof, and in selecting portions of such 2019 Bonds for redemption, the Bond Registrar will treat each such 2019 Bond as representing that number of 2019 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2019 Bond by \$5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner, as of the Record Date, as defined under “THE 2019 BONDS—Registration And Transfer; Record Date” below, of each 2019 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price and, if less than all of the 2019 Bonds are to be redeemed, the distinctive numbers of the 2019 Bonds or portions of 2019 Bonds to be redeemed, and will also state that the interest on the 2019 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2019 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

¹ The anticipated date of delivery is Wednesday, March 6, 2019.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2019 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the Board will not be required to redeem such 2019 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Bond Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received.

Any notice of redemption mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2019 Bond will not affect the validity of the proceedings for redemption with respect to any other 2019 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar by posting to EMMA as provided in the Resolution.

For so long as a book-entry system is in effect with respect to the 2019 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2019 Bonds. See “THE 2019 BONDS—Book-Entry System” below.

Mandatory Sinking Fund Redemption At Bidder’s Option

The 2019 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See “OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder’s Option.”

Registration And Transfer; Record Date

Registration and Transfer. In the event the book-entry system is discontinued, any 2019 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2019 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2019 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully-registered 2019 Bond or 2019 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

The 2019 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully-registered 2019 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2019 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2019 Bonds.

The term “Record Date” means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2019 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemp-

tion. The Bond Registrar will not be required to transfer or exchange any 2019 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2019 Bond.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2019 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for receiving payment of, or because, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully–registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully–registered 2019 Bond certificate will be issued for each maturity of the 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See “APPENDIX D—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2019 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the Board kept for that purpose by the Bond Registrar. The principal of all 2019 Bonds will be payable at the principal office of the Paying Agent.

Sources And Uses Of Funds

The proceeds from the sale of the 2019 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2019 Bonds.....	\$
Original issue premium.....	
Total	\$

Uses:

Deposit to Construction Account.....	\$
Successful bidder’s discount.....	
Costs of Issuance (1).....	
Original issue discount.....	
Total	\$

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

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Debt Service On The 2019 Bonds

Payment Date	The 2019 Bonds		Period Total	Fiscal Total
	Principal*	Interest		
June 15, 2019.....	\$ 0.00	\$		
December 15, 2019.....	0.00			
June 15, 2020.....	240,000.00			
December 15, 2020.....	0.00			
June 15, 2021.....	250,000.00			
December 15, 2021.....	0.00			
June 15, 2022.....	260,000.00			
December 15, 2022.....	0.00			
June 15, 2023.....	275,000.00			
December 15, 2023.....	0.00			
June 15, 2024.....	295,000.00			
December 15, 2024.....	0.00			
June 15, 2025.....	305,000.00			
December 15, 2025.....	0.00			
June 15, 2026.....	320,000.00			
December 15, 2026.....	0.00			
June 15, 2027.....	335,000.00			
December 15, 2027.....	0.00			
June 15, 2028.....	355,000.00			
December 15, 2028.....	0.00			
June 15, 2029.....	370,000.00			
December 15, 2029.....	0.00			
June 15, 2030.....	380,000.00			
December 15, 2030.....	0.00			
June 15, 2031.....	390,000.00			
December 15, 2031.....	0.00			
June 15, 2032.....	400,000.00			
December 15, 2032.....	0.00			
June 15, 2033.....	415,000.00			
December 15, 2033.....	0.00			
June 15, 2034.....	430,000.00			
December 15, 2034.....	0.00			
June 15, 2035.....	445,000.00			
December 15, 2035.....	0.00			
June 15, 2036.....	3,335,000.00			
December 15, 2036.....	0.00			
June 15, 2037.....	3,450,000.00			
December 15, 2037.....	0.00			
June 15, 2038.....	3,565,000.00			
December 15, 2038.....	0.00			
June 15, 2039.....	<u>3,685,000.00</u>			
Totals.....	<u>\$19,500,000.00</u>	\$	\$	

* Preliminary; subject to change.

(Source: Municipal Advisor.)

LOGAN CITY SCHOOL DISTRICT, UTAH

General

The District was established in 1872 and is located approximately 90 miles north of Salt Lake City, Utah and 20 miles south of the Utah–Idaho border. The District shares approximately the same bounda-

ries with those of the City. The City, incorporated in 1866, covers an area of approximately 13.5 square miles and is the county seat of the County. The County has two school districts within its borders, the District and Cache County School District. Cache County School District, established in 1908, encompasses the remaining incorporated and unincorporated areas of the County. The District and Cache County School District are the only school districts serving the County.

The City had 51,115 residents according to the 2017 population estimate by the U.S. Census Bureau and ranked as the 12th largest city (out of approximately 245 municipal entities) in the State of Utah. The remaining population outside the District's boundaries and within Cache County School District is approximately 73,323. The City is home to USU, which has an estimated enrollment of approximately 24,000 students.

The District's headquarters are in the City and the District maintains a web site that may be accessed at <http://www.loganschools.org>.

The County, incorporated in 1857, is in the northeastern corner of the State, with Idaho to the north and Wyoming to the east, covers an area of 1,175 square miles. The 2017 estimated by the U. S. Census Bureau indicated that 124,438 people resided in the County (ranking the County as the 5th largest county in the State out of 29 counties).

The District operates one high school, one middle school, six elementary schools, one special education pre-school and one early education center. The October 1 enrollment of the District is as follows:

The historical October 1 enrollment within the District is as follows:

<u>October 1</u>	<u>Total</u>	<u>% Increase Over Prior Year</u>
2018 (1).....	5,629	1.3%
2017	5,555	(2.9)
2016	5,719	(4.0)
2015	5,957	(0.1)
2014	5,965	(0.4)
2013	5,987	(1.3)
2012	6,063	(0.9)
2011	6,120	(0.2)
2010	6,133	0.2
2009	6,123	2.7

(1) Preliminary; subject to change.

(Source: State Office of Education.)

Charter Schools. There are three operating charter schools located within the boundaries of the District (one K–8 (Bear River); one K–6 (Edith Bowen); and one 9–12 (Fast Forward)). October 1, 2018 enrollment within these three charter schools is approximately 760 students. Students who attend charters schools in the District may live outside the boundaries of the District and the District cannot determine the number of charter school students who live outside the boundaries of the District.

Funding for charter schools comes directly from the State based on student attendance. Beginning in Fiscal Year 2017, the State required the District to levy a tax rate to pay for funding of charter schools within the District. Property tax revenues from the charter school tax rate levy is not received by the District but paid directly to the State. Also, see “FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” below.

Form Of Government

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into five representative precincts, and a member of the Board is elected from each precinct. Members serve four-year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum; (ii) administer tests which measure the progress of each student, and create plans to improve the student's progress; (iii) implement training programs for school administrators; (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the "Superintendent") is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The Superintendent is appointed for a two-year term and until a successor is appointed.

Business Administrator. The Business Administrator is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator, among others, are to (i) attend all meetings of the Board and keep a journal of the proceedings, (ii) countersign all warrants drawn upon the District treasury, (iii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) have custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator's office. The Business Administrator is appointed for a two-year term and until a successor is appointed.

Current members of the Board, the Superintendent, the Business Administrator, and other administrators and their respective terms in office are as follows:

Office	Person	Years in Position	Expiration of Current Term
President.....	Ann T. Geary	23	January 2021
Vice President	Jenny Johnson	3	January 2021
Member	Kristie Cooley	13	January 2023
Member	Frank Stewart	2	January 2021
Member	Larry Williams	1	January 2023
Superintendent	Frank Schofield	5	Appointed/July 2015
Business Administrator	Jeff Barben	6	Appointed/July 2014

Employee Workforce And Retirement System; Post-Employment/Termination Benefits

Employee Workforce and Retirement System. As of Fiscal Year 2018, the District employed approximately 650 full-time equivalent employees. The District participates in cost-sharing multiple employer public employee retirement systems which are defined benefit pension plans and defined contribution plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems ("URS"). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries

in accordance with retirement statutes. The District also participates in deferred compensation plans with URS. The retirement and deferred compensation plans are administered by the URS under the direction of the URS board, which consists of six members appointed by the Governor of the State and the State Treasurer. For a detailed discussion regarding retirement benefits and contributions see “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note 11. Retirement Plans” (financial statement page 46).

Post-Employment/Termination Benefits. The District provides benefits in the form of early retirement and associated health insurance costs to those qualifying individuals. As a result, early retirement costs and associated health benefits are accounted for as termination benefits. The early retirement obligation is not covered as part of the District’s pension plans. For Fiscal Year 2018, 36 employees are participating in the early retirement program.

These early retirement benefits have been accrued in government-wide financial statements in accordance with GASB No. 47, *Accounting for Termination Benefits*.” The projected future cost of early retirement and medical insurance benefits has been calculated based on the amount payable in the next fiscal year plus projected increases of 15% for medical premiums. The estimated net present value of early retirement benefits for Fiscal Year 2018 was \$1,524,711.

As of the date of this OFFICIAL STATEMENT, the Board currently does not expect its current or future policies regarding post-employment/termination benefits to have a negative financial impact on the District. See “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note 7. Long-Term Obligations—Post-Retirement Benefits” (financial statement page 41).

Risk Management

The District is a member of a risk pool through which the State self-insures portions of certain property and liability claims and purchases commercial insurance for claims above the self-insured retention amounts. This is done through the State’s Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, school districts and charter schools.

As of Fiscal Year 2018, the Administrative Services Risk Management Fund contained approximately \$57.3 million in reserve available to pay for claims incurred.

For a general discussion of insurance coverage, limits of coverage, health insurance benefits, dental insurance benefits, unemployment compensation and payment claims see “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note. 12. Public Entity Risk Pool” (financial statement page 54).

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers' Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See "APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note 2. Deposits and Investments" (financial statement page 32).

Investment of 2019 Bond Proceeds. The proceeds of the 2019 Bonds will be held by the Board and invested to be readily available. The 2019 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

Population

The following population information is provided for the City and the County.

	<u>City</u>	<u>% Change From Prior Period</u>	<u>County</u>	<u>% Change From Prior Period</u>
2017 Estimate (1).....	51,115	6.1%	124,438	10.5%
2010 Census.....	48,174	12.9	112,656	23.3
2000 Census.....	42,670	30.2	91,391	30.2
1990 Census.....	32,762	22.0	70,183	22.7
1980 Census.....	26,844	20.2	57,176	35.1
1970 Census.....	22,333	19.2	42,331	18.3
1960 Census.....	18,731	11.3	35,788	6.7
1950 Census.....	16,832	41.8	33,536	12.5
1940 Census.....	11,868	18.9	29,797	8.7
1930 Census.....	9,979	5.7	27,424	1.6

(1) U.S. Bureau of the Census estimates for July 1, 2017. Percentage change is calculated from the 2010 Census. (Source: U.S. Department of Commerce, Bureau of the Census.)

Employment, Income, Construction, And Sales Taxes Within The City Of Logan, Utah; Cache County, Utah; And The State Of Utah

Labor Force, Nonfarm Jobs and Wages within Cache County

	Calendar Year (1)						% change from prior year				
	2018 (2)	2017	2016	2015	2014	2013	2017-18	2016-17	2015-16	2014-15	2013-14
Civilian labor force.....	64,362	63,040	61,470	60,175	58,904	57,784	2.1	2.6	2.2	2.2	1.9
Employed persons.....	62,329	61,291	59,597	58,330	57,015	55,494	1.7	2.8	2.2	2.3	2.7
Unemployed persons.....	2,033	1,749	1,873	1,845	1,889	2,290	16.2	(6.6)	1.5	(2.3)	(17.5)
Total private sector (average).....	45,256	44,137	43,019	42,190	40,852	39,328	2.5	2.6	2.0	3.3	3.9
Agriculture, forestry, fishing and hunting.....	561	501	442	391	348	329	12.0	13.3	13.0	12.4	5.8
Mining.....	20	17	15	11	14	15	17.6	13.3	36.4	(21.4)	(6.7)
Utilities.....	60	58	56	55	55	54	3.4	3.6	1.8	0.0	1.9
Construction.....	2,845	2,752	2,510	2,308	2,167	2,115	3.4	9.6	8.8	6.5	2.5
Manufacturing.....	11,423	11,146	10,975	11,042	10,969	10,726	2.5	1.6	(0.6)	0.7	2.3
Wholesale trade.....	1,027	999	946	966	923	878	2.8	5.6	(2.1)	4.7	5.1
Retail trade.....	6,534	6,517	6,246	5,948	5,682	5,462	0.3	4.3	5.0	4.7	4.0
Transportation and warehousing.....	987	1,034	1,061	1,124	1,098	1,025	(4.5)	(2.5)	(5.6)	2.4	7.1
Information.....	616	580	695	740	757	741	6.2	(16.5)	(6.1)	(2.2)	2.2
Finance and insurance.....	1,118	1,121	1,336	1,430	1,289	1,182	(0.3)	(16.1)	(6.6)	10.9	9.1
Real estate, rental and leasing.....	501	435	480	475	475	445	15.2	(9.4)	1.1	0.0	6.7
Professional, scientific, and technical services.....	4,489	4,163	3,763	3,496	3,122	2,995	7.8	10.6	7.6	12.0	4.2
Management of companies and enterprises.....	318	326	345	300	286	251	(2.5)	(5.5)	15.0	4.9	13.9
Admin., support, waste mgmt., remediation.....	2,269	1,967	1,815	1,958	2,067	1,954	15.4	8.4	(7.3)	(5.3)	5.8
Education services.....	534	513	535	495	457	423	4.1	(4.1)	8.1	8.3	8.0
Health care and social assistance.....	6,410	6,644	6,459	6,218	6,043	5,946	(3.5)	2.9	3.9	2.9	1.6
Arts, entertainment and recreation.....	923	945	917	815	777	740	(2.3)	3.1	12.5	4.9	5.0
Accommodation and food services.....	4,113	3,830	3,785	3,805	3,687	3,428	7.4	1.2	(0.5)	3.2	7.6
Other services.....	1,069	1,091	1,077	1,005	984	950	(2.0)	1.3	7.2	2.1	3.6
Total public sector (average).....	14,831	14,073	13,667	13,207	12,939	12,727	5.4	3.0	3.5	2.1	1.7
Federal.....	339	341	344	336	341	341	(0.6)	(0.9)	2.4	(1.5)	0.0
State.....	8,663	8,436	8,160	7,838	7,597	7,375	2.7	3.4	4.1	3.2	3.0
Local.....	5,829	5,296	5,163	5,033	5,001	5,011	10.1	2.6	2.6	0.6	(0.2)
Total payroll (in millions)..... \$	2,087	\$ 2,003	\$ 1,897	\$ 1,799	\$ 1,701	\$ 1,613	4.2	5.6	5.4	5.8	5.5
Average monthly wage..... \$	2,894	\$ 2,867	\$ 2,789	\$ 2,706	\$ 2,635	\$ 2,583	0.9	2.8	3.1	2.7	2.0
Average employment.....	60,087	58,209	56,685	55,397	53,790	52,055	3.2	2.7	2.3	3.0	3.3
Establishments.....	3,665	3,570	3,483	3,395	3,278	3,221	2.7	2.5	2.6	3.6	1.8

(1) Source: Utah Department of Workforce Services.

(2) Information as of 2nd Quarter only. Total payroll figure is annualized.

Employment, Income, Construction, And Sales Taxes Within The City Of Logan, Utah; Cache County, Utah; And The State Of Utah—continued

Personal Income; Per Capita Personal Income; Median Household Income within Cache County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2017	2016	2015	2014	2013	2012	2016–17	2015–16	2014–15	2013–14	2012–13
Total Personal Income (in \$1,000's):											
Cache County.....	\$ 4,585,177	\$ 4,339,248	\$ 4,121,947	\$ 3,837,939	\$ 3,637,163	\$ 3,619,585	5.7	5.3	7.4	5.5	0.5
State of Utah.....	134,803,819	128,407,025	121,876,444	113,230,001	106,612,905	103,227,839	5.0	5.4	7.6	6.2	3.3
Total Per Capita Personal Income:											
Cache County.....	36,847	35,468	34,422	32,562	31,075	31,242	3.9	3.0	5.7	4.8	(0.5)
State of Utah.....	43,459	42,179	40,831	38,531	36,764	36,167	3.0	3.3	6.0	4.8	1.7
Median Household Income:											
Cache County.....	53,812	57,422	51,951	51,735	49,556	47,609	(6.3)	10.5	0.4	4.4	4.1
State of Utah.....	65,325	65,931	62,961	60,943	59,715	57,067	(0.9)	4.7	3.3	2.1	4.6

Construction within City of Logan (2)

	Calendar Year						% change from prior year				
	2018 (3)	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Number new dwelling units.....	206	353	137	153	272	102	(41.6)	157.7	(10.5)	(43.8)	166.7
New (in \$1,000's):											
Residential value.....	\$ 29,761.0	\$ 39,374.9	\$ 20,176.9	\$ 15,657.8	\$ 35,988.9	\$ 16,281.0	(24.4)	95.1	28.9	(56.5)	121.0
Non-residential value.....	40,521.1	30,252.6	15,175.4	14,394.0	37,615.1	17,024.5	33.9	99.4	5.4	(61.7)	120.9
Additions, alterations, repairs (in \$1,000's):											
Residential value.....	814.4	2,025.3	1,594.9	2,462.3	2,116.7	1,022.0	(59.8)	27.0	(35.2)	16.3	107.1
Non-residential value.....	20,003.8	10,677.4	7,665.4	13,631.5	12,283.3	7,026.3	87.3	39.3	(43.8)	11.0	74.8
Total construction value (in \$1,000's).....	<u>\$ 91,100.3</u>	<u>\$ 82,330.2</u>	<u>\$ 44,612.6</u>	<u>\$ 46,145.6</u>	<u>\$ 88,004.0</u>	<u>\$ 41,353.8</u>	10.7	84.5	(3.3)	(47.6)	112.8

Sales Taxes Within Cache County, the City of Logan and the State of Utah (4)

	Calendar Year						% change from prior year				
	2017	2016	2015	2014	2013	2012	2016–17	2015–16	2014–15	2013–14	2012–13
Taxable Sales (in \$1,000's):											
City of Logan.....	\$ 1,195,036	\$ 1,103,869	\$ 1,043,444	\$ 967,576	\$ 913,417	\$ 864,654	8.3	5.8	7.8	5.9	5.6
Cache County.....	1,874,279	1,726,745	1,631,257	1,514,748	1,446,518	1,370,399	8.5	5.9	7.7	4.7	5.6
State of Utah.....	61,031,692	56,502,434	53,933,277	51,709,163	49,404,046	47,531,180	8.0	4.8	4.3	4.7	3.9
	Fiscal Year						% change from prior year				
	2017	2016	2015	2014	2013	2012	2016–17	2015–16	2014–15	2013–14	2012–13
Local Sales and Use Tax Distribution:											
City of Logan.....	\$ 10,276,682	\$ 9,623,860	\$ 9,148,774	\$ 8,708,817	\$ 8,301,156	\$ 7,900,193	6.8	5.2	5.1	4.9	5.1
Cache County (and all cities).....	20,030,463	18,837,759	17,859,950	17,011,925	16,240,893	15,424,435	6.3	5.5	5.0	4.7	5.3

(1) Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.

(2) Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.

(3) Information as of November only.

(4) Source: Utah State Tax Commission.

Largest Employers

The following is a list of the largest employers in the City and County with employment over 500 individuals.

<u>Firm/Location (1)</u>	<u>Business</u>	<u>Employees</u>
Utah State University (Logan).....	Education services	7,500–10,000
Conserve, LLC (Logan).....	Utility management	1,000–2,000
Intermountain Health Care Logan Regional (Logan)	Health care and social assistance	1,000–2,000
Schreiber Foods (Logan)	Manufacturing	1,000–2,000
Gossner Foods, Inc. (Logan)	Manufacturing	500–1,000
ICON (Logan)	Manufacturing	500–1,000
Logan City (Logan)	Public administration	500–1,000
Logan City School District (Logan)	Education services	500–1,000
North Eastern Services (Logan).....	Health care and social assistance	500–1,000
USU Research Foundation	Research and development	500–1,000
Wal-Mart (Logan).....	Retail trade	500–1,000
Cache County School District (North Logan)	Education services	2,000–3,000
E. A. Miller (Hyrum).....	Manufacturing	1,000–2,000
Pepperidge Farm Incorporated (Richmond)	Manufacturing	500–1,000
Pierce Biotechnology (Wellsville).....	Manufacturing	500–1,000

(Source: Utah Department of Workforce Services. Updated February 2018; reflecting information as of September 2017.)

Rate Of Unemployment—Annual Average

<u>Year</u>	<u>Cache County</u>	<u>State of Utah</u>	<u>United States</u>
2018 (1).....	2.6%	3.2%	3.7%
2017	2.8	3.2	4.4
2016	3.0	3.4	4.9
2015	3.1	3.6	5.3
2014	3.2	3.8	6.2
2013	4.0	4.6	7.4

(1) Preliminary, subject to change. As of October 2018 (seasonally adjusted).

(Source: Utah Department of Workforce Services.)

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DEBT STRUCTURE OF LOGAN CITY SCHOOL DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series (1)	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2019 (a)	School building	\$19,500,000*	June 15, 2039*	\$19,500,000*
2014	School building	35,500,000	June 15, 2035	34,550,000
2013	Refunding	6,350,000	June 15, 2019	<u>2,015,000</u>
Total direct general obligation debt.....				<u>\$56,065,000*</u>

* Preliminary; subject to change.

(a) For purposes of this OFFICIAL STATEMENT the 2019 Bonds will be considered issued and outstanding.

(1) Rated “Aaa” (State of Utah Guaranty; underlying “Aa2”) by Moody’s, as of the date of this OFFICIAL STATEMENT.

(Source: Municipal Advisor.)

Additional Information. For the Board’s general obligation debt outstanding as of Fiscal Year 2018 see “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—7. Long–Term Obligations” (audit page 40).

Future Issuance Of Debt; Capital Leases

Future Issuance of Debt. Other than the issuance of the 2019 Bonds (and any refunding opportunities), the Board does not anticipate the issuance of any other general obligation debt within the next three years.

Capital Leases. The Board entered into several capital leases for computers and software. As of Fiscal Year 2018, the outstanding balance on these leases is \$420,662, see “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note 7—Long–Term Obligations—Capital Leases” (audit page 41).

Municipal Building Authority of Logan City School District, Utah

The Board created the Municipal Building Authority of Logan City School District, Utah (the “Authority”) as a nonprofit corporation currently operating pursuant to the provisions of the Utah Revised Nonprofit Corporation Act, Title 16, Chapter 6a, Utah Code (the “Nonprofit Corporation Act”) and the Local Building Authority Act, Title 17D, Chapter 2, Utah Code.

The Authority is to be of perpetual duration as set forth in its Articles of Incorporation. The Authority has no full–time employees or other personnel other than its governing board as described below. The Authority has no property, money or other assets, except for the projects that are or have been constructed by the Authority. The principal place of business of the Authority is at the Board offices.

Corporate and Statutory Powers. The Authority has been incorporated for acquiring, improving or extending one or more projects and financing their costs on behalf of the Board in accordance with the procedures and subject to the limitations of State law, to accomplish the public purposes for which the Board exists.

Organization. According to the By-Laws of the Authority, the affairs of the Authority are managed by a Board of Trustees (the “Board of Trustees”). The Board of Trustees consists of five members of the Board, as may from time to time serve. Each Trustee serves on the Board of Trustees until death, incapac-

ity or removal from the Board. Whenever a Trustee shall cease to be a member of the Board, the successor, upon the election and qualifying for office, thereupon becomes a Trustee of the Authority. Trustees may be removed and replaced by the Board at any time at its discretion.

Debt Issuance. Debt issued by the Authority is being paid from rental payments received by the Authority from the Board. The Board's rental payments are being made from the capital projects fund from property taxes and earnings on investments. *The lease revenue bonds issued by the Authority are secured and issued under the same indenture and master lease and are issued on a parity basis with each other.* As of the date of this OFFICIAL STATEMENT, the Authority has outstanding the following lease revenue bonds:

- (i) In 2008, the Authority issued \$6,906,000, Lease Revenue Bonds, Series 2008 (the "2008 MBA Bonds"), under a 2008 Indenture (the "2008 Indenture"). Bond proceeds were used for the construction and equipping of an elementary school building (the "2008 Project"). The Authority has leased the 2008 Project to the Board, pursuant to a 2008 Master Lease (the "2008 Master Lease"). The Authority has granted to a trustee (the "MBA Trustee"), for the benefit of the owners of the 2008 MBA Bonds, and all other lease revenue bonds issued under the 2008 Indenture, a security interest in all the Authority's right, title and interest in the 2008 Project financed with the 2008 MBA Bonds.
- (ii) In 2017, the Authority issued \$4,826,000, Lease Revenue Bonds, Series 2017 (the "2017 MBA Bonds"), under the 2008 Indenture. Bond proceeds were used for remodeling Logan High School (the "2017 Project"). The Authority has leased the 2017 Project to the Board, pursuant to the 2008 Master Lease. The Authority has granted to the MBA Trustee, for the benefit of the owners of the 2017 MBA Bonds, and all other lease revenue bonds issued under the 2008 Indenture, a security interest in all the Authority's right, title and interest in the 2017 Project financed with the 2017 MBA Bonds issued under the 2008 Indenture.

<u>Series</u>	<u>Purpose</u>	<u>Original Principal Amount</u>	<u>Final Maturity Date</u>	<u>Current Principal Outstanding</u>
2017 (1).....	Building (elementary)	\$4,826,000	April 1, 2033	\$4,548,000
2008 (1).....	Building (elementary)	6,906,000	April 1, 2024 (2)	<u>2,204,000</u>
Total principal outstanding.....				<u>\$6,752,000</u>

(1) Direct purchase. Not rated. No rating applied for.

(2) These bonds were restructured at a 2.59% per annum on June 28, 2013.

(Source: Municipal Advisor.)

Lease Rental Payments and Agreements with the Board. The land on which the 2008 Project and the 2017 Project is constructed on (the "School Sites") is owned by the Board and the Board has leased the School Sites to the Authority pursuant to ground lease agreements.

Under the master lease agreements, the Board has agreed to make payments in stated amounts which are sufficient to pay interest on, and the principal amount of, the 2008 MBA Bonds and the 2017 MBA Bonds coming due in each year (collectively, the "Base Rentals") to the Authority, but only if and to the extent that the Board annually appropriates funds sufficient to pay the Base Rentals coming due during each succeeding renewal terms (as defined under the master lease agreements) plus such additional amounts (the "Additional Rentals") as are necessary to operate and maintain the 2008 Project and the 2017 Project and pay certain other amounts during such period. The master leases specifically provide that the Board shall not be required to appropriate any money to pay any Base Rentals or Additional Rentals (collectively, the "Rentals") and that the Board shall not be obligated to pay such Rentals except to the extent appropriated.

Additional Information. For the Board's lease revenue debt outstanding as of Fiscal Year 2018 see "FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—7. Long-Term Obligations" (audit page 40).

Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2019 \$19,500,000*		Series 2014 \$35,500,000		Series 2013 \$6,350,000		Total*		
							Total	Total	Total Debt
	Principal*	Interest (a)	Principal	Interest	Principal	Interest	Principal	Interest	Service
2018.....	\$ 0	\$ 0	\$ 315,000	\$ 1,417,638	\$1,975,000	\$ 79,800	\$ 2,290,000	\$ 1,497,438	\$ 3,787,438
2019.....	0	191,018	330,000	1,401,888	2,015,000	40,300	2,345,000	1,633,206	3,978,206
2020.....	240,000	694,613	1,490,000	1,385,388	—	—	1,730,000	2,080,000	3,810,000
2021.....	250,000	682,613	1,565,000	1,310,888	—	—	1,815,000	1,993,500	3,808,500
2022.....	260,000	670,113	1,645,000	1,232,638	—	—	1,905,000	1,902,750	3,807,750
2023.....	275,000	657,113	1,725,000	1,150,388	—	—	2,000,000	1,807,500	3,807,500
2024.....	295,000	643,363	1,810,000	1,064,138	—	—	2,105,000	1,707,500	3,812,500
2025.....	305,000	628,613	1,905,000	973,638	—	—	2,210,000	1,602,250	3,812,250
2026.....	320,000	613,363	1,980,000	897,438	—	—	2,300,000	1,510,800	3,810,800
2027.....	335,000	597,363	2,080,000	798,438	—	—	2,415,000	1,395,800	3,810,800
2028.....	355,000	580,613	2,180,000	694,438	—	—	2,535,000	1,275,050	3,810,050
2029.....	370,000	562,863	2,290,000	585,438	—	—	2,660,000	1,148,300	3,808,300
2030.....	380,000	551,763	2,385,000	493,838	—	—	2,765,000	1,045,600	3,810,600
2031.....	390,000	540,363	2,480,000	398,438	—	—	2,870,000	938,800	3,808,800
2032.....	400,000	528,663	2,555,000	324,038	—	—	2,955,000	852,700	3,807,700
2033.....	415,000	516,163	2,630,000	247,388	—	—	3,045,000	763,550	3,808,550
2034.....	430,000	502,675	2,710,000	168,488	—	—	3,140,000	671,163	3,811,163
2035.....	445,000	488,700	2,790,000	87,188	—	—	3,235,000	575,888	3,810,888
2036.....	3,335,000	473,681	—	—	—	—	3,335,000	473,681	3,808,681
2037.....	3,450,000	361,125	—	—	—	—	3,450,000	361,125	3,811,125
2038.....	3,565,000	244,688	—	—	—	—	3,565,000	244,688	3,809,688
2039.....	3,685,000	124,369	—	—	—	—	3,685,000	124,369	3,809,369
Totals.....	<u>\$19,500,000</u>	<u>\$10,853,831</u>	<u>\$34,865,000</u>	<u>\$14,631,725</u>	<u>\$3,990,000</u>	<u>\$120,100</u>	<u>\$58,355,000</u>	<u>\$25,605,656</u>	<u>\$83,960,656</u>

* Preliminary; subject to change.

(a) Preliminary; subject to change. Interest has been estimated at an average interest rate of 3.43% per annum.

(Sources: Municipal Advisor.)

**Debt Service Schedule Of Outstanding Lease Revenue Bonds Of The Municipal Building Authority
Of Logan City School District By Fiscal Year**

Fiscal Year Ending June 30	Series 2017 \$4,826,000		Series 2008 \$6,906,000		Total		
	Principal	Interest	Principal	Interest	Total	Total	Total Debt
					Principal	Interest	Service
2018.....	\$ 278,000	\$ 97,383	\$ 348,000	\$ 66,097	\$ 626,000	\$ 163,479	\$ 789,479
2019.....	265,000	112,164	357,000	57,084	622,000	169,247	791,247
2020.....	268,000	108,984	367,000	47,837	635,000	156,821	791,821
2021.....	272,000	105,500	376,000	38,332	648,000	143,832	791,832
2022.....	276,000	101,556	386,000	28,594	662,000	130,150	792,150
2023.....	280,000	97,140	396,000	18,596	676,000	115,736	791,736
2024.....	285,000	92,240	322,000	8,340	607,000	100,580	707,580
2025.....	290,000	86,825	—	—	290,000	86,825	376,825
2026.....	296,000	80,880	—	—	296,000	80,880	376,880
2027.....	303,000	74,220	—	—	303,000	74,220	377,220
2028.....	311,000	66,645	—	—	311,000	66,645	377,645
2029.....	319,000	58,092	—	—	319,000	58,092	377,092
2030.....	329,000	48,522	—	—	329,000	48,522	377,522
2031.....	339,000	37,994	—	—	339,000	37,994	376,994
2032.....	351,000	26,468	—	—	351,000	26,468	377,468
2033.....	364,000	13,832	—	—	364,000	13,832	377,832
Totals.....	<u>\$4,826,000</u>	<u>\$1,208,440</u>	<u>\$2,552,000</u>	<u>\$264,880</u>	<u>\$7,378,000</u>	<u>\$1,473,319</u>	<u>\$8,851,319</u>

(Sources: Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

<u>Taxing Entity</u>	<u>2018 Taxable Value (1)</u>	<u>Board's Portion of Tax- able Value</u>	<u>Board's Per- centage</u>	<u>Entity's General Obligation Debt</u>	<u>Board's Portion of G.O. Debt</u>
<i>Overlapping:</i>					
State of Utah	\$285,970,117,064	\$2,669,590,456	0.9%	\$2,273,275,000	\$20,459,475
Logan City	2,788,381,845	2,669,590,456	95.7	616,000	<u>589,512</u>
Total overlapping.....					<u>21,048,987</u>
<i>Underlying:</i>					
Total underlying					<u>0</u>
Total overlapping and underlying general obligation debt					<u>\$21,048,987</u>
Total overlapping general obligation debt (excluding the State) (2)					\$ 589,512
Total <i>direct</i> general obligation bonded indebtedness.....					<u>56,065,000*</u>
Total <i>direct</i> and <i>overlapping</i> general obligation debt (excluding the State) (2)					<u>\$56,654,512*</u>

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

* Preliminary; subject to change.

- (1) Preliminary; subject to change. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: Municipal Advisor.)

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the District, the estimated market value of such property and the population of the District. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	<u>To 2018 Estimated Taxable Value (1)</u>	<u>To 2018 Estimated Market Value (2)</u>	<u>To 2017 Population Estimate Per Capita (3)</u>
<i>Direct</i> general obligation debt*	2.10%	1.50%	\$1,097
<i>Direct</i> and <i>overlapping</i> general obligation debt*	2.12	1.52	\$1,108

* Preliminary; subject to change.

- (1) Based on an estimated 2018 Taxable Value of \$2,669,590,456, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Based on an estimated 2018 Market Value of \$3,718,021,978, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (3) Based on the 2017 population estimate of 51,115 from the U.S. Census Bureau.

(Source: Municipal Advisor.)

See “FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Property Tax Matters—Uniform Fees” and “—Taxable, Fair Market And Market Value Of Property With-in The District” below.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District (*based on the last equalized property tax assessment roll*). The legal debt limit and additional debt incurring capacity of the Board (after the issuance of the 2019 Bonds) are based on the estimated fair market value for 2018 and the calculated valuation value from 2017 Uniform Fees, and are calculated as follows:

Estimated 2018 “Fair Market Value”	\$3,718,021,978
2017 valuation from uniform fees (1)	<u>93,754,005</u>
Estimated 2018 “Fair Market Value for Debt Incurring Capacity”	<u>\$3,811,775,983</u>
“Fair Market Value for Debt Incurring Capacity” times 4% (the “Debt Limit”)	\$152,471,039
Less: current outstanding general obligation debt (2)	<u>(59,529,825)*</u>
Estimated additional debt incurring capacity	<u>\$92,941,214*</u>

(1) 2018 final information is not available. For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District.

(2) For legal debt limit purposes, the outstanding general obligation debt as shown above is increased by the premium associated with debt issued that is reported in the long-term debt notes of the Board’s financial statements. The total unamortized bond premium was \$3,464,825 (as of June 30, 2018), and together with current outstanding debt of \$56,065,000*, results in total outstanding debt of \$59,529,825*.

* Preliminary; subject to change.

(Source: Municipal Advisor.)

No Defaulted Obligations

The Board has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State’s school districts.

The accounts of the District are organized based on funds or groups of accounts, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds are grouped by type in the combined financial statements. See “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to Financial Statements—Note 1. Summary of Significant Accounting Policies” (financial statement page 23).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator under the supervision of the Superintendent prepares a tentative budget for all funds which is presented to the Board by the Superintendent on or before June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 30. If the tax rate in the proposed budget exceeds the “certified tax rate,” the Board shall, if required by State law, comply with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the “Property Tax Act”) in adopting the budget. See in this section “Ad Valorem Tax Levy And Collection” and “Public Hearing On Certain Tax Increases” below.

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; however, increased appropriations require a public hearing prior to amending the budget.

Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board.

A final amended budget is legally approved by the Board prior to the end of the fiscal year.

The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the fund level.

All governmental funds are prepared using the modified accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district’s budget.

Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation.

The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriations–Estimated Expendable Revenue. A local school board may not make any appropriation more than its estimated expendable revenue, including undistributed reserves, for the following fiscal year.

In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year.

In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.

All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.

A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (a) the local school board receives a written request from the district superintendent that sets forth the reasons for the proposed increase; (b) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (c) the local school board holds a public hearing on the request prior to the board's acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district inter-fund transfers for financially distressed districts if the State Board of Education determines the following: (a) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53G-7-306 of the Utah Code; and (b) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Additional Information. See "APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Notes to the Required Supplementary Information" (financial statement page 60).

Management's Discussion And Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for Fiscal Year 2018. For the complete discussion see "APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018—Management's Discussion and Analysis" (financial statement page 5).

The Management's Discussion and Analysis for Fiscal Year 2019 is not available. Under State law the Board must complete its annual financial report for Fiscal Year 2019 by November 30, 2019.

Financial Summaries

The summaries contained herein were extracted from the District's basic financial statements. The summaries have not been audited.

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Logan City School District

Statement of Net Position

Primary Government

(This summary has not been audited)

	As of June 30				
	2018	2017	2016	2015	2014
Assets					
Capital assets					
Other capital assets, net of depreciation.....	\$ 76,330,483	\$ 33,049,744	\$ 36,157,280	\$ 38,171,848	\$ 39,489,681
Construction in progress.....		41,402,944	23,272,750	5,494,727	1,377,708
Land.....	4,361,646	4,361,646	4,361,646	4,281,596	4,226,940
Equity in pooled cash and investments.....	33,035,508	26,883,614	36,403,297	49,898,434	13,770,824
Receivables					
Taxes.....	25,391,750	24,218,997	24,142,989	22,968,733	17,589,345
Intergovernmental.....	2,964,787	3,073,463	2,773,268	2,508,624	3,611,301
Cash and cash equivalents.....	–	4,721,978	–	–	–
Prepaid expenses.....	1,843	15,087	324,694	5,004	315,866
Inventories.....	94,426	130,865	106,401	108,238	71,852
Net pension asset.....	–	–	1,164	15,787	–
Total assets.....	<u>142,180,443</u>	<u>137,858,338</u>	<u>127,543,489</u>	<u>123,452,991</u>	<u>80,453,517</u>
Deferred outflows of resources					
Related to pensions.....	8,907,652	8,852,117	8,185,124	2,469,107	–
Related to charge on refunding.....	–	–	–	–	78,254
Total deferred outflows of resources.....	<u>8,907,652</u>	<u>8,852,117</u>	<u>8,185,124</u>	<u>2,469,107</u>	<u>78,254</u>
Total assets and deferred outflows of resources...	<u>\$ 151,088,095</u>	<u>\$ 146,710,455</u>	<u>\$ 135,728,613</u>	<u>\$ 125,922,098</u>	<u>\$ 80,531,771</u>
Liabilities					
Noncurrent liabilities					
Due in more than one year.....	\$ 44,793,198	\$ 48,307,359	\$ 46,837,356	\$ 49,424,499	\$ 12,361,843
Due within one year.....	3,934,000	3,862,000	3,566,000	3,156,000	2,677,000
Net pension liability.....	15,155,251	20,833,141	20,464,159	15,640,772	–
Accounts payable and accrued expenses.....	6,632,840	7,975,380	6,120,442	5,732,177	5,531,907
Total liabilities.....	<u>70,515,289</u>	<u>80,977,880</u>	<u>76,987,957</u>	<u>73,953,448</u>	<u>20,570,750</u>
Deferred inflows of resources					
Property taxes for future periods.....	24,018,563	23,006,952	22,187,873	21,300,925	16,361,095
Related to pension.....	8,169,879	2,796,429	2,006,401	1,477,147	–
Total deferred inflows of resources.....	<u>32,188,442</u>	<u>25,803,381</u>	<u>24,194,274</u>	<u>22,778,072</u>	<u>16,361,095</u>
Net position					
Net investment in capital assets.....	33,489,642	32,843,042	31,226,251	31,343,829	31,534,992
Restricted for					
Program expenditures.....	3,131,293	2,526,101	1,843,847	2,214,661	2,111,953
Debt service.....	1,539,455	1,661,065	1,367,118	738,827	1,221,986
Transportation.....	–	–	–	85,228	485,509
Unrestricted.....	10,223,974	2,898,986	109,166	(5,191,967)	8,245,486
Total net position.....	<u>48,384,364</u>	<u>39,929,194</u>	<u>34,546,382</u>	<u>29,190,578</u>	<u>43,599,926</u>
Total liabilities, deferred inflows of resources and net position.....	<u>\$ 151,088,095</u>	<u>\$ 146,710,455</u>	<u>\$ 135,728,613</u>	<u>\$ 125,922,098</u>	<u>\$ 80,531,771</u>

(Source: Information taken from the District's audited financial statements compiled by Zions Public Finance, Inc.)

Logan City School District

Statement of Activities (1)

Primary Government–Governmental Activities

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Assets				
	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Primary government activities					
Instruction.....	\$ (16,936,745)	\$ (20,680,293)	\$ (21,182,320)	\$ (19,774,234)	\$ (17,553,505)
Supporting services					
Operation and maintenance of facilities.....	(5,502,474)	(5,232,918)	(3,595,692)	(5,005,312)	(4,578,042)
School administration.....	(2,276,777)	(2,266,884)	(2,091,157)	(2,026,907)	(1,973,688)
Staff assistance.....	(1,987,218)	(2,001,056)	(1,883,827)	(1,746,168)	(1,686,841)
Central services.....	(1,600,547)	(1,511,613)	(1,389,390)	(1,330,578)	(972,952)
Students.....	(1,387,826)	(1,538,076)	(1,657,678)	(1,474,241)	(1,277,617)
Student transportation.....	(661,514)	(637,882)	(712,512)	(508,080)	(1,164,950)
General district administration.....	(561,673)	(598,518)	(584,500)	(725,044)	(547,702)
Other support services.....	(459,870)	(444,589)	(424,208)	(414,352)	(417,536)
Economic development/RDA.....	(1,430,494)	(1,944,944)	(1,430,226)	(1,949,659)	–
Interest and fiscal charges.....	(1,364,280)	(1,464,075)	(2,214,442)	(1,638,174)	(452,561)
Food services.....	(135,766)	(236,156)	(16,429)	68,932	(37,822)
Total school district.....	<u>(34,305,184)</u>	<u>(38,557,004)</u>	<u>(37,182,381)</u>	<u>(36,523,817)</u>	<u>(30,663,216)</u>
General revenues					
Taxes.....	24,919,049	24,704,764	24,020,692	19,982,855	16,674,308
State revenues and other contributions not not restricted to specific purposes.....	15,730,743	17,634,238	17,488,628	17,518,293	16,266,322
Miscellaneous.....	1,541,315	1,271,794	741,491	456,073	366,685
Earnings on investments.....	569,247	329,020	287,374	163,940	69,994
Total general revenues.....	<u>42,760,354</u>	<u>43,939,816</u>	<u>42,538,185</u>	<u>38,121,161</u>	<u>33,377,309</u>
Change in net assets.....	8,455,170	5,382,812	5,355,804	1,597,344	2,714,093
Net position–beginning, as restated.....	<u>39,929,194</u>	<u>34,546,382</u>	<u>29,190,578</u>	<u>27,593,234</u>	<u>40,885,833</u>
Net position–ending.....	<u>\$ 48,384,364</u>	<u>\$ 39,929,194</u>	<u>\$ 34,546,382</u>	<u>\$ 29,190,578</u>	<u>\$ 43,599,926</u>

(1) This report is presented in summary format concerning the single item of “Net (Expense) Revenue and Changes in Net Assets” and is not intended to be complete.

(Source: Information taken from the District’s audited financial statements compiled by Zions Public Finance, Inc.)

Logan City School District

Balance Sheet—General (Maintenance and Operation) Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Assets					
Receivables					
Taxes.....	\$ 14,982,513	\$ 13,217,923	\$ 12,757,958	\$ 12,186,204	\$ 11,099,341
Intergovernmental.....	2,772,505	2,938,268	2,612,146	2,364,845	3,400,303
Equity in pooled cash and investments.....	18,761,741	13,771,060	10,188,125	9,421,527	7,662,230
Prepaid expenses.....	1,843	15,087	1,843	5,004	315,866
Total assets.....	<u>\$ 36,518,602</u>	<u>\$ 29,942,338</u>	<u>\$ 25,560,072</u>	<u>\$ 23,977,580</u>	<u>\$ 22,477,740</u>
Liabilities					
Accounts payable.....	\$ 4,775,602	\$ 4,287,527	\$ 4,434,095	\$ 4,575,186	\$ 4,411,203
Total liabilities.....	<u>4,775,602</u>	<u>4,287,527</u>	<u>4,434,095</u>	<u>4,575,186</u>	<u>4,411,203</u>
Deferred inflows of resources					
Property taxes for future periods.....	14,157,638	12,505,272	11,613,427	11,163,970	10,336,448
Unavailable revenues.....	234,103	284,461	296,344	399,410	510,426
Total deferred inflows of resources...	<u>14,391,741</u>	<u>12,789,733</u>	<u>11,909,771</u>	<u>11,563,380</u>	<u>10,846,874</u>
Fund balances					
Assigned.....	5,811,417	5,486,417	5,378,045	3,564,695	2,456,335
Nonspendable.....	1,843	15,087	1,843	5,004	315,866
Committed for					
Undistributed reserve.....	2,200,000	1,850,000	1,850,000	1,850,000	1,850,000
Reserved for					
Program expenditures.....	3,131,293	2,526,101	1,843,847	2,214,661	2,111,953
Transportation.....	—	—	—	85,228	485,509
Unassigned.....	6,206,706	2,987,473	142,471	119,426	—
Total fund balance.....	<u>17,351,259</u>	<u>12,865,078</u>	<u>9,216,206</u>	<u>7,839,014</u>	<u>7,219,663</u>
Total liabilities and fund balances.....	<u>\$ 36,518,602</u>	<u>\$ 29,942,338</u>	<u>\$ 25,560,072</u>	<u>\$ 23,977,580</u>	<u>\$ 22,477,740</u>

(Source: Information taken from the District's audited financial statements compiled by Zions Public Finance, Inc.)

Logan City School District

Statement of Revenues, Expenditures and Changes in Fund Balances General (Maintenance and Operation) Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Revenues					
State grants-in-aid.....	\$ 26,648,738	\$ 26,630,463	\$ 25,751,847	\$ 24,545,974	\$ 23,539,751
Local sources					
Taxes.....	14,012,122	13,293,260	12,840,412	11,386,291	10,048,611
Other local revenue.....	740,917	711,789	512,480	208,525	153,967
Earnings on investments.....	508,018	322,500	284,717	154,596	59,692
Tuition.....	59,223	117,795	145,832	100,581	34,601
Local government units.....	2,659	13,380	14,542	41,772	19,402
Federal revenues.....	5,199,557	4,906,343	4,803,872	4,099,951	4,139,659
Total revenues.....	<u>47,171,234</u>	<u>45,995,530</u>	<u>44,353,702</u>	<u>40,537,690</u>	<u>37,995,683</u>
Expenditures					
Instruction.....	29,244,824	29,335,393	30,386,544	27,281,720	26,296,143
Support services					
Operation and maintenance of facilities.....	2,821,705	2,712,083	2,764,685	3,132,240	2,407,105
Students.....	2,369,074	2,345,540	2,270,544	2,140,829	1,911,913
School administration.....	2,172,332	2,102,254	1,983,012	1,995,104	1,879,832
Staff assistance.....	1,901,992	1,871,641	1,795,044	1,719,285	1,592,986
Student transportation.....	1,618,266	1,488,336	1,472,107	1,190,393	1,164,950
Central services.....	1,533,323	1,412,483	1,301,389	1,295,108	922,972
General District administration.....	513,919	540,853	535,640	686,240	524,238
Other support services.....	435,774	408,881	397,838	370,562	367,502
Total expenditures.....	<u>42,611,209</u>	<u>42,217,464</u>	<u>42,906,803</u>	<u>39,811,481</u>	<u>37,067,641</u>
Other financing sources (uses)					
Transfers in.....	100,156	44,806	113,160	67,907	128,517
Transfers out.....	(174,000)	(174,000)	(182,867)	(174,765)	(162,527)
Total other financing sources (uses).....	<u>(73,844)</u>	<u>(129,194)</u>	<u>(69,707)</u>	<u>(106,858)</u>	<u>(34,010)</u>
Net change in fund balances.....	<u>4,486,181</u>	<u>3,648,872</u>	<u>1,377,192</u>	<u>619,351</u>	<u>894,032</u>
Fund balances previously reported, restated.....	<u>12,865,078</u>	<u>9,216,206</u>	<u>7,839,014</u>	<u>7,219,663</u>	<u>6,325,631</u>
Fund balance, beginning of year, as restated.....	<u>17,351,259</u>	<u>12,865,078</u>	<u>9,216,206</u>	<u>7,839,014</u>	<u>7,219,663</u>
Fund balance, end of year.....	<u>\$ 17,351,259</u>	<u>\$ 12,865,078</u>	<u>\$ 9,216,206</u>	<u>\$ 7,839,014</u>	<u>\$ 7,219,663</u>

(Source: Information taken from the District's audited financial statements compiled by Zions Public Finance, Inc.)

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally–assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally–assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally–assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally–assessed property, or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally–assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post–hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a county legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or \$10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or \$10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not

been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under “Public Hearing On Certain Tax Increases” below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in “Public Hearing On Certain Tax Increases” below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the certified tax rate. A resolution levying a tax more than the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the “certified tax rate” may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its “fair market value” as of January 1 of each year, unless otherwise provided by law. “Fair market value” is defined in the Property Tax Act as “the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.” Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the “fair market value” of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property (“centrally-assessed property”), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property (“locally-assessed property”) is required to be assessed by the county assessor of the county in which such locally-assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to deter-

mine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its “fair market value.”

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the “fair market value” of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to an age-based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to a fixed age-based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is in the same proportion in which revenue collected from ad valorem real property is distributed.

Historical Tax Rates Of The District

		Tax Rate (Fiscal Year)				
	Maximum Tax Rate (1)	2018–19	2017–18	2016–17	2015–16	2014–15
General Fund:						
Board local leeway (2) .....	.002500 (3)	.002308	.002306	.002500	.002548	.002482
Basic school levy (4).....	formula	.001666	.001568	.001675	.001736	.001419
Voted local levy (5).....	.001600	<u>.001600</u>	<u>.001600</u>	<u>.001600</u>	<u>.001537</u>	<u>.001500</u>
Totals		<u>.005574</u>	<u>.005474</u>	<u>.005775</u>	<u>.005821</u>	<u>.005401</u>
Capital outlay:						
Capital local levy (6).....	.003000	<u>.002217</u>	<u>.002399</u>	<u>.002319</u>	<u>.002146</u>	<u>.002093</u>
Debt service (general obligation bonds):						
Debt service (7)	none	<u>.001350</u>	<u>.001500</u>	<u>.001784</u>	<u>.001972</u>	<u>.001055</u>
Charter school levy (8)	(3)	<u>.000192</u>	<u>.000194</u>	—	—	—
Judgment recovery levy (9)	none	—	—	—	—	—
Total all funds.....		<u>.009333</u>	<u>.009567</u>	<u>.009878</u>	<u>.009939</u>	<u>.008549</u>

- (1) Maximum tax rate where applicable under current State law.
- (2) Given certain circumstances, the State Tax Commission will allow the tax rate to exceed its statutory limit.
- (3) The Board local leeway and the Charter school levy are both included in calculating the maximum tax rate for the Board local leeway of .002500.
- (4) Set by law for the District’s portion of the State Minimum School Program.
- (5) General maintenance and operation revenue. *In the early 1970’s, District residents approved a Voted Leeway Program of not to exceed a .000600 tax rate; in November 1997, District residents approved an additional .000252 tax rate to the Voted Leeway Program; and in November 2013, District residents approved an additional .000748 tax rate to the Voted Leeway Program (which results in a maximum tax rate of .001600).*
- (6) Construction remodeling projects and purchase of school sites/equipment, etc.
- (7) Charter school levy revenues to be directed to State Charter School program.
- (8) This maximum limitation is not applicable to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.
- (9) A “judgment levy” is levied for collecting additional revenues. The Board has the legal right to levy a “Judgment Levy” in the succeeding tax year to make up for any tax revenue shortfall due to tax or revaluation “judgment” circumstances that the Board had no control over.

(Source: From records of the Utah State Tax Commission, compiled by the Municipal Advisor.)

See “STATE OF UTAH SCHOOL FINANCE” below.

Comparative Total Property Tax Rates Within Cache County

This table reflects those municipal entities and the total property tax rates within the County.

Tax Levying Entity (1)	Total Tax Rate Within Taxing Area (Calendar Year)				
	2018	2017	2016	2015	2014
Cache County School District:					
Amalga Town .....	.010800	.011241	.011344	.010857	.010994
Clarkston Town .....	.011470	.012105	.012256	.011793	.011964
Cornish Town .....	.012468	.013028	.013189	.012732	.012915
Hyde Park City .....	.011249	.011752	.011922	.011343	.011495
Hyrum City .....	.011257	.011931	.012201	.011779	.011961
Lewiston City .....	.012590	.013055	.013186	.012569	.012698
City of Logan .....	.011931	.012537	.012793	.012258	.012363
Mendon City .....	.011825	.012408	.012267	.011905	.012067
Millville City .....	.010826	.011187	.011358	.010901	.011042
Newton Town .....	.011330	.011869	.012028	.011588	.011769
Nibley City .....	.011808	.012394	.012556	.012029	.012202
North Logan City .....	.013422	.013546	.013994	.013683	.012267
Paradise Town .....	.011209	.011736	.011904	.011145	.011408
Providence City .....	.011492	.011945	.012081	.011644	.011824
Richmond City .....	.011864	.011762	.011913	.011384	.011532
River Heights City .....	.010928	.011523	.011718	.011278	.011422
Smithfield City .....	.012318	.011924	.012133	.011729	.011944
Trenton Town .....	.010773	.011250	.011396	.010933	.011082
Wellsville City .....	.010994	.011507	.011750	.011290	.011433
Unincorporated Areas (2) .....	.010471	.010963	.011122	.010639	.010802
Logan City School District:					
City of Logan .....	.013757	.013966	.014480	.014043	.013104

(1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.

(2) These tax rates represent a taxing district within the unincorporated municipalities within the County with the highest combined total tax rates of all overlapping taxing districts.

(Source: Reports from the Utah State Tax Commission, compiled by the Municipal Advisor.)

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Taxable, Fair Market And Market Value Of Property

Calendar Year	Taxable Value (2)	% Change Over Prior Year	Fair Market/ Market Value (3)	% Change Over Prior Year
2018 (1)	\$ 2,669,590,456	8.1	\$ 3,718,021,978	9.0
2017	2,468,673,053	4.6	3,410,382,598	5.3
2016	2,359,283,364	4.0	3,237,808,209	4.0
2015	2,268,432,772	2.5	3,114,639,400	2.4
2014	2,212,817,253	3.2	3,041,398,969	3.7

(1) Preliminary; subject to change. Fair Market/Market Value calculated by the Municipal Advisor.

(2) Taxable valuation includes redevelopment agency valuation but excludes semi-conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2018 was approximately \$125.7 million; for Calendar Year 2017 was approximately \$146.3 million; for Calendar Year 2016 was approximately \$253.2 million; for Calendar Year 2015 was approximately \$247.6 million; and for Calendar Year 2014 was approximately \$234.3 million.

(3) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Values Of Property

	Calendar Year					
	2018		2017	2016	2015	2014
	Taxable	% of	Taxable	Taxable	Taxable	Taxable
	Value*	T.V.	Value	Value	Value	Value
Set by State Tax Commission (centrally assessed)						
Total centrally assessed.....	\$ 46,310,804	1.7 %	\$ 41,311,466	\$ 40,551,555	\$ 38,024,440	\$ 32,886,471
Set by County Assessor (locally assessed)						
Real property (land and buildings)						
Primary residential.....	1,277,066,305	47.8	1,146,627,210	1,069,628,920	1,030,642,655	1,009,242,140
Secondary residential.....	12,500,000	0.5	12,219,160	11,348,455	11,562,950	10,174,580
Commercial and industrial.....	1,000,000,000	37.5	938,723,945	922,646,880	863,828,310	825,458,860
FAA (greenbelt).....	360,000	0.0	366,855	363,180	371,685	388,945
Unimproved non FAA (vacant)....	80,000,000	3.0	76,088,800	70,063,035	71,592,940	74,831,995
Agricultural.....	875,000	0.0	857,270	595,065	588,290	611,740
Total real property.....	2,370,801,305	88.8	2,174,883,240	2,074,645,535	1,978,586,830	1,920,708,260
Personal property						
Primary mobile homes.....	4,350,000	0.2	4,351,123	4,123,668	3,609,890	3,468,846
Secondary mobile homes.....	0	0.0	0	0	0	0
Other business.....	248,128,347	9.3	248,127,224	239,962,606	248,211,612	255,753,676
SCME.....	0	0.0	0	0	0	0
Total personal property.....	252,478,347	9.5	252,478,347	244,086,274	251,821,502	259,222,522
Total locally assessed.....	2,623,279,652	98.3	2,427,361,587	2,318,731,809	2,230,408,332	2,179,930,782
Total taxable value.....	\$2,669,590,456	100.0 %	\$ 2,468,673,053	\$ 2,359,283,364	\$ 2,268,432,772	\$ 2,212,817,253
Total taxable value (1).....	\$2,669,590,456		\$ 2,468,673,053	\$ 2,359,283,364	\$ 2,268,432,772	\$ 2,212,817,253

* Preliminary; subject to change.

(1) Not including taxable valuation associated with SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Tax Collection Record

Ad valorem property taxes are due on November 30th of each year. Final Fiscal Year 2019 (Tax Year 2018) tax collections (due November 30, 2018) are not available.

Tax Year End	(1) Total Taxes Levied	(2) Treasurer's Relief	Net Taxes Assessed	Current Collections	(3) Deliq., Personal Property and Miscellaneous Collections	(4) Total Collections	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
12/31								
2017	\$23,696,316	\$171,956	\$23,524,360	\$23,045,754	\$ 937,896	\$23,983,650	98.0%	102.0%
2016	23,319,890	168,149	23,151,741	22,385,754	1,019,722	23,405,476	96.7	101.1
2015	22,195,921	124,910	22,071,011	21,497,152	953,957	22,451,109	97.4	101.7
2014	18,803,058	97,198	18,705,860	18,199,181	594,717	18,793,898	97.3	100.5
2013	15,537,870	91,864	15,446,006	14,929,826	910,738	15,840,564	96.7	106.1

(1) Excludes redevelopment agencies valuation.

(2) Treasurer's Relief includes abatements. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.

(3) Delinquent Collections include interest; sales of real and personal property; and miscellaneous delinquent collections.

(4) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees-in-lieu payments) for Tax Year 2017 of \$1,406,310; for Tax Year 2016 of \$1,345,480; for Tax Year 2015 of \$1,292,290; for Tax Year 2014 of \$1,148,777; and for Tax Year 2013 of \$1,089,347; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. *Beginning in Tax Year 2017 Total Collections include revenues collected for Charter Schools.*

(Source: Information taken from the Utah State Tax Commission reports, compiled by the Municipal Advisor.)

Some Of The Largest Taxpayers

The information presented below is for the District's Fiscal Year 2018 (Calendar Year 2017).

Taxpayer	Type of Business	2018 Taxable Value (1)	% of the District's Prel. 2018 Taxable Value
Schreiber Foods	Manufacturing	\$ 73,106,893	2.7%
Gossner Foods.....	Manufacturing	47,139,466	1.8
IHC Hospitals Inc. (and Clinic)	Health care	46,326,853	1.7
NB Factory TIC 1 LLC.....	Real estate/buildings	33,765,664	1.3
Cache Valley LLC	Real estate/buildings	29,491,166	1.1
Hyclone Laboratories.....	Manufacturing	25,600,027	1.0
ICON Health and Fitness	Manufacturing	25,059,753	0.9
Moore (RR Donnelly)	Printing/manufacturing	22,845,670	0.9
Logan Blue LLC	Real estate/buildings	18,850,101	0.7
Bridgerland Holdings LTD	Real estate/buildings	18,222,244	0.7
Totals		<u>\$340,407,837</u>	12.8%

(1) Taxable Value used in this table excludes all tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. See in this section "Taxable, Fair Market And Market Value Of Property" above.

(Source: Cache County Treasurer.)

STATE OF UTAH SCHOOL FINANCE

Sources Of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district (“Local District Funding”), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes (“State Funding”) and federal sources (“Federal Funding”). For Fiscal Year 2018, approximately 56% of the District’s funding was provided by State Funding, approximately 32% was provided by Local District Funding, and approximately 11% was provided from Federal Funding. See “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018.”

Local District Funding

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the “Minimum Tax Levy”) by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See “FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District” above.

State Funding

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district’s additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district’s receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

Federal Funding

Federal funding is provided for various school programs including child nutrition, vocational education and special education.

Summary Of State And Federal Funding

During the past five years the District received the following in State and federal funding:

	Fiscal Year				
	2018	2017	2016	2015	2014
State Funds					
General	\$26,648,738	\$26,630,463	\$25,751,847	\$24,545,974	\$23,539,751
Other governmental.....	<u>464,712</u>	<u>477,481</u>	<u>477,479</u>	<u>454,523</u>	<u>432,100</u>
Total	<u>\$27,113,450</u>	<u>\$27,107,944</u>	<u>\$26,229,326</u>	<u>\$25,000,497</u>	<u>\$23,971,851</u>
% change over prior year	0.0	3.3	4.9	4.3	3.2
Federal Funds					
General	\$5,199,557	\$4,906,343	\$4,803,872	\$4,099,951	\$4,139,659
Other governmental.....	<u>2,103,533</u>	<u>2,145,229</u>	<u>2,160,334</u>	<u>2,024,595</u>	<u>1,993,586</u>
Total	<u>\$7,303,090</u>	<u>\$7,051,572</u>	<u>\$6,964,206</u>	<u>\$6,124,546</u>	<u>\$6,133,245</u>
% change over prior year	3.6	1.3	13.7	(0.1)	(1.1)

(Source: Information taken from the District's audited financial statements for the indicated years. This summary has not been audited.)

See "FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH—Financial Summaries" above.

LEGAL MATTERS

Absence Of Litigation

The attorney for the Board, Burbidge & White LLC, Salt Lake City, Utah, has advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2019 Bonds.

General

The authorization and issuance of the 2019 Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by the attorney for the Board, Burbidge & White LLC, Salt Lake City, Utah. The approving opinion of Bond Counsel will be delivered with the 2019 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of the OFFICIAL STATEMENT or other offering material relating to the 2019 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the 2019 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal

Federal tax law contains a number of requirements and restrictions which apply to the 2019 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2019 Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2019 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds.

Subject to the Board's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2019 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Bond Counsel will rely upon certifications of the Board with respect to certain material facts within the Board's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the 2019 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2019 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the 2019 Bonds is the price at which a substantial amount of such maturity of the 2019 Bonds is first sold to the public (excluding bond houses and brokers and similar person or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the 2019 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the 2019 Bonds is less than the amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the 2019 Bonds (the "OID Bonds") and the amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Board complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2019 Bonds who dispose of 2019 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2019 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2019 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2019 Bond is purchased at any time for a price that is less than the 2019 Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a 2019 Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2019 Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2019 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2019 Bonds.

An investor may purchase a 2019 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2019 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2019 Bond. Investors who purchase a 2019 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2019 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2019 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2019 Bonds. If an audit is commenced, under current procedures the Service may treat the Board as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2019 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the 2019 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2019 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2019 Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

State

In the opinion of Bond Counsel, under the existing laws of the State, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the 2019 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds. Prospective purchasers of the 2019 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2019 Bonds have been rated “Aaa” by Moody’s based upon the Guaranty Act. An explanation of the above rating may be obtained from Moody’s. The Board has not directly applied to Fitch or S&P for a rating on the 2019 Bonds.

Additionally, as of the date of this OFFICIAL STATEMENT, Moody’s has given the 2019 Bonds an underlying rating of “Aa2.”

Any explanation of the significance of these outstanding ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given the outstanding general obligation bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2019 Bonds.

Municipal Advisor

The Board has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2019 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2019 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Board as of June 30, 2018 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Jones Simkins, P.C., Certified Public Accountants, Logan, Utah (“Jones Simkins”), as stated in their report in “APPENDIX A—FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018” (financial statement page 1).

Jones Simkins has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board.

Board of Education of Logan City School District, Utah

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APPENDIX A

FINANCIAL STATEMENTS OF LOGAN CITY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2018

The financial statements of the Board for Fiscal Year 2018 are contained herein. Copies of current and prior financial statements are available upon request from the contact persons as indicated under “INTRODUCTION—Contact Persons” above.

The District’s basic financial statements for Fiscal Year 2019 must be completed under State law by November 30, 2019.

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LOGAN CITY SCHOOL DISTRICT
FINANCIAL STATEMENTS

June 30, 2018



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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Logan City School District
Logan, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Logan City School District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position 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, the schedule of the proportionate share of the net pension liability, the schedule of contributions, and budgetary comparison information, as listed in the table of contents, 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 District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.



JONES SIMKINS LLC
Logan, Utah
November 30, 2018

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

As Management of the Logan City School District (the District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2018.

Financial Highlights

- The District reports \$17,351,259 in total General (Maintenance & Operations) Fund fund balance, which is an increase of \$4,486,181 from the prior year. Total General (Maintenance & Operations) Fund balance includes \$1,843 classified as nonspendable, \$3,131,293 restricted for program expenditures, \$2,200,000 committed for undistributed reserve, \$5,811,417 assigned for specific purposes, and \$6,206,706 unassigned fund balance.
- The District total General (Maintenance & Operations) Fund fund balance was 39.2% of budgeted expenditures, up from 29.1% for the prior fiscal year. While the Administration feels fund balances and reserves are sufficient to maintain a sound financial position, the fact that the unassigned fund balance is at a low balance is cause for continued managerial vigilance. The District has been successfully aggressive and proactive in dealing with economic challenges that face all Utah school districts as evidenced by the increase in fund balance in this past year. The Board and Administration remain committed to a conservative fiscal philosophy that maintains as its primary focus the students of Logan City School District.
- The value of the WPU increased in fiscal year 2018 to \$3,311 from \$3,184 in fiscal year 2017, an increase of \$127 or 4%. The October 1, 2017 enrollment count for fiscal year 2018 decreased to 5,547 from 5,713 on October 1, 2016, a decrease of 166 students. ADM for 2018 was 5,435 students and 2017 was 5,682 students, a decrease of 247 students. Fluctuations in student populations and the value of the WPU make it difficult to budget financial and human resources to meet changing needs. The Board and Administration are closely monitoring these enrollment changes and setting long-term goals and plans for curriculum, staffing and facilities.

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. A comparative presentation of government-wide information is also included in this discussion and analysis. The purpose of this narrative is to simplify and clarify the following financial statements.

Government-wide financial statements: *The government-wide financial statements* are designed to provide readers with a broad overview of the District's financial condition, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the remainder reported as *net position*. In future years, increases or decreases in net position may serve as one indicator of whether the overall financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during this fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, the financial statements are presented using the accrual method of accounting and revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected and delinquent property taxes and employees earned, but unused, paid leave).

The District's government-wide financial statements also present the net position and a statement of activities for the Logan City School District Foundation (the Foundation). The Foundation is being presented as a discrete component unit in accordance with GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*".

Fund financial statements: A *fund* is a group of related accounts that is used to maintain control over resources that have been designated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are *governmental funds*.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

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*. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains six individual *governmental funds*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General (maintenance & operations) Fund, Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. Data from the remaining three governmental funds, the Food Service, Student Activity, and Tax Increment funds, are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* later in this report.

The District adopts an annual budget, as legally required, for each governmental fund. Budgetary comparison statements have been provided as supplementary information to demonstrate compliance with these budgets.

Notes to the financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information: The combining and individual fund statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements located later in this report.

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government entity's financial condition. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,384,364 at the close of the fiscal year. This amounts to an increase of \$8,455,170 in the District's overall financial condition when compared to the prior year.

LOGAN CITY SCHOOL DISTRICT'S NET POSITION

	Governmental Activities	
	2018	2017
Current and other assets	\$ 61,488,314	59,044,004
Capital assets	80,692,129	78,814,334
Total assets	142,180,443	137,858,338
Deferred outflows of resources	8,907,652	8,852,117
Other liabilities	6,632,840	7,975,380
Long-term liabilities outstanding	63,882,449	73,002,500
Total liabilities	70,515,289	80,977,880
Deferred inflows of resources	32,188,442	25,803,381
Net position:		
Net investment in capital assets	33,489,642	32,843,042
Restricted	4,670,748	4,187,166
Unrestricted	10,223,974	2,898,986
Total net position	\$ 48,384,364	39,929,194

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, construction in process, buildings and improvements, and equipment), less any related debt and related items (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for liquidation and future operations. Since the capital assets themselves cannot be used to satisfy these liabilities, the District must obtain these resources from the annual voter-approved property taxes assessed solely for the purpose of meeting the requirements previously established in the outstanding bond repayment schedule.

An additional portion of the District's net position represents resources that are subject to restrictions for debt service and restrictions agreed upon when grant funds were applied for and received.

The remaining balance of *unrestricted net position* when positive may be used to meet the District's ongoing obligations to students, employees, and all other operational expenditures. Unrestricted net position has a positive balance of \$10,223,974 at year-end. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* has a significant impact on reporting the District's unrestricted net position.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position, both for the District as a whole, as well as for its separate governmental activities.

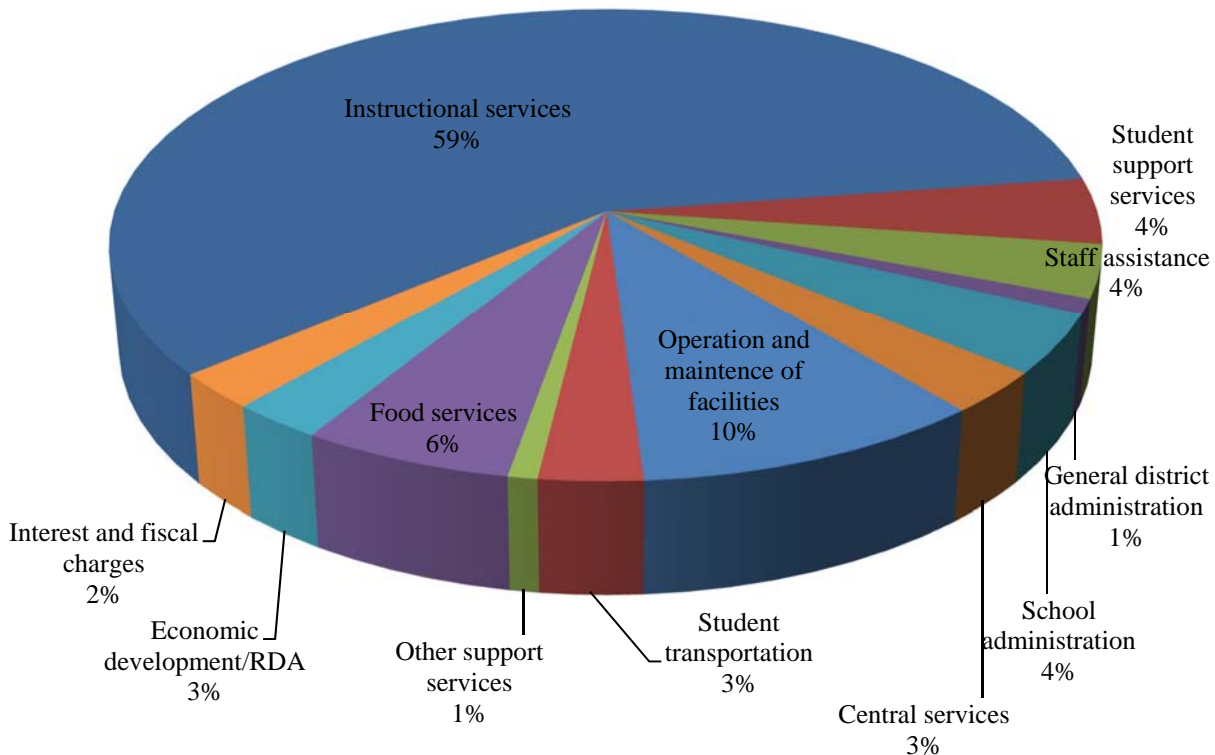
LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

LOGAN CITY SCHOOL DISTRICT'S CHANGES IN NET POSITION

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,842,231	1,862,924
Operating grants and contributions	18,685,798	16,525,278
Capital grants and contributions	-	4,000
General revenues:		
Property taxes	24,919,049	24,704,764
Federal and state aid not restricted to specific purposes	15,730,743	17,634,238
Earnings on investments	569,247	329,020
Miscellaneous	1,541,315	1,271,794
Total revenues	<u>63,288,383</u>	<u>62,332,018</u>
Expenses:		
Instruction	32,247,757	33,940,807
Supporting services:		
Students	2,476,715	2,606,810
Staff assistance	1,987,218	2,001,056
General district administration	561,673	598,518
School administration	2,276,777	2,266,884
Central Services	1,600,547	1,511,613
Operation and maintenance of facilities	5,502,474	5,236,918
Student transportation	1,618,266	1,488,336
Other student services	459,870	444,589
Food services	3,307,142	3,444,656
Economic development	1,430,494	1,944,944
Interest and fiscal charges	1,364,280	1,464,075
Total expenses	<u>54,833,213</u>	<u>56,949,206</u>
Increase in net position	<u>8,455,170</u>	<u>5,382,812</u>
Net position – beginning	<u>39,929,194</u>	<u>34,546,382</u>
Net position – ending	<u>\$ 48,384,364</u>	<u>39,929,194</u>

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Distribution of Expenses



The largest source of operational revenue continues to be from annual legislative appropriations for the state minimum school program which is administered by the Utah State Board of Education. This revenue source is based on WPUs (weighted pupil units) distributed to districts based on annual student enrollments and the amount established by the State legislature each year. The WPU value for fiscal year 2018 was \$3,311 for Regular WPUs, Special Education WPUs and WPUs associated with Career and Technical Ed programs.

Instructional services represent the largest dollar expenditure for District operations. Instruction and its direct student support services represent 63% of the District's total expenditures.

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with all legal requirements.

Governmental funds: The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial position. Fund balances are divided between nonspendable, restricted, committed, assigned, and unassigned balances. The District's committed and assigned fund balances are as follows:

- *Committed for undistributed reserve of \$2,200,000*: Utah law allows districts to establish an undistributed reserve within the General (Maintenance & Operations) Fund. The law limits this reserve to an amount not to exceed 5% of the General (Maintenance & Operations) Fund budget, or approximately \$2,303,000 at present. This reserve of \$2,200,000 represents an estimated 96% of the legal limit. These funds require specific Board authorization to spend and are set aside for future contingencies *and* programs. By law, "the Board may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees."
- *Assigned for capital projects and facility improvements of \$9,879,358*: From the fund balance of the Capital Projects Fund, the District has assigned \$2,500,000 for facility improvements and \$7,379,358 for other capital projects.
- *Assigned for programs and facility improvements of \$3,861,417*: From the fund balance of the General (Maintenance & Operations) Fund, the District has assigned \$600,000 for operation expenditures associated primarily with recreation center programs, \$3,261,417 for facility improvements and other school programs.
- *Assigned for retirement incentive of \$1,800,000*: From the fund balance of the General (Maintenance & Operations) Fund, the District has assigned \$1,800,000 for the early retirement benefit.
- *Assigned for school food service of \$1,016,474*: The District has assigned the fund balance of the School Food Service Fund for as a reserve for anticipated future operational costs of administering school lunch programs.
- *Assigned for students of \$652,295*: The District has assigned the fund balance of the Student Activity Fund, which represents unspent fees and other monies collected at the school level for student activities.
- *Assigned for future increase to undistributed reserve of \$150,000*: From the balance of the General Fund, the District has assigned \$150,000 which is to be committed to increase the undistributed reserve.

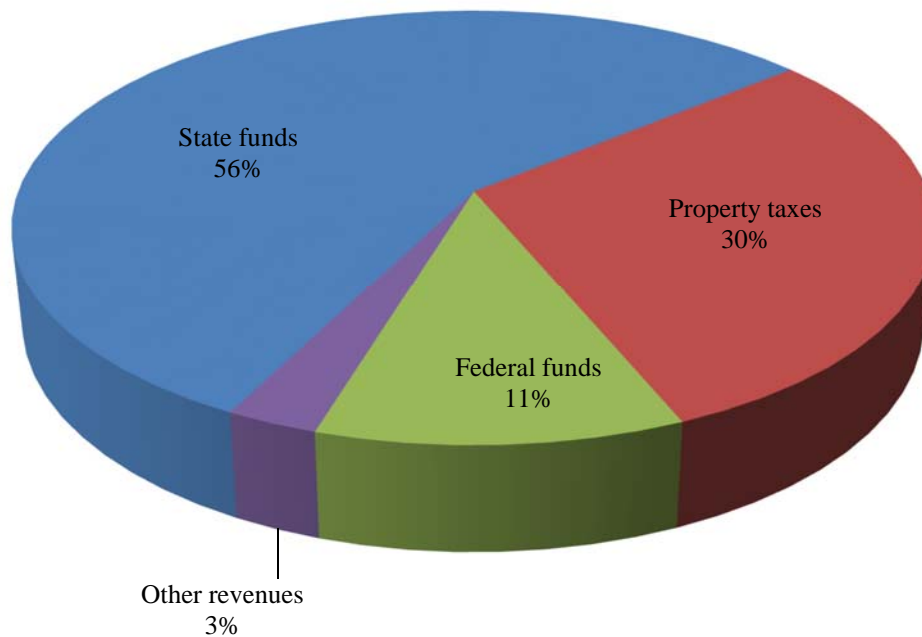
LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Unassigned fund balances are appropriated in the following year's budget. Fund balances of the Capital Projects, Debt Service, and other Governmental Funds are assigned or restricted by State law to be expended as allowed by law.

The District operates six governmental type funds. A description of each fund and its significant activities follows.

- *The General (Maintenance & Operations) Fund:* This fund is the chief operating fund of the District. At the end of the current fiscal year, there was \$6,206,706 of unassigned fund balance. Total fund balance was \$17,351,259. The Administration is continuing to monitor and working to increase unassigned fund balance so that reserves can be maintained sufficient to offset unexpected budget shortfalls which could compromise District instructional programs. Average budgeted monthly expenditures for the upcoming year are approximately \$3,977,000.

General Fund Revenue Sources



- *Debt Service Fund:* This fund has a fund balance is \$1,464,174. By law these funds are restricted for payment of principal and interest on the District's outstanding general obligation bonds. This fund balance decreased \$105,345 in fiscal year 2018.

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

- *Capital Projects Fund:* This fund is for facility construction, renovation, capital maintenance and repairs, equipment, and the purchase of land. Its fund balance is \$9,879,358, a decrease of \$1,538,779 during fiscal year 2018.
- *School Food Service Fund:* This fund has a fund balance of \$1,110,900 and is earmarked for future operational costs of school lunch programs. This fund balance increased \$32,052 during fiscal year 2018.
- *Student Activity Fund:* This fund has a fund balance of \$652,295. All student activity funds represent unspent fees and other monies collected at the school level for designated programs within each school. This fund balance increased \$2,348 during fiscal year 2018.
- *Tax Increment Fund:* This fund has no fund balance and is used by the District to account for property taxes levied by the District that are paid directly to the local redevelopment agencies in which the District participates.

General (Maintenance & Operations) Fund Budgetary Highlights

During 2018, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The decrease in budgeted expenditures between the original budget and the final amended budget was approximately \$11,000 or 0.02% of total General (Maintenance & Operations) Fund expenditures. The increase in budgeted revenues between the original budget and the final amended budget was approximately \$729,000 or 1.6% of total General (Maintenance & Operations) Fund revenues. This increase was primarily due to an increase in local tax collection.

Even with these adjustments, actual expenditures were approximately \$1,691,000 less than final budgeted amounts and actual revenues were approximately \$1,110,000 more than budgeted amounts.

Capital Asset and Debt Administration

Capital Assets: The District investment in capital assets is \$80,692,129, net of accumulated depreciation. This compares to the previous year amount of \$78,814,334. Investment in capital assets includes land, construction in process, buildings and improvements, and equipment; including District investment in the Logan Recreation Center, jointly operated with Logan City. At the government-wide reporting level, depreciation is a major District expense (over \$2.5 million for fiscal year 2018).

LOGAN CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2018

Long-Term Debt: Total bonded indebtedness at June 30, 2018 is \$43,317,000 including \$36,565,000 of voter authorized general obligation debt and \$6,752,000 of lease revenue bonds.

District general obligation debt is currently approximately 42% of the legal debt limit. The general obligation indebtedness of the District is limited by State law to 4% of the fair market value of taxable property in the District. As of January 2018 estimated debt incurring capacity is \$88.2 million. Current District debt is scheduled to be retired by 2035.

Requests for Information

This financial report is designed to provide a general overview of the Logan City School District's financial operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Jeff Barben, Business Administrator, Logan City School District, 101 West Center, Logan, Utah, 84321.

LOGAN CITY SCHOOL DISTRICT
BASIC FINANCIAL STATEMENTS

LOGAN CITY SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		Component
	Governmental		Unit
	Activities	Total	Foundation
Assets:			
Cash and cash equivalents	\$ -	-	516,802
Equity in pooled cash and investments	33,035,508	33,035,508	-
Investments	-	-	158,780
Receivables:			
Taxes	25,391,750	25,391,750	-
Intergovernmental	2,964,787	2,964,787	-
Prepaid expenses	1,843	1,843	-
Inventories	94,426	94,426	-
Capital assets:			
Land	4,361,646	4,361,646	-
Other capital assets, net of depreciation	76,330,483	76,330,483	-
Total assets	<u>142,180,443</u>	<u>142,180,443</u>	<u>675,582</u>
Deferred outflows of resources:			
Deferred outflows related to pension	<u>8,907,652</u>	<u>8,907,652</u>	<u>-</u>
Total deferred outflows of resources	<u>8,907,652</u>	<u>8,907,652</u>	<u>-</u>
Liabilities:			
Accounts payable and accrued expenses	6,632,840	6,632,840	14,823
Noncurrent liabilities, net:			
Due within one year	3,934,000	3,934,000	-
Due in more than one year	44,793,198	44,793,198	-
Net pension liability	<u>15,155,251</u>	<u>15,155,251</u>	<u>-</u>
Total liabilities	<u>70,515,289</u>	<u>70,515,289</u>	<u>14,823</u>
Deferred inflows of resources:			
Property taxes for future periods	24,018,563	24,018,563	-
Deferred inflows related to pension	<u>8,169,879</u>	<u>8,169,879</u>	<u>-</u>
Total deferred inflows of resources	<u>32,188,442</u>	<u>32,188,442</u>	<u>-</u>
Net position:			
Net investment in capital assets	33,489,642	33,489,642	-
Restricted for:			
Debt service	1,539,455	1,539,455	-
Program expenditures	3,131,293	3,131,293	-
Other purposes	-	-	348,074
Unrestricted	<u>10,223,974</u>	<u>10,223,974</u>	<u>312,685</u>
Total net position	<u>\$ 48,384,364</u>	<u>48,384,364</u>	<u>660,759</u>

The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Component Unit Foundation
Primary government activities:						
Instruction	\$ 32,247,757	150,212	15,160,800	-	(16,936,745)	-
Support services:						
Students	2,476,715	1,088,889	-	-	(1,387,826)	-
Staff assistance	1,987,218	-	-	-	(1,987,218)	-
General district administration	561,673	-	-	-	(561,673)	-
School administration	2,276,777	-	-	-	(2,276,777)	-
Central services	1,600,547	-	-	-	(1,600,547)	-
Operation and maintenance of facilities	5,502,474	-	-	-	(5,502,474)	-
Student transportation	1,618,266	-	956,752	-	(661,514)	-
Other support services	459,870	-	-	-	(459,870)	-
Food services	3,307,142	603,130	2,568,246	-	(135,766)	-
Economic development/RDA	1,430,494	-	-	-	(1,430,494)	-
Interest and fiscal charges	1,364,280	-	-	-	(1,364,280)	-
Total primary government	\$ 54,833,213	1,842,231	18,685,798	-	(34,305,184)	-
Component unit - Foundation	\$ 340,710	-	327,921	-	-	(12,789)
General revenues:						
Taxes					24,919,049	-
State revenues and other contributions not restricted to specific purposes					15,730,743	111,726
Earnings on investments					569,247	16,083
Miscellaneous					1,541,315	-
Total general revenues					42,760,354	127,809
Change in net position					8,455,170	115,020
Net position - beginning					39,929,194	545,739
Net position - ending					\$ 48,384,364	660,759

The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General (Maintenance & Operations)	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 18,761,741	1,308,946	11,348,092	1,616,728	33,035,507
Receivables:					
Taxes	14,982,513	3,525,700	5,783,537	1,100,000	25,391,750
Intergovernmental	2,772,505	-	109,945	162,348	3,044,798
Prepaid expenses	1,843	-	-	-	1,843
Inventories	-	-	-	94,426	94,426
Total assets	\$ 36,518,602	4,834,646	17,241,574	2,973,502	61,568,324
Liabilities:					
Accounts payable	\$ 4,775,602	-	1,826,941	110,307	6,712,850
Total liabilities	4,775,602	-	1,826,941	110,307	6,712,850
Deferred inflows of resources:					
Property taxes for future periods	14,157,638	3,315,661	5,445,264	1,100,000	24,018,563
Unavailable revenues	234,103	54,811	90,011	-	378,925
Total deferred inflows of resources	14,391,741	3,370,472	5,535,275	1,100,000	24,397,488
Fund balances:					
Nonspendable	1,843	-	-	94,426	96,269
Restricted for:					
Debt service	-	1,464,174	-	-	1,464,174
Program expenditures	3,131,293	-	-	-	3,131,293
Committed for:					
Undistributed reserve	2,200,000	-	-	-	2,200,000
Assigned	5,811,417	-	9,879,358	1,668,769	17,359,544
Unassigned	6,206,706	-	-	-	6,206,706
Total fund balances	17,351,259	1,464,174	9,879,358	1,763,195	30,457,986
Total liabilities, deferred inflows of resources and fund balances	\$ 36,518,602	4,834,646	17,241,574	2,973,502	61,568,324

The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2018

Total fund balance - governmental funds \$ 30,457,986

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Capital assets are capitalized and depreciated over their estimated useful life in the statement of net position. The historical cost of the assets is \$128,637,950 and the accumulated depreciation is \$47,945,821. 80,692,129

Some of the District's property taxes (delinquent taxes) will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not recorded in the funds. Receivables and revenues are recorded on the accrual basis in the statement of activities. 378,925

Long-term liabilities, including outstanding general obligation bonds, capital leases, and post employment benefits, are not due and payable in the current period and therefore are not reported as liabilities in the funds. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year-end are:

Bonds payable	(43,317,000)
Capital leases payable	(420,662)
Early retirement payable	<u>(1,524,711)</u>
	(45,262,373)

Net pension assets and liabilities and deferred outflows and inflows of resources related to pensions are not reported in funds but are reported in the statement of net position. Balances at year-end are:

Deferred outflows of resources related to pensions	8,907,652
Net pension liability	(15,155,251)
Deferred inflows of resources related to pensions	<u>(8,169,879)</u>
	(14,417,478)

Bond premiums are reported as other financing sources in the governmental fund financial statements but unamortized premiums are netted against the related debt on the statement of net position. (3,464,825)

Net position of governmental activities \$ 48,384,364

The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General (Maintenance & Operations)	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local revenues:					
Taxes	\$ 14,012,122	3,684,656	5,892,993	1,430,494	25,020,265
Tuition	59,223	-	-	1,088,889	1,148,112
Earnings on investments	508,018	-	49,270	12,022	569,310
Food service sales	-	-	-	430,816	430,816
Local government units	2,659	-	-	-	2,659
Other local revenue	740,917	-	600,910	460,133	1,801,960
State grants-in-aid	26,648,738	-	-	464,712	27,113,450
Federal sources	5,199,557	-	-	2,103,533	7,303,090
Total revenues	47,171,234	3,684,656	6,543,173	5,990,599	63,389,662
Expenditures:					
Instruction	29,244,824	-	-	1,420,137	30,664,961
Support services:					
Students	2,369,074	-	-	40,089	2,409,163
Staff assistance	1,901,992	-	-	-	1,901,992
General district administration	513,919	-	-	-	513,919
School administration	2,172,332	-	-	-	2,172,332
Central services	1,533,323	-	-	-	1,533,323
Operation and maintenance of facilities	2,821,705	-	-	-	2,821,705
Student transportation	1,618,266	-	-	-	1,618,266
Other support services	435,774	-	-	-	435,774
Food services	-	-	-	3,139,323	3,139,323
Economic development	-	-	-	1,430,494	1,430,494
Acquisition, construction and maintenance	-	-	7,333,258	-	7,333,258
Debt Service:					
Redemption of principal	-	2,290,000	626,000	-	2,916,000
Interest and fiscal charges	-	1,500,001	122,694	-	1,622,695
Total expenditures	42,611,209	3,790,001	8,081,952	6,030,043	60,513,205
Other financing sources (uses):					
Transfers in	100,156	-	-	174,000	274,156
Transfers out	(174,000)	-	-	(100,156)	(274,156)
Total other financing sources (uses)	(73,844)	-	-	73,844	-
Net change in fund balances	4,486,181	(105,345)	(1,538,779)	34,400	2,876,457
Fund balances at beginning of year	12,865,078	1,569,519	11,418,137	1,728,795	27,581,529
Fund balances at end of year	\$ 17,351,259	1,464,174	9,879,358	1,763,195	30,457,986

The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Net change in fund balances - total governmental funds \$ 2,876,457

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

Capital acquisitions and improvements are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital acquisitions and improvements	4,453,308
Depreciation expense	(2,575,513)
	1,877,795

Bond proceeds are reported in governmental funds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net position, issuing debt increases liabilities and the repayment of principal reduces the liability. Also, government funds report deferred amounts and premiums as other financing sources and uses, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due.

Amortization of bond premium	258,351
Payments of principal on outstanding bonds	2,916,000
	3,174,351

Capital lease proceeds are reported in governmental funds as an other financing source, while repayment of lease principal is reported as an expenditure. In the statement of net position, issuing debt increases liabilities and the repayment of principal reduces the liability.

Payments of principal on outstanding capital leases	316,432
	316,432

In the governmental funds, post employment benefits are recorded when paid. In the statement of net position, the amount due for future periods is recorded as a liability. During the year, post-employment benefits increased \$48,622.

(48,622)

The net effect of transactions involving net pension assets and liabilities and deferred outflows and inflows of resources related to pensions, and pension expense is to increase net position.

359,975

Property taxes levied in prior years but not yet collected are not recognized in the governmental funds because they are not available. They are, however, recorded as revenues in the statement of activities. During the year, delinquent taxes receivable decreased \$101,218.

(101,218)

Change in net position - total governmental activities	\$ 8,455,170
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The accompanying notes are an integral part of these financial statements.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Logan City School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity

Primary Government

The Logan City School District Board of Education (the Board) is the basic level of government that has oversight responsibility and control over all activities related to public school education in the City of Logan, Utah. The Board is comprised of five elected individuals and is the primary governing authority for the District. The Board is responsible for setting district policies, appointing the superintendent and the business administrator, and approving budgets and all related education matters.

The District is not included in any other reporting entity and is defined as an independent school district. The District is not a component unit of any other primary government. The Board has the authority to levy taxes, adopt budgets, and issue debt. The District receives funding from local, state, and federal sources and must comply with the requirements of these funding sources.

Discrete Component Unit

The Logan City School District Foundation (the Foundation) is a non-profit 501(c)(3) corporation organized for the purpose of seeking supplemental resources for education purposes. The Foundation receives support from the District and is fiscally accountable to the District for its operations. The Foundation qualifies to be reported as a discrete component unit of the District in accordance with the requirements of GASB Statement No. 39 “*Determining Whether Certain Organizations Are Component Units*”. The Foundation does not issue separate financial statements.

Blended Component Unit

The District has established a Municipal Building Authority (the Authority) pursuant to state code. The Governing Board of the Authority is comprised of the Logan City School Board. The purpose of the Authority is to serve the District as a financing agency for debt financed projects. Due to the restrictive nature of the State Board of Education’s fund structure, a separate Municipal Building Authority Capital Projects Fund and Debt Service Fund have not been established. Therefore, the District uses its Capital Projects fund to account for the construction and debt payments related to the Authority.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Undivided Interest in Joint Operation

The Logan Recreation Center is jointly operated through an agreement between the District and the City of Logan. Both the District and the City have recorded their portion or interest in the recreation center as a capital asset. Operating expenses are shared equally and the City has assumed fiduciary responsibility for the Center.

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 District and the Foundation.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular function.

Property taxes and other items not included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

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 when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, and post-employment healthcare benefits, are recorded only when payment is due.

Property taxes, fees-in-lieu, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes associated with future periods are deferred. All other revenue items are considered to be measurable and available only when the District receives cash.

When an expense/expenditure is incurred for which both restricted and unrestricted resources are available, it is the District's general policy to use restricted resources first. When an expense/expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The District's policy is to allocate indirect costs in accordance with State school board policy.

The District's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions, or specific purposes.

The focus of the fund financial statements is *major* funds. Major funds are defined based on a numerical formula and these funds generally represent the government's most important funds.

The District reports the following major governmental funds:

- The General (Maintenance & Operations) Fund is the District's primary operating fund. It accounts for resources devoted to financing the general services of the District. The fund is charged with all costs of operating the District for which a separate fund has not been established.
- The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest and related costs of outstanding general obligation debt.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

- The Capital Projects Fund accounts for the financial resources used for the acquisition, construction, remodeling, maintenance, and repair of capital facilities and equipment by the District.

Additionally the District reports the following funds:

- The School Food Service Fund (a special revenue fund) is used to account for the proceeds of specific revenue sources related to food service. This fund's expenditures are legally restricted for specified purposes.
- The Student Activities Fund (a special revenue fund) is used to account for the proceeds of specific revenue sources related to student body groups.
- The Tax Increment Fund (a special revenue fund) is used to account for property taxes levied by the District that are paid directly to the local redevelopment agencies in which the District participates.

Cash and Cash Equivalents and Investments

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, including investments in the Public Treasurer's Investment Fund (PTIF).

All investments are reported at fair value.

Receivables

District management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Inventories

Inventory items in the School Food Service Fund, a special revenue fund type, are recorded as expenditures when consumed rather than when purchased. Federal commodity contributions are recorded as revenue when they are received. Non-federal commodity inventory is valued at cost, using the first-in/first-out (FIFO) method. Federal commodity inventory is valued at fair market value as determined by the United States Department of Agriculture. All other funds record inventory type items as expenditures at the time purchases are made.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets include land, construction in process, buildings and improvements, and equipment. Capital assets are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$10,000. All capital assets are valued at cost or estimated cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during construction is not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 to 50
Equipment	5 to 15

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The following item qualifies for reporting in this category:

- Contributions made by the District prior to the District's fiscal year end, but subsequent to the pension measurement date of December 31, 2017, changes in assumptions, the net difference between projected and actual earnings on pension plan investments, and changes in proportion and differences between contributions and proportionate share of contributions are reported as deferred outflows in the government-wide statement of net position but not in the governmental funds balance sheet.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category:

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

- Unavailable revenue related to delinquent property taxes is reported in the governmental funds balance sheet but not in the government-wide statement of net position. Delinquent property taxes expected to be received after the availability period are considered unavailable under the modified accrual basis of accounting.
- Property taxes for future periods are reported in both the governmental funds balance sheet and the entity-wide statement of net position. Property tax revenues are not recognized prior to the period which they are intended to finance, even if an enforceable lien is in place prior to the beginning of the intended period. Thus, property taxes received or receivable as of year-end, which are intended to finance the following fiscal year, are deferred.
- Pension related differences between expected and actual experience, changes in pension assumptions, net differences between projected and actual earnings on pension plan investments, and changes in proportion and differences between contributions and proportionate share of contributions have resulted in deferred inflows that are reported in the government-wide statement of net position but not in the governmental funds balance sheet.

Compensated Absences

Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements.

Full-time employees (those with 12-month contracts) earn vacation days ranging from 10 to 15 days per year depending upon length of service. Terminating employees are not paid for unused vacation. One half of the annual vacation earned may be carried forward to subsequent years. Employees on contract are entitled to 3 days personal leave per year. Three unused personal leave days may be carried forward to subsequent years.

Retiring employees may only be paid for a maximum of 150 days of unused sick leave at a rate per day set in accordance with negotiated personnel agreements. Terminating employees are not paid for unused sick leave. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Post-Employment Benefits

The District's employees who meet certain requirements can request to retire under an early retirement program. This program provides for stipends and health insurance coverage for the retiree and are typically for a maximum of four years or until the retiree becomes eligible to receive full social security benefits. However, some employees have received an eight year early retirement benefit. Expenditures are recorded in the General (Maintenance & Operations) Fund when paid. The amount of the known obligations is recorded as a liability in the government-wide financial statements in the statement of net position. The District also participates in a life insurance death benefit program for eligible employees.

Long-term Obligations

In the government-wide financial statements, long-term debt and obligations are reported as liabilities in the statement of net position. Bond premiums, discounts, and deferred charges are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method when material.

In the governmental fund financial statements, bond premiums, discounts, and deferred charges are recognized during the period incurred. The face amount of debt issued is reported as an other financing source. Debt principal and interest payments are reported as expenditures in the period the payments are due.

Pension Related Assets, Liabilities, and Deferred Outflows and Inflows of Resources

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 the benefit terms. Investments are reported at fair value.

Interfund Balances and Transactions

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. In the government-wide Statement of Activities, transfers between governmental funds are eliminated. In the governmental fund financial statements, transfers are reported as other financing sources or uses.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

Equity Classifications

Equity in the government-wide financial statements is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt, and associated items, attributable to the acquisition, construction or improvement of these assets.
- Restricted net position – Consists of net position with constraints placed on its use, whether by 1) external groups such as creditors, grantors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Balance Classifications

Governmental fund equity is classified as fund balance in the fund financial statements. Fund balance is further classified based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either 1) not in spendable form or 2) are legally or contractually required to be maintained intact. The District has classified prepaid assets and inventory as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of resources which are either 1) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

- Assigned – This classification includes amounts that are constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board, Superintendent, or Business Administrator. No other governing body or officials have this authority delegated to them. This classification also includes the remaining positive fund balance for all governmental funds except for the General (Maintenance & Operations) Fund.
- Unassigned – This classification includes the residual fund balance for the General (Maintenance & Operations) Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

Property Taxes

Real property taxes are collected by the Cache County Treasurer and subsequently remitted to the District. Real property taxes are assessed on the taxable value of property (as of January 1st) and such taxes are due and payable by November 30 of each year after which time they become delinquent. Personal property taxes and fees in lieu of tax are collected by the Cache County Treasurer and remitted to the District monthly.

It is expected that all delinquencies plus accrued interest and penalties will be collected within a five-year period, after which time, the Cache County Treasurer may force sale of property to collect the delinquent portion. Delinquent property tax receivable is recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

All funds except the School Food Service and Student Activity funds are permitted to assess taxes. Certain tax rates have limitations as outlined by Utah State law. The tax rates of the District are within the prescribed limitations.

The District's combined tax rate includes the following:

General (Maintenance & Operations) Fund:

- Basic School Levy – The rate calculated by the State Tax Commission to support the basic educational program of the District based on the weighted pupil unit established by the State Legislature.
- Voted Local Levy – A rate approved by the voters within the District to maintain school programs not supported by other funding.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 1 – Summary of Significant Accounting Policies (continued)

- Board Local Levy – An optional rate adopted by the Board to assist in the reduction of overall class size.

Debt Service Fund:

- GO Bond Payments – A rate to provide required funds to pay the annual debt service principal and interest payments of the voter approved general obligation outstanding debt.

Capital Outlay Fund:

- Capital Local Levy – A rate to be used to purchase, maintain, and repair capital facilities, grounds and equipment.

Operating Grants Restricted and Unrestricted

The District receives Federal and State funds passed through the State Office of Education and through direct Federal funding. Federal funds are recognized when qualifying expenses have been incurred and all other grant requirements have been met. State funding is based upon the number of students enrolled in the District (formula grants) and is recognized when received. State funds with purpose restrictions are presented as program revenues in the Statement of Activities. It is the District's policy to use restricted funds (i.e. operating grants and contributions) in compliance with specific award requirements and to provide instructional services.

Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Note 2 – Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted by the State of Utah Money Management Act that relate to the deposit and investment of public funds.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 2 – Deposits and Investments (continued)

The District follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Primary Government

At June 30, 2018, the District's deposits and investments consisted of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Government activities:			
Equity in pooled cash and investments:			
Demand deposits	\$ 2,601,535	-	2,601,535
Public Treasurer's Investment Pool	-	30,433,973	30,433,973
	<u>\$ 2,601,535</u>	<u>30,433,973</u>	<u>33,035,508</u>

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk. As of June 30, 2018, approximately \$2,022,000 of the District's bank balances of approximately \$2,790,000 were uninsured and uncollateralized.

Investments

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

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 2 – Deposits and Investments (continued)

Statutes authorize the District 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 Investor Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or 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 Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionately 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. As of June 30, 2018, all investments held by the District are in the PTIF, which has a maturity of less than 1 year.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 2 – Deposits and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing exposure to credit risk is to comply with the State's Money Management Act as previously discussed. At June 30, 2018, all investments held by the District are in the PTIF which is unrated.

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 District's policy for reducing this risk is to use the PTIF whenever possible.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's policy for custodial risk is to use the PTIF whenever possible.

Component Unit

At June 30, 2018, the Foundation's deposits and investments consisted of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Cash and cash equivalents:			
Demand deposits	\$ 217,337	-	217,337
Public Treasurer's Investment Fund	-	84,870	84,870
Certificates of deposit	214,595	-	214,595
	<u>431,932</u>	<u>84,870</u>	<u>516,802</u>
Investments:			
Mutual funds	-	140,100	140,100
Equities	-	18,680	18,680
	<u>-</u>	<u>158,780</u>	<u>158,780</u>
	<u>\$ 431,932</u>	<u>243,650</u>	<u>675,582</u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 2 – Deposits and Investments (continued)

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a formal deposit policy for custodial credit risk. As of June 30, 2018, none of the Foundation's bank balances of approximately \$438,000 were exposed to credit risk because the entire balances were insured.

Investments

The Foundation Board defines the types of securities authorized as appropriate investments for the Foundation and the conditions for making investment transactions. As of June 30, 2018, all government bonds held by the Foundation have a maturity of less than 1 year, all mutual funds are open-ended funds, and all equities are actively traded.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's policy for managing its interest rate risk is the same as described above for the primary government except when gifts specify that funds be held in prescribed investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation's policy for reducing exposure to investment credit rate risk is the same as described above for the primary government except when gifts specify that funds be held in prescribed investments. At June 30, 2018, all investments held by the Foundation in equities and mutual funds are unrated.

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 Foundation's policy for reducing its risk of loss due to concentrations is the same as described above for the primary government except when gifts specify that funds be held in prescribed investments.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 2 – Deposits and Investments (continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation's policy for custodial risk is to use the PTIF whenever possible except when gifts specify that funds be held in prescribed investments.

Note 3 – Fair Value Measurements

The District and the Foundation categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District and/or Foundation have the following recurring fair value measurements as of June 30, 2018:

- Utah Public Treasures Investment Fund is valued by taking an entity's position in the fund multiplied by the published fair value factor (Level 2 inputs).
- Mutual funds and equity stocks are valued at the daily closing price as publicly reported (Level 1 inputs).

Note 4 – Receivables

The District's receivables consist primarily of: 1) amounts due from federal agencies and the State of Utah, 2) amounts due from the Cache County School District, and 3) property taxes receivable from Cache County.

Property taxes receivable are summarized as follows:

Levied for future year	\$ 24,018,563
Levied for current and prior years (delinquent)	378,925
Taxes receivable subject to accrual	<u>994,262</u>
	<u>\$ 25,391,750</u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 5 – Capital Assets

A summary of changes in capital assets follows:

	Balance 7/1/2017	Additions	Retirements/ Transfers	Balance 6/30/2018
Capital assets, not being depreciated:				
Land	\$ 4,361,646	-	-	4,361,646
Construction in process	41,402,944	-	(41,402,944)	-
	<u>45,764,590</u>	<u>-</u>	<u>(41,402,944)</u>	<u>4,361,646</u>
Capital assets, being depreciated:				
Buildings and improvements	74,681,337	4,183,914	41,402,944	120,268,195
Equipment	<u>3,921,953</u>	<u>269,394</u>	<u>(183,238)</u>	<u>4,008,109</u>
	<u>78,603,290</u>	<u>4,453,308</u>	<u>41,219,706</u>	<u>124,276,304</u>
Total capital assets	<u>124,367,880</u>	<u>4,453,308</u>	<u>(183,238)</u>	<u>128,637,950</u>
Accumulated depreciation for:				
Buildings and improvements	(43,262,235)	(2,037,869)	-	(45,300,104)
Equipment	<u>(2,291,311)</u>	<u>(537,644)</u>	<u>183,238</u>	<u>(2,645,717)</u>
	<u>(45,553,546)</u>	<u>(2,575,513)</u>	<u>183,238</u>	<u>(47,945,821)</u>
Total capital assets, net	\$ <u><u>78,814,334</u></u>	<u><u>1,877,795</u></u>	<u><u>-</u></u>	<u><u>80,692,129</u></u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 5 – Capital Assets (continued)

Depreciation expense was charged to functions of the District as follows:

Instruction	\$ 1,789,981
Food services	180,286
Support services:	
Students	128,776
Staff assistance	103,021
School administration	128,776
Operation and maintenance of facilities	90,143
Central services	77,265
Other support services	25,755
General district administration	<u>51,510</u>
	\$ <u>2,575,513</u>

Note 6 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

Payables to vendors	\$ 2,948,795
Payroll taxes and benefits payable	1,885,835
Wages payable	<u>1,798,210</u>
	\$ <u>6,632,840</u>

Included in payables to vendors is retainage payable associated with the remodeling of Logan High School of \$333,709.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 7 – Long-Term Obligations

Long-term liability activity for the year ended June 30, 2018, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 38,855,000	-	(2,290,000)	36,565,000	2,345,000
Lease revenue bonds	7,378,000	-	(626,000)	6,752,000	622,000
Bond issuance premiums	3,723,176	-	(258,351)	3,464,825	-
	49,956,176	-	(3,174,351)	46,781,825	2,967,000
Post-retirement benefits	1,476,089	683,616	(634,994)	1,524,711	648,000
Capital leases	737,094	-	(316,432)	420,662	319,000
Total governmental activity long-term liabilities	\$ 52,169,359	683,616	(4,125,777)	48,727,198	3,934,000

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and the purchase of school equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the taxpayers in the District. Payments on the general obligation bonds are made by the Debt Service Fund from property taxes. The District is current on all bond payments and is in compliance with the significant terms of the bond agreements.

Lease Revenue Bonds

The Municipal Building Authority issues lease revenue bonds to provide funds for the construction of new facilities, acquisition of property, renovation and improvement of facilities, and the purchase of school equipment. Payments on lease revenue bonds are designed to equal income generated by leasing the acquired or constructed assets to the District. For the current year, interest was paid in the amount of \$123,612. Lease payments will continue each fiscal year through the maturity of the lease revenue bonds.

Bond Issuance Premiums

Premiums received at the issuance of new bonds are being amortized over the life of the related debt.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 7 – Long-Term Obligations (continued)

Post-Retirement Benefits

The District provides benefits in the form of early retirement and associated health insurance costs. Early retirement may be applied for and is available to employees who obtain administrative approval and qualify based on the eligibility requirements. As a result, early retirement costs and associated health benefit costs are accounted for as termination benefits. The early retirement obligation is not covered as part of the District's pension plans.

The projected future cost of early retirement and medical insurance benefits has been calculated based on the amount payable in the next fiscal year plus projected increases of 15% for medical premiums.

As of June 30, 2018, there were 36 individuals participating in the early retirement program. The estimated net present value of the early retirement benefits is \$1,524,711.

Capital Leases

The District entered into a capital lease on March 25, 2015 in the amount of \$1,225,405 for the purchase of laptops. Lease payments are due annually on April 15 and June 30 in the amount of \$19,992 and \$234,401, respectively, until 2019, with an applicable interest rate of 1.90%.

The District entered into a capital lease on August 3, 2016 in the amount of \$140,013 for the purchase of laptops. Lease payments are due annually on August 15 in the amount of \$36,560, until 2020, with an applicable interest rate of 2.94%.

The District entered into a capital lease on August 22, 2016 in the amount of \$43,700 for the purchase of laptops. Lease payments are due annually on August 15 in the amount of \$15,552, until 2018, with an applicable interest rate of 6.71%.

The District entered into a capital lease on June 15, 2017 in the amount of \$110,850 for the purchase of software. Lease payments are due annually on July 15 in the amount of \$24,894, until 2022, with an applicable interest rate of 5.883%.

The aggregate cost of assets under capital lease is \$1,519,968 with accumulated amortization of \$1,004,661. Amortization expense for fiscal year 2018 was \$374,450.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 7 – Long-Term Obligations (continued)

Bonds payable at June 30, 2018, are comprised of the following individual issuances:

\$35,500,000 series 2014, general obligation bonds due in annual installments of approximately \$1,756,000 to \$2,877,000, including interest ranging from 3.125% to 5%, starting in 2015 through 2035.	\$ 34,550,000
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\$4,826,000 series 2017, Municipal Building Authority lease revenue bonds due in annual installments of \$278,000 to \$364,000, including interest ranging from 1% to 3.8%, starting in 2017 through March 15, 2033.	4,548,000
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\$6,350,000 series 2013, general obligation refunding bonds due in annual installments of \$202,000 to \$2,055,000, including interest of 2%, starting in 2014 through June 15, 2019.	2,015,000
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\$6,906,000 series 2008, Municipal Building Authority lease revenue bonds due in annual installments of \$386,000 to \$428,000, including interest of 2.59%, starting in 2009 through April 1, 2025.	<u>2,204,000</u>
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	\$ <u><u>43,317,000</u></u>
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LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 7 – Long-Term Obligations (continued)

The annual cash requirements to amortize all bonds outstanding as of June 30, 2018 including interest payments are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,967,000	1,620,448	4,587,448
2020	2,125,000	1,551,455	3,676,455
2021	2,213,000	1,464,224	3,677,224
2022	2,307,000	1,372,525	3,679,525
2023	2,401,000	1,276,121	3,677,121
2024-2028	11,762,000	4,855,831	16,617,831
2029-2033	14,042,000	2,234,046	16,276,046
2034-2035	<u>5,500,000</u>	<u>255,675</u>	<u>5,755,675</u>
	<u>\$ 43,317,000</u>	<u>14,630,325</u>	<u>57,947,325</u>

The annual cash requirement to amortize capital lease liability outstanding as of June 30, 2018 including interest payments are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 318,474	12,925	331,399
2020	56,472	4,981	61,453
2021	22,205	2,690	24,895
2022	<u>23,511</u>	<u>1,383</u>	<u>24,894</u>
	<u>\$ 420,662</u>	<u>21,979</u>	<u>442,641</u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 8 – Fund Balance

Nonspendable Fund Balances

Nonspendable fund balances represent monies that cannot be spent because they are either 1) not in spendable form or 2) are legally or contractually required to be maintained intact. Nonspendable fund balances consist of the following:

Inventories	\$ 94,426
Prepaid expenses	<u>1,843</u>
	<u>\$ 96,269</u>

Nonspendable fund balance for inventory – Was created to represent the portion of fund balance that is not available for expenditures because the District maintains an inventory of food supplies.

Nonspendable fund balance for prepaid expenses – Was created to represent the portion of fund balance that is not available for expenditures because the District has prepaid certain expenses.

Restricted Fund Balances

Restricted fund balances represent monies required to be maintained to satisfy third party agreements or legal requirements. Restricted fund balances consist of the following:

Program expenditures	\$ 3,131,293
Debt service	<u>1,464,174</u>
	<u>\$ 4,595,467</u>

Restricted for program expenditures – The restriction for program expenditures represents unexpended carryover funds for specific programs and was created to restrict the use of resources for those programs in the following year.

Restricted for debt service – The restriction for debt service represents unspent taxes levied for debt service, including both principal and interest payments.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 8 – Fund Balance (continued)

Committed Fund Balances

Committed for undistributed reserve – State statute 53A-19-103 allows school districts to have an undistributed M&O reserve not to exceed five percent of the total M&O budget by a written resolution adopted by a majority vote of the Board. According to law, the Board may not use undistributed reserves in negotiations or settlement of contract salaries for District employees. As of June 30, 2018, the District has an undistributed reserve of \$2,200,000.

Assigned Fund Balances

Assigned fund balances include the remaining positive fund balance for all governmental funds except the General (Maintenance & Operations) Fund and monies that have been constrained by the Board's intent to be used for a specific purpose but are neither restricted nor committed. Assigned fund balances consist of the following:

Capital projects	\$ 9,879,358
Programs	3,861,417
Retirement incentive	1,800,000
School food service	1,016,474
Student activity	652,295
Future increase to undistributed reserve	<u>150,000</u>
	\$ <u><u>17,359,544</u></u>

Note 9 – Operating Leases

The District has entered into an operating lease and service agreement with Xerox Corporation for copier services at the Mount Logan Middle School. Lease expense related to this operating lease was approximately \$17,000 for the year ended June 30, 2018.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 10 – Interfund Transfers

The District made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Fees remitted to the District	100,156	General Fund	Student Activity
To assist student programs	174,000	Student Activity	General Fund

Note 11 – Retirement Plans

General Information about the Pension Plan

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System); Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, public employees, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); are multiple employer, cost sharing, public employees, retirement systems.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are 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.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

Benefits Provided

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

<u>System</u>	<u>Final Average Salary</u>	<u>Years of service required and/or age eligible for benefit</u>	<u>Benefit percent per year of service</u>	<u>COLA**</u>
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 25 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%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

**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. 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.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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 employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
12 State and School Division - Tier 1	6.00%	17.70%	N/A
112 State and School Division - Tier 2	N/A	18.44%	1.58%
Noncontributory System			
16 State and School Division - Tier 1	N/A	22.19%	1.50%
Tier 2 DC Only			
212 State and School Division	N/A	10.02%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2018, the employer and employee contributions to the Systems were as follows:

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 3,446,829	N/A
Contributory System	24,687	1,395
Tier 2 Public Employees System	851,992	-
Tier 2 DC Only System	129,861	N/A
Total contributions	<u>\$ 4,453,369</u>	<u>1,395</u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2018, the District reported a net pension asset of \$0 and a net pension liability of \$15,155,251.

	(Measurement Date): December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2016	Change (Decrease)
Noncontributory System	\$ -	15,073,829	0.6164252%	0.6327430%	(0.0163178%)
Contributory System	-	39,326	0.5976242%	0.4921531%	0.1054711%
Tier 2 Public Employees	-	42,096	0.4774572%	0.5090727%	(0.0316155%)
	<u>\$ -</u>	<u>15,155,251</u>			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, the District recognized pension expense of \$4,058,551.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,576	912,583
Change in assumptions	3,862,687	118,830
Net difference between projected and actual earnings on pension plan investments	2,597,589	6,564,434
Changes in proportion and differences between contributions and proportionate share of contributions	236,310	574,032
Contributions subsequent to the measurement date	<u>2,209,490</u>	<u>-</u>
	<u>\$ 8,907,652</u>	<u>8,169,879</u>

\$2,209,490 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the District's fiscal year end, but subsequent to the measurement date of December 31, 2017.

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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ 345,057
2019	\$ 647,405
2020	\$ (1,074,223)
2021	\$ (1,426,072)
2022	\$ (9,043)
Thereafter	\$ 45,159

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Salary increases: 3.25% – 9.75%, average, including inflation
- Investment rate of return: 6.95%, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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 and is applied consistently to each defined benefit pension plan. 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.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

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	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	40.00%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
	<u>100%</u>		4.75%
Inflation			<u>2.50%</u>
Expected arithmetic nominal return			<u>7.25%</u>

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.5% and a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95% from 7.2% from the prior measurement period.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

<u>System</u>	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
Noncontributory System	\$ 32,912,545	15,073,829	164,252
Contributory System	518,272	39,326	(368,427)
Tier 2 Public Employees System	<u>495,661</u>	<u>42,096</u>	<u>(307,668)</u>
Total	<u>\$ 33,926,478</u>	<u>15,155,251</u>	<u>(511,843)</u>

Pension Plan Fiduciary Net Position

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

General Information about Other Retirement Plans

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

LOGAN CITY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 11 – Retirement Plans (continued)

The District participates in the following Defined contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30 were as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
401(k) Plan			
Employer Contributions	\$ 440,746	396,175	398,596
Employee Contributions	\$ 356,513	342,444	393,007
457 Plan			
Employer Contributions	\$ -	-	-
Employee Contributions	\$ 18,018	18,247	18,425
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 29,547	26,979	17,816
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 300	-	-

Note 12 – Public Entity Risk Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The District participates in the Utah State Risk Management Insurance Fund, a public entity risk pool managed by an agency of the State government. The District pays an annual premium to a trust set up for the forty school districts in the State which participate in the risk pool for general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2018 there were no outstanding unpaid claims. For the past three years, the District has had no claim settlements that exceeded its insurance coverage.

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LOGAN CITY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION

LOGAN CITY SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL (MAINTENANCE & OPERATIONS) FUND
Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local sources:				
Taxes	\$ 13,270,000	13,502,658	14,012,122	509,464
Tuition	70,000	45,000	59,223	14,223
Earnings on investments	325,000	488,400	508,018	19,618
Local government units	12,000	-	2,659	2,659
Other local revenue	386,000	775,159	740,917	(34,242)
State grants-in-aid	26,633,823	26,419,862	26,648,738	228,876
Federal sources	<u>4,636,000</u>	<u>4,830,631</u>	<u>5,199,557</u>	<u>368,926</u>
Total revenues	<u>45,332,823</u>	<u>46,061,710</u>	<u>47,171,234</u>	<u>1,109,524</u>
Expenditures:				
Instruction	31,415,588	31,041,264	29,244,824	1,796,440
Support services:				
Students	2,397,460	2,407,679	2,369,074	38,605
Staff assistance	1,943,535	1,930,770	1,901,992	28,778
General district administration	673,752	519,097	513,919	5,178
School administration	2,038,011	2,180,098	2,172,332	7,766
Central services	1,383,778	1,536,555	1,533,323	3,232
Operation and maintenance	2,611,188	2,736,814	2,821,705	(84,891)
Student transportation	1,396,139	1,488,336	1,618,266	(129,930)
Other support services	<u>453,457</u>	<u>461,596</u>	<u>435,774</u>	<u>25,822</u>
Total expenditures	<u>44,312,908</u>	<u>44,302,209</u>	<u>42,611,209</u>	<u>1,691,000</u>
Other financing sources (uses):				
Transfer from student activity fund	150,000	44,806	100,156	55,350
Transfer to student activity fund	(200,000)	(174,000)	(174,000)	-
Other	<u>-</u>	<u>48,641</u>	<u>-</u>	<u>(48,641)</u>
Total other financing uses	<u>(50,000)</u>	<u>(80,553)</u>	<u>(73,844)</u>	<u>6,709</u>
Net change in fund balance	<u>969,915</u>	<u>1,678,948</u>	4,486,181	<u>2,807,233</u>
Fund balance at beginning of year			<u>12,865,078</u>	
Fund balance at end of year	\$		<u>17,351,259</u>	

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>December 31, 2017</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Noncontributory Retirement System:				
Proportion of the net pension liability (asset)	0.6164252%	0.6327430%	0.6434373%	0.6210112%
Proportionate share of the net pension liability (asset)	\$ 15,073,829	20,506,675	20,212,208	15,603,084
Covered employee payroll	\$ 15,735,779	16,419,635	16,793,652	16,698,625
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	95.79%	124.89%	120.36%	93.44%
Plan fiduciary net position as a percentage of its covered-employee payroll	89.2%	84.9%	84.5%	87.2%
Contributory Retirement System:				
Proportion of the net pension liability (asset)	0.5976242%	0.4921531%	0.4020582%	0.3437181%
Proportionate share of the net pension liability (asset)	\$ 39,326	269,679	251,951	37,688
Covered employee payroll	\$ 135,976	131,930	127,363	126,077
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	28.92%	204.41%	197.82%	29.89%
Plan fiduciary net position as a percentage of its covered-employee payroll	99.2%	93.4%	92.4%	98.7%
Tier 2 Public Employees Retirement System:				
Proportion of the net pension liability (asset)	0.4774572%	0.5090727%	0.5330405%	0.5209576%
Proportionate share of the net pension liability (asset)	\$ 42,096	56,787	(1,164)	(15,787)
Covered employee payroll	\$ 4,694,880	4,174,819	3,442,116	2,549,232
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.90%	1.36%	-0.03%	-0.62%
Plan fiduciary net position as a percentage of its covered-employee payroll	97.4%	95.1%	100.2%	103.5%

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Noncontributory System:						
2018	\$	3,446,829	\$ 3,446,829	\$ -	\$ 15,529,725	22.20%
2017	\$	3,516,116	\$ 3,516,116	\$ -	\$ 15,839,879	22.20%
2016	\$	3,717,497	\$ 3,717,497	\$ -	\$ 16,830,936	22.09%
2015	\$	3,636,109	\$ 3,636,109	\$ -	\$ 16,740,018	21.72%
2014	\$	3,414,657	\$ 3,414,657	\$ -	\$ 17,088,050	19.98%
Contributory System:						
2018	\$	24,687	\$ 24,687	\$ -	\$ 139,476	17.70%
2017	\$	23,523	\$ 23,523	\$ -	\$ 132,898	17.70%
2016	\$	23,091	\$ 23,091	\$ -	\$ 130,458	17.70%
2015	\$	27,308	\$ 27,308	\$ -	\$ 161,073	16.95%
2014	\$	19,479	\$ 19,479	\$ -	\$ 124,113	15.69%
Tier 2 Public Employees System:*						
2018	\$	851,992	\$ 851,992	\$ -	\$ 4,638,683	18.37%
2017	\$	932,393	\$ 932,393	\$ -	\$ 5,117,972	18.22%
2016	\$	752,015	\$ 752,015	\$ -	\$ 4,122,066	18.24%
2015	\$	591,520	\$ 591,520	\$ -	\$ 3,347,053	17.67%
2014	\$	411,098	\$ 411,098	\$ -	\$ 2,508,307	16.39%
Tier 2 Public Employees DC Only System:*						
2018	\$	129,861	\$ 129,861	\$ -	\$ 1,213,095	10.70%
2017	\$	53,654	\$ 53,654	\$ -	\$ 535,464	10.02%
2016	\$	64,089	\$ 64,089	\$ -	\$ 639,299	10.02%
2015	\$	28,109	\$ 28,109	\$ -	\$ 285,393	9.85%
2014	\$	16,124	\$ 16,124	\$ -	\$ 201,346	8.01%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

LOGAN CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Note 1 – Budgetary Basis of Accounting

A Budgetary Comparison Schedule is presented for the General Fund and each major special revenue fund as required by generally accepted accounting principles (GAAP). Budgets for the governmental funds are adopted on a GAAP basis. Budgets are not adopted at the District level for the Logan City School District Foundation. Expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at fiscal year end.

Note 2 – Budgeted Increases and Decreases

Each fund has a balanced budget. Any excess of revenues over expenditures in the budget columns in the Required Supplementary Information schedule represents budgeted increases to fund balance approved by the District's Board of Education. Any deficiency of revenues over expenditures in the budget columns on Required Supplementary Information schedules represents fund balance appropriated by the District's Board of Education.

Note 3 – Budget Adoption and Monitoring

The District's procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule are as follows:

The Superintendent and Business Administrator submit to the Board of Education during June of each year a tentative operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. Included also is a final amended budget for the current year ending June 30th.

Prior to June 22, the Board of Education holds a public hearing at which time taxpayers' comments are heard. At the conclusion of the budget hearing, the budget as amended, is legally enacted by Board action. However, if property tax revenue budgeted exceeds the certified tax rate as established by the State Tax Commission, the District can only adopt a tentative budget for those funds that contain property tax increases. The District is then required to hold a public hearing to comply with "Truth in Taxation" State law. The District publishes a prescribed advertisement in the local newspaper stating the amount and percentage of the proposed tax change above the certified rate. The District then holds a public hearing before August 17th. After the public hearing, the Board of Education then adopts the final tax rates and authorizes the corresponding budget. The budget is then approved reflecting the tax rates adopted and other approved changes from the tentative budget.

Budget appropriations may only be changed by action of the Board of Education. If an increase in budget appropriations at the fund level is proposed, the procedures used when enacting the original budget including a properly advertised public hearing are followed.

LOGAN CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

Note 4 – Proportionate Share of Net Pension Liability

Changes in Assumptions

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

LOGAN CITY SCHOOL DISTRICT
SUPPLEMENTARY INFORMATION

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (Budget and Actual)
DEBT SERVICE
MAJOR GOVERNMENTAL FUND
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues:				
Local sources:				
Taxes	\$ 3,671,172	3,684,656	13,484	4,127,727
Earnings on investments	15,072	-	(15,072)	72
Total revenues	<u>3,686,244</u>	<u>3,684,656</u>	<u>(1,588)</u>	<u>4,127,799</u>
Expenditures:				
Redemption of principal	2,290,000	2,290,000	-	2,220,000
Interest and fiscal charges	<u>1,512,437</u>	<u>1,500,001</u>	<u>12,436</u>	<u>1,570,088</u>
Total expenditures	<u>3,802,437</u>	<u>3,790,001</u>	<u>12,436</u>	<u>3,790,088</u>
Net change in fund balance	<u>(116,193)</u>	(105,345)	<u>10,848</u>	337,711
Fund balance at beginning of year		<u>1,569,519</u>		<u>1,231,808</u>
Fund balance at end of year	\$	<u>1,464,174</u>		<u>1,569,519</u>

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (Budget and Actual)
CAPITAL PROJECTS
MAJOR GOVERNMENTAL FUND
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues:				
Local sources:				
Taxes	\$ 5,831,883	5,892,993	61,110	5,365,582
Earnings on investments	49,270	49,270	-	368
Other local revenue	382,395	600,910	218,515	290,590
	<u>6,263,548</u>	<u>6,543,173</u>	<u>279,625</u>	<u>5,656,540</u>
Total revenues				
Expenditures:				
Acquisition, construction and maintenance	10,563,018	7,333,258	3,229,760	21,403,990
Redemption of principal	853,500	626,000	227,500	339,000
Interest and fiscal charges	-	122,694	(122,694)	182,399
	<u>11,416,518</u>	<u>8,081,952</u>	<u>3,334,566</u>	<u>21,925,389</u>
Total expenditures				
Other financing sources:				
Capital lease proceeds	-	-	-	294,562
Bond proceeds	-	-	-	4,826,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,120,562</u>
Total other financing sources:				
Net change in fund balance	<u>(5,152,970)</u>	<u>(1,538,779)</u>	<u>3,614,191</u>	<u>(11,148,287)</u>
Fund balance at beginning of year		<u>11,418,137</u>		<u>22,566,424</u>
Fund balance at end of year	\$	<u>9,879,358</u>		<u>11,418,137</u>

LOGAN CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Special Revenue			Total Nonmajor Governmental Funds
	School Food Service	Student Activity	Tax Increment	
Assets:				
Equity in pooled cash and investments \$	884,420	732,308	-	1,616,728
Receivables:				
Taxes	-	-	1,100,000	1,100,000
Intergovernmental	162,348	-	-	162,348
Inventories	94,426	-	-	94,426
Total assets	\$ 1,141,194	732,308	1,100,000	2,973,502
Liabilities:				
Accounts payable	\$ 30,294	80,013	-	110,307
Total liabilities	30,294	80,013	-	110,307
Deferred inflows of resources:				
Property taxes for future periods	-	-	1,100,000	1,100,000
Total deferred inflows of resources	-	-	1,100,000	1,100,000
Fund balances:				
Nonspendable	94,426	-	-	94,426
Assigned	1,016,474	652,295	-	1,668,769
Total fund balances	1,110,900	652,295	-	1,763,195
Total liabilities and fund balances \$	1,141,194	732,308	1,100,000	2,973,502

LOGAN CITY SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	Special Revenue			Total Nonmajor Governmental Funds
	School Food Service	Student Activity	Tax Increment	
Revenues:				
Local revenues:				
Taxes	\$ -	-	1,430,494	1,430,494
Tuition	-	1,088,889	-	1,088,889
Earnings on investments	-	12,022	-	12,022
Food service sales	430,816	-	-	430,816
Other local revenue	172,314	287,819	-	460,133
State grants-in-aid	464,712	-	-	464,712
Federal sources	2,103,533	-	-	2,103,533
Total revenues	3,171,375	1,388,730	1,430,494	5,990,599
Expenditures:				
Instruction	-	1,420,137	-	1,420,137
Support services:				
Students	-	40,089	-	40,089
Food services	3,139,323	-	-	3,139,323
Economic development/RDA	-	-	1,430,494	1,430,494
Total expenditures	3,139,323	1,460,226	1,430,494	6,030,043
Other financing sources (uses):				
Transfers in	-	174,000	-	174,000
Transfers out	-	(100,156)	-	(100,156)
Total other financing sources	-	73,844	-	73,844
Net change in fund balances	32,052	2,348	-	34,400
Fund balances at beginning of year	1,078,848	649,947	-	1,728,795
Fund balances at end of year	\$ 1,110,900	652,295	-	1,763,195

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (Budget and Actual)
SCHOOL FOOD SERVICE
NONMAJOR SPECIAL REVENUE FUND
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	2018			2017
	Final Budget	Actual	Variance	Actual
Revenues:				
Local sources:				
Food service sales	\$ 440,500	430,816	(9,684)	430,561
Other local revenue	145,000	172,314	27,314	155,229
State grants-in-aid	350,000	464,712	114,712	477,481
Federal sources	2,118,000	2,103,533	(14,467)	2,145,229
Total revenues	3,053,500	3,171,375	117,875	3,208,500
Expenditures:				
Food services:				
Salaries	983,000	985,914	(2,914)	943,101
Employee benefits	320,500	298,983	21,517	296,159
Food	1,500,000	1,387,592	112,408	1,387,886
Supplies, repairs and other	531,000	466,834	64,166	616,620
Total expenditures	3,334,500	3,139,323	195,177	3,243,766
Net change in fund balance	(281,000)	32,052	313,052	(35,266)
Fund balance at beginning of year		1,078,848		1,114,114
Fund balance at end of year	\$	1,110,900		1,078,848

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (Budget and Actual)
STUDENT ACTIVITY
NONMAJOR SPECIAL REVENUE FUND
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	<u>2018</u>			<u>2017</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Local sources:				
Tuition	\$ 1,068,734	1,088,889	20,155	1,068,734
Earnings on investments	6,079	12,022	5,943	6,079
Other local revenue	<u>461,135</u>	<u>287,819</u>	<u>(173,316)</u>	<u>350,641</u>
Total revenues	<u>1,535,948</u>	<u>1,388,730</u>	<u>(147,218)</u>	<u>1,425,454</u>
Expenditures:				
Instruction:				
Purchased services	341,606	135,866	205,740	191,606
Supplies	1,069,348	1,207,861	(138,513)	1,072,379
Other	<u>180,000</u>	<u>76,410</u>	<u>103,590</u>	<u>137,674</u>
Support services:				
Students:				
Purchased services	66,536	31,180	35,356	64,799
Supplies	17,831	5,345	12,486	17,831
Other	<u>2,734</u>	<u>3,564</u>	<u>(830)</u>	<u>2,734</u>
Other support services:				
Supplies	685	-	685	685
Other	<u>4,747</u>	<u>-</u>	<u>4,747</u>	<u>6,484</u>
Total expenditures	<u>1,683,487</u>	<u>1,460,226</u>	<u>223,261</u>	<u>1,494,192</u>
Other financing sources (uses):				
Transfer from general fund	174,000	174,000	-	174,000
Transfer to general fund	<u>(44,806)</u>	<u>(100,156)</u>	<u>(55,350)</u>	<u>(44,806)</u>
Total other financing sources	<u>129,194</u>	<u>73,844</u>	<u>(55,350)</u>	<u>129,194</u>
Net change in fund balance	<u>(18,345)</u>	2,348	<u>20,693</u>	60,456
Fund balance at beginning of year		<u>649,947</u>		<u>589,491</u>
Fund balance at end of year	\$	<u>652,295</u>		<u>649,947</u>

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - (Budget and Actual)
TAX INCREMENT
NONMAJOR SPECIAL REVENUE FUND
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	<u>2018</u>			<u>2017</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Local sources:				
Taxes	\$ <u>1,530,494</u>	<u>1,430,494</u>	<u>(100,000)</u>	<u>1,944,944</u>
Total revenues	<u>1,530,494</u>	<u>1,430,494</u>	<u>(100,000)</u>	<u>1,944,944</u>
Expenditures:				
Economic development/RDA	<u>1,530,494</u>	<u>1,430,494</u>	<u>100,000</u>	<u>1,944,944</u>
Total expenditures	<u>1,530,494</u>	<u>1,430,494</u>	<u>100,000</u>	<u>1,944,944</u>
Net change in fund balance	<u>-</u>	-	<u>-</u>	-
Fund balance at beginning of year		<u>-</u>		<u>-</u>
Fund balance at end of year	\$	<u>-</u>		<u>-</u>

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF CAPITAL ASSETS
June 30, 2018

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Logan High	\$ 1,264,562	67,876,255	1,749,411	70,890,228
Mt. Logan	341,903	13,537,005	382,882	14,261,790
Woodruff	749,082	10,011,336	179,398	10,939,816
Bridger	236,400	8,123,972	51,254	8,411,626
Wilson	351,158	7,091,560	-	7,442,718
Adams	219,172	4,296,717	71,744	4,587,633
District Office	451,702	2,274,909	1,390,631	4,117,242
Ellis	524,929	2,589,418	53,369	3,167,716
Hillcrest	69,892	2,492,335	129,420	2,691,647
South Campus	87,639	1,450,060	-	1,537,699
Riverside	65,207	524,628	-	589,835
	<u>\$ 4,361,646</u>	<u>120,268,195</u>	<u>4,008,109</u>	<u>128,637,950</u>

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS
Year Ended June 30, 2018

	Balance 6/30/2017	Increases	Decreases	Balance 6/30/2018
Logan High	\$ 66,524,944	4,377,019	(11,735)	70,890,228
Mt. Logan	14,261,790	-	-	14,261,790
Woodruff	10,939,816	-	-	10,939,816
Bridger	8,411,626	-	-	8,411,626
Wilson	7,442,718	-	-	7,442,718
Adams	4,571,599	16,034	-	4,587,633
District Office	4,262,428	26,317	(171,503)	4,117,242
Ellis	3,153,735	13,981	-	3,167,716
Hillcrest	2,671,690	19,957	-	2,691,647
South Campus	1,537,699	-	-	1,537,699
Riverside	589,835	-	-	589,835
	<u>\$ 124,367,880</u>	<u>4,453,308</u>	<u>(183,238)</u>	<u>128,637,950</u>

LOGAN CITY SCHOOL DISTRICT

SINGLE AUDIT REPORTS

June 30, 2018

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass-Thru Grantor's Number	Expenditures
<u>U.S. Dept of Education (ED)</u>			
Passed Through State Office of Education:			
Title I Grants to Local Educational Agencies Cluster:			
Title I Grants to Local Educational Agencies	84.010	17T1FT, 18T1FT	\$ 1,215,426
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	17FTFL, 17STAC, 18FTL, 18STAC	1,064,041
Special Education Preschool Grants	84.173	17PRE, 18PRE	<u>82,605</u>
Special Education Cluster (IDEA)			1,146,646
Career and Technical Education - Basic Grants to States	84.048	17FLEA, 17LDSP, 18FLEA	131,224
Education for Homeless Children and Youth	84.196	17MVFT, 18MVFT	3,937
Twenty-First Century Community Learning Centers	84.287	16ASFT, 17ASFT, 18ASFT, 18ASSU	509,782
English Language Acquisition State Grants	84.365	17ELFT, 17IMM, 18ELFT	57,886
Supporting Effective Instruction State Grants	84.367	172FT, 182FT	72,687
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	1,060,288
Passed Through Department of Workforce Services:			
Temporary Assistance for Needy Families	93.558	N/A	<u>319,178</u>
Total ED			<u>4,517,054</u>
<u>Corporation of National and Community Service (CNCS)</u>			
Passed through Ogden City School District:			
AmeriCorps	94.006	N/A	<u>58,678</u>
Total CNCS			<u>58,678</u>

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Pass-Thru Grantor's Number	Expenditures
<u>U.S. Department of Agriculture (USDA)</u>			
Passed through State Office of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	17SBP, 18SBP	\$ 353,979
Fed School Lunch Program 4-6	10.555	17NSLP, 18NSLP	235,297
Fed School Lunch Program 6	10.555	17NSLF, 18NSLF	<u>1,201,888</u>
Total Child Nutrition Cluster			1,791,164
Commodity Supplemental Food Program	10.565	N/A	243,750
Child and Adult Care Food Program	10.558	17ASSP, 18ASSP	68,619
Passed through Cache County, Utah:			
Schools and Roads - Grants to States	10.665	N/A	<u>38,879</u>
Total USDA			<u>2,142,412</u>
			<u>\$ 6,718,144</u>

LOGAN CITY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2 – Summary of Significant Account Policies

Basis of Accounting

The information in the Schedule is presented in accordance with Uniform Guidance. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

CFDA Numbers

Uniform Guidance requires that the Schedule show the total expenditures for each of the entity's federal financial assistance programs 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

Uniform Guidance establishes the levels of expenditures or expenses and other criteria to be used in defining major programs. Major programs have been noted on the Schedule of Findings and Questioned Costs in accordance with those definitions.

Commodities

Federal commodity contributions are recorded as revenues. Expenditures are recorded when inventory is consumed. The fair market value of inventory received is included in the schedule of federal awards as Food Distribution.

Indirect Costs

The Schedule includes a portion of costs associated with general activities that are allocated to federal financial assistance programs using direct labor as a basis of allocation. Logan City School District has not elected to use the 10% de minimis indirect cost rate.

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Certified Public Accountants

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

To the Board of Education
Logan City School District
Logan, Utah

We have audited, in accordance with the 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Logan City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Jones Simkins LLC".

JONES SIMKINS LLC

Logan, Utah

November 30, 2018



Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE

To the Board of Education
Logan City School District
Logan, Utah

Report on Compliance for Each Major Federal Program

We have audited the Logan City School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District'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

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of 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, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, 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 District'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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Jones Simkins LLC".

JONES SIMKINS LLC

Logan, Utah

November 30, 2018

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

A. Summary of Auditors' Results:

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified? | None reported |
| 3. Non-compliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---|
| 4. Internal control over major programs: | |
| • Material weakness(es) identified? | No |
| • Significant deficiency(ies) identified? | None identified |
| 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 the Uniform Guidance? | No |
| 7. Identification of major programs: | Child Nutrition Cluster
CFDA #: 10.553, 10.555 |
| | Twenty-First Century
Community Learning
Centers
CFDA #: 84.287 |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

LOGAN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

- B. Findings related to the financial statements required to be reported in accordance with *Government Auditing Standards*.

None

- C. Findings and questioned costs related to federal awards required to be reported in accordance with the Uniform Guidance.

None

LOGAN CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Client Submitted Document)
Year Ended June 30, 2018

There were no audit findings in the prior year related to federal awards.

LOGAN CITY SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
(Client Submitted Document)
Year Ended June 30, 2018

There were no findings for the June 30, 2018 audit.

LOGAN CITY SCHOOL DISTRICT
STATE COMPLIANCE REPORT
June 30, 2018



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

To the Board of Education
Logan City School District
Logan, Utah

Report on Compliance

We have audited Logan City School District's (the District) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the District for the year ended June 30, 2018.

State compliance requirements were tested for the year ended June 30, 2018 in the following areas:

Budgetary Compliance
Fund Balance
Utah Retirement Systems
School District Tax Levies
Open and Public Meetings Act
Tax Levy Revenue Recognition
School Fees
Minimum School Program

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditors' Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the state 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 *State Compliance Audit Guide*. Those

standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the District'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 for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the District's compliance with those requirements.

Opinion on Compliance

In our opinion, the Logan City School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *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 District'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 state 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 state 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 state 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 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Jones Simkins LLC".

JONES SIMKINS LLC

Logan, Utah

November 30, 2018

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PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

Re: \$_____

Board of Education of Logan City School District, Utah
General Obligation School Building Bonds
(Utah School District Bond Guaranty Program),
Series 2019

JUNE 15 OF THE YEAR	AMOUNT MATURING	INTEREST RATE PER ANNUM
	\$	%

B-1

Bonds, to the amount named, are valid and legally binding upon the Board and all taxable property in the Logan City School District, Utah, is subject to the levy of taxes to pay the same without limitation as to rate or amount. It is to be understood that the rights of the owners of the 2019 Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that enforcement of the rights of the owners of the 2019 Bonds may also be subject to the exercise of judicial discretion in appropriate cases.

The guaranty of timely payment of the 2019 Bonds provided by the Utah school district bond guaranty is a valid and binding obligation of the State of Utah.

It is our opinion that, subject to the Board's compliance with certain covenants, under present law, interest on the 2019 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Failure to comply with certain of such Board covenants could cause interest on the 2019 Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the 2019 Bonds. Ownership of the 2019 Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds.

It is further our opinion that under the existing laws of the State of Utah, as presently enacted and construed, interest on the 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the 2019 Bonds may result in other state and local tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the 2019 Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2019 Bonds.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

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APPENDIX C

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

[TO BE DATED CLOSING DATE]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by the Board of Education of Logan City School District, Utah (the “*Issuer*”) in connection with the issuance of \$_____ General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2019 (the “*2019 Bonds*”). The 2019 Bonds are being issued pursuant to a Resolution of the Issuer adopted on November 27, 2018 (the “*Resolution*”).

In consideration of the issuance of the 2019 Bonds by the Issuer and the purchase of such 2019 Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the 2019 Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the 2019 Bonds at the time the 2019 Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the 2019 Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Financial Obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the 2019 Bonds.

“*Reportable Event*” means the occurrence of any of the Events with respect to the 2019 Bonds set forth in *Exhibit II*.

“*Reportable Events Disclosure*” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Utah.

“*Undertaking*” means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the 2019 Bonds are as follows:

DATE DUE (JUNE 15)	CUSIP NUMBER	DATE DUE (JUNE 15)	CUSIP NUMBER

The Final Official Statement relating to the 2019 Bonds is dated _____, 2019 (the “*Final Official Statement*”). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. (a) Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. **REPORTABLE EVENTS DISCLOSURE.** Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any 2019 Bonds or defeasance of any 2019 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. **CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION.** The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default or an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. **AMENDMENTS; WAIVER.** Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) the amendment or waiver does not materially impair the interests of the beneficial owners of the 2019 Bonds, as determined either by parties unaffiliated with the Issuer (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment or waiver.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the 2019 Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

9. **DISSEMINATION AGENT.** The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the 2019 Bonds, and shall create no rights in any other person or entity.

12. **RECORDKEEPING.** The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. **ASSIGNMENT.** The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

BOARD OF EDUCATION OF LOGAN CITY SCHOOL
DISTRICT, UTAH

By _____
President
Address: 101 West Center Street
Logan, Utah 84321

[SEAL]

ATTEST AND COUNTERSIGN:

By _____
Business Administrator

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means financial information and operating data of the type contained in the tables in Appendix A of the Official Statement under the following captions:

CAPTION	PAGE
DEBT STRUCTURE OF LOGAN CITY SCHOOL DISTRICT, UTAH	
— Outstanding General Obligation Bonded Indebtedness.....	
— Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year.....	
— Overlapping and Underlying General Obligation Debt.....	
— Debt Ratios.....	
— General Obligation Legal Debt Limit and Additional Debt Incurring Capacity.....	
FINANCIAL INFORMATION REGARDING LOGAN CITY SCHOOL DISTRICT, UTAH	
— Financial Summaries	
— Historical Tax Rates of the District.....	
— Taxable, Fair Market and Market Value of Property of the District	
— Historical Summaries of Taxable Values of Property	
— Tax Collection Record.....	
— Some of the Largest Taxpayers	

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the Issuer’s fiscal year, commencing with the fiscal year ending June 30, 2019. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by this Agreement, the Issuer will disseminate a notice to the MSRB of such change.

EXHIBIT II

EVENTS WITH RESPECT TO THE 2019 BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

APPENDIX D

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2019 Bond documents. For example, Beneficial Owners of 2019 Bonds may wish to ascertain that the nominee holding the 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2019 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2019 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

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