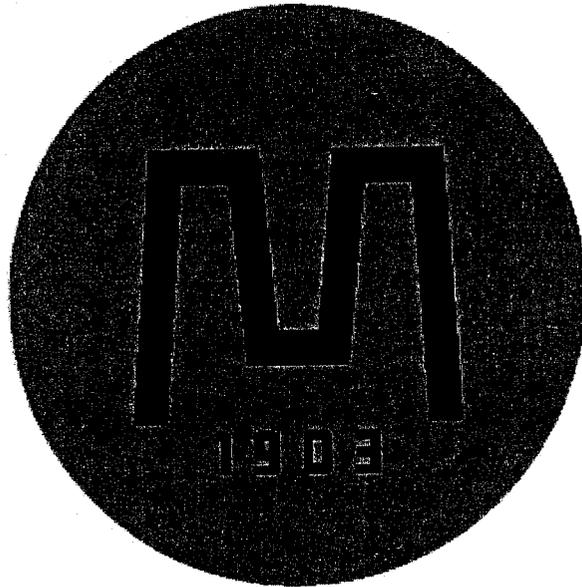


**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



MURRAY

MURRAY CITY CORPORATION, UTAH

For the fiscal year ended

JUNE 30, 2009

Prepared by:

Department of Finance and Administration
Pat Wilson, Director

MURRAY CITY CORPORATION, UTAH
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION

MURRAY CITY CORPORATION

PRINCIPAL OFFICERS

ELECTED OFFICIALS

Daniel C. Snarr
Mayor

Jeffery L. Dredge
Council Chairman

James A. Brass
Council Member

Pat Griffith
Council Member

Krista Dunn
Council Member

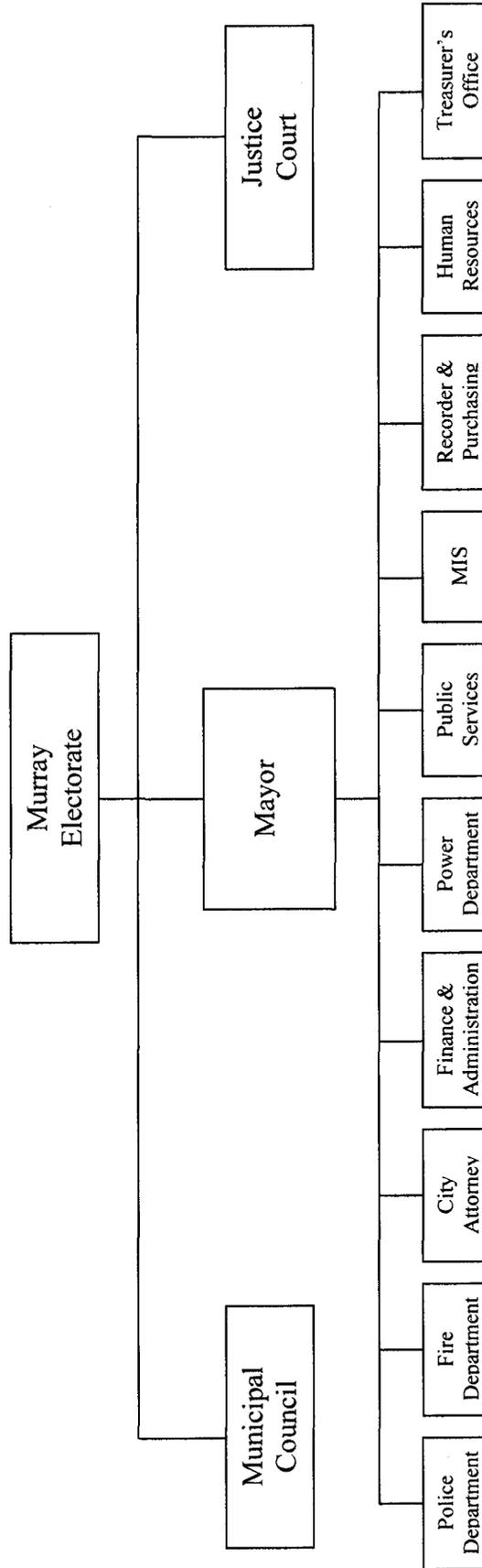
Robbie Robertson
Council Member

DEPARTMENT AND DIVISION HEADS

Daniel Barr
Peter A. Fondaco
Blaine Haacke
Carol D. Heales
Douglas P. Hill
Ronald L. Koller
David K. Larsen
Frank Nakamura
Gilber Rodriguez
Michael P. Terry
W. Paul Thompson
B. Tim Tingey
Patricia D. Wilson

Library Director
Police Chief
Power General Manager
City Recorder
Public Services Director
City Treasurer
MIS Director
City Attorney
Fire Chief
Human Resources Director
Justice Court Judge
Economic Development Director
Director of Finance and Administration/CFO

Murray City Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Murray City Corporation
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FINANCIAL SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

*Members of the
American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council
Murray City Corporation, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah (the City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Murray City Corporation, Utah, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 11-22 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

December 2, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Murray City Corporation, we offer readers of the Murray City financial statements this narrative overview and analysis of the financial activities of Murray City for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The assets of Murray City exceeded its liabilities at the close of the most recent fiscal year by \$145,505,550 (net assets). Of this amount, \$25,643,954 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Murray City's total net assets decreased by \$1,633,068. This decrease is due to the fact that expenditures/expenses increased (\$7,950,835) while revenues increased less than that amount (\$2,588,136). This was the first year for the City to recognize a liability for the post employment health benefits which are given to retirees by the City (\$1,495,102).
- As of the close of the current fiscal year, Murray city's governmental funds reported combined ending fund balances of \$17,043,168 an increase of \$2,690,236 in comparison with the prior year. Approximately 56 percent of this total amount, \$9,507,099 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$7,060,159 or 18 percent of total general fund expenditures.
- Murray City's total bonded debt increased by \$1,470,000 (3.4 percent) during the current fiscal year. The key factor in this increase was the issuance of \$6,115,000 in Sales Tax Revenue and Refunding Bonds in March 2009. Twenty-five percent of this issuance (\$1,535,000) refunded the Series 2002 Sales Tax Revenue Bonds for an economic gain of \$57,844. The remainder of the issuance (\$4,580,000) will be used for economic development within the City.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Murray City's basic financial statements. Murray City'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.

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

The *statement of net assets* presents information on all of Murray City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in

net assets may serve as a useful indicator of whether the financial position of Murray City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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 taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Murray City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Murray City include general government, public safety, highways and public improvements, parks and recreation, library and community and economic development. The business-type activities of Murray City include a Water Fund, Wastewater Fund, Power Fund, Murray Parkway Fund, Solid Waste Management Fund, and Storm Water Fund.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Murray City, like any other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Murray City can be divided into two categories: governmental funds and proprietary 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. Such information may be useful in evaluation a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Murray City maintains eight 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 fund and capital projects

fund which are considered to be major funds. Data from the other six governmental 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 elsewhere in this report.

Murray City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Murray City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Murray City uses enterprise funds to account for its Water Fund, Waste Water Fund, Power Fund, Murray Parkway Recreation Fund, Solid Waste Management Fund, and Storm Water Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Murray City's various functions. Murray City uses internal service funds to account for maintenance of its vehicles and for its self insurance programs. Because both of these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Waste Water Fund, the Power Fund, and for the Storm Water Fund all of which are considered to be major funds of Murray City. Data from other proprietary funds are combines into a single aggregated presentation. Individual fund data is provided in the form of combining statements elsewhere in this report.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Murray City, assets exceeded liabilities by \$145,505,550 at the close of the most recent fiscal year.

By far the largest portion of Murray City's net assets (77 percent), reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Murray City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Murray City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Murray City's Net Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$33,151	\$31,046	\$25,437	\$25,812	\$58,588	\$56,858
Capital assets	71,776	69,521	83,555	85,645	155,331	155,166
Total assets	104,927	100,567	108,992	111,457	213,919	212,024
Long-term liabilities outstanding	17,200	10,823	29,647	30,408	46,847	41,231
Other liabilities	12,958	14,180	8,608	9,474	21,566	23,654
Total Liabilities	30,158	25,003	38,255	39,882	68,413	64,885
Net assets:						
Invested in capital assets, net of related debt	59,490	52,903	53,074	53,269	112,564	106,172
Restricted	6,295	520	1,003	-	7,298	520
Unrestricted	8,984	22,141	16,660	18,306	25,644	40,447
Total net assets	\$74,769	\$75,564	\$70,737	\$71,575	\$145,506	\$147,139

An additional portion of Murray City's net assets (5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$25,643,954) may be used to meet government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Murray City is able to report positive balances in all three categories of net assets, both for government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was a decrease of \$1,633,068 in net assets of Murray City during the current fiscal year. The primary reason for the decrease in net assets was that revenues decreased due to the economic conditions while expenses were not decreased sufficiently to compensate. New expenses for the OPEB liability were recognized.

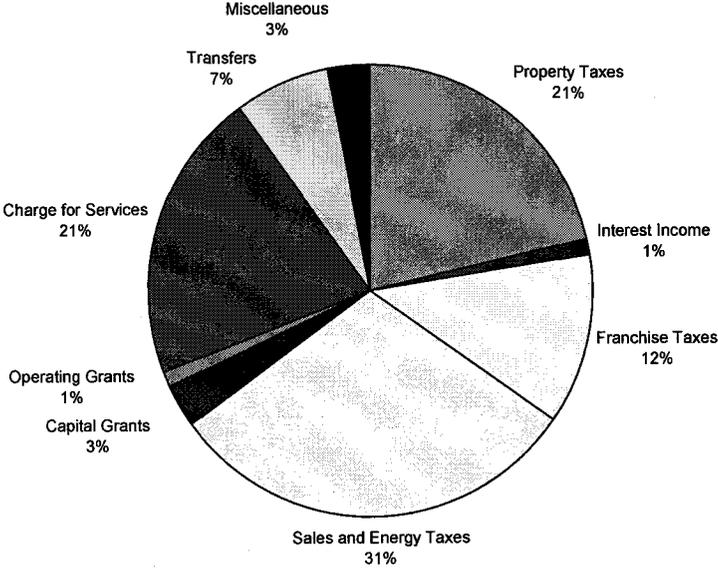
Governmental activities. Governmental activities decreased Murray City's net assets by \$795,709. Key elements are as follows:

- Sales Tax Revenues were down 12.5% from annual budget (\$1,750,867).
- Interest income was down 21.3% from annual budget (\$95,678).
- Intergovernmental Revenues were down 16.5% from annual budget (\$458,395).
- Annual expenditures were curtailed by approximately \$1.5 million to offset declining revenues.

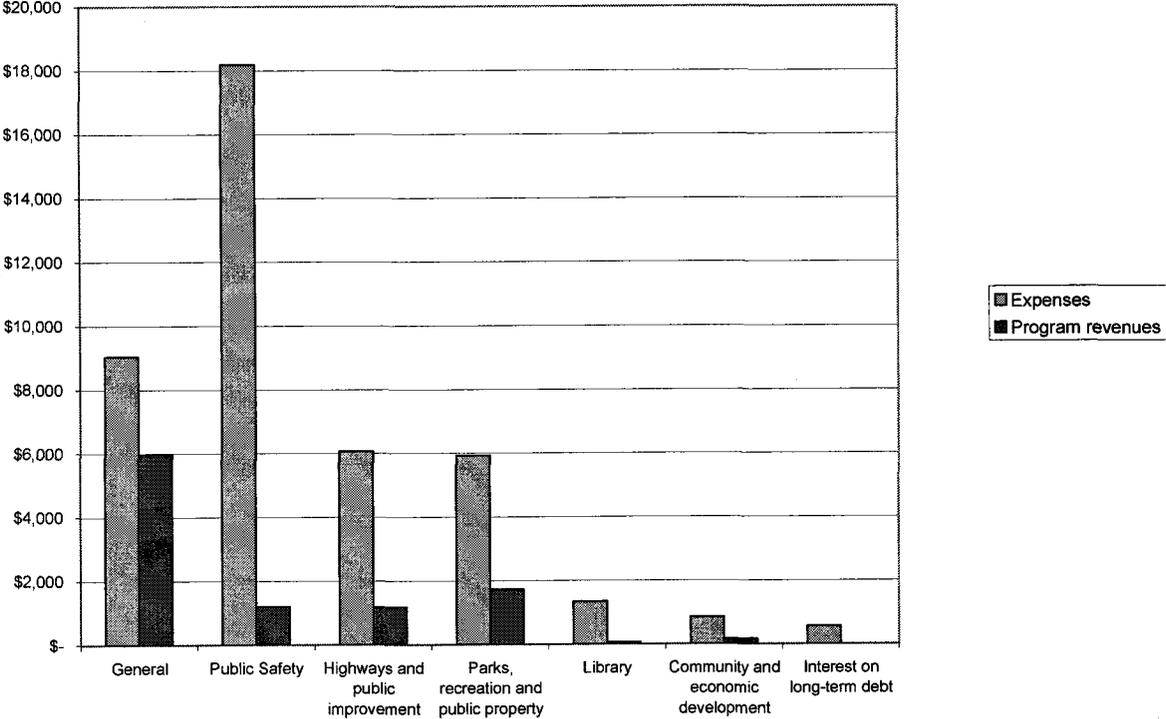
Murray City's Changes in Net Assets
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$8,606	\$5,698	\$48,547	\$46,632	\$57,153	\$52,330
Operating grants and contributions	457	365			457	365
Capital grants and contributions	1,232	1,591			1,232	1,591
General revenues:						
Property taxes	8,774	8,975			8,774	8,975
Franchise taxes	5,056	3,503			5,056	3,503
General sales taxes and energy sales taxes	12,444	15,288			12,444	15,288
Interest income	514	943	434	760	948	1,703
Gain on disposal of assets	51	165	60	579	111	744
Miscellaneous	1,181	269			1,181	269
Total revenues	38,315	36,797	49,041	47,971	87,356	84,768
Expenses:						
General government	9,033	5,536			9,033	5,536
Public safety	18,182	15,989			18,182	15,989
Highways & public improvements	6,066	5,212			6,066	5,212
Parks & recreation	5,922	6,297			5,922	6,297
Library	1,343	1,444			1,343	1,444
Community & economic dev.	942	777			942	777
Interest on long term debt	559	489			559	489
Power			35,358	35,397	35,358	35,397
Water			4,223	3,520	4,223	3,520
Waste Water			3,563	2,746	3,563	2,746
Storm Water			1,392	1,382	1,392	1,382
Non-major proprietary funds			2,406	2,249	2,406	2,249
Total expenses	42,047	35,744	46,942	45,294	88,989	81,038
Increase (decrease) in net assets before transfers	(3,732)	1,053	2,099	2,677	(1,633)	3,730
Transfers	2,937	2,813	(2,937)	(2,813)	-	-
Increase (decrease) in net assets	(795)	3,866	(838)	(136)	(1,633)	3,730
Net assets at beginning of year	75,564	71,698	71,575	71,711	147,139	143,409
Net assets at end of year	\$74,769	\$75,564	\$70,737	\$71,575	\$145,506	\$147,139

Revenue by Source - Governmental



Expenses and Program Revenues - Governmental Activities



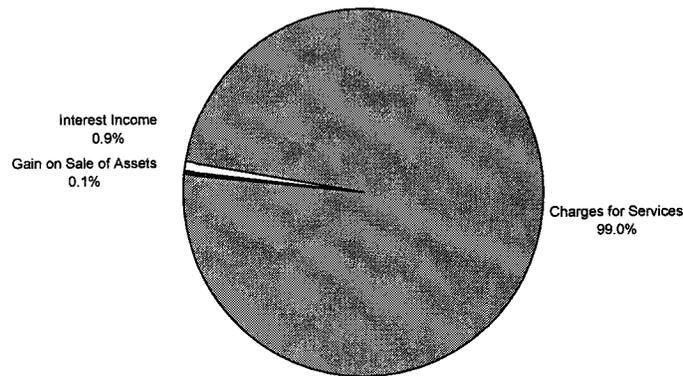
Business-type activities

Business-type activities decreased Murray City's net assets by \$837,359

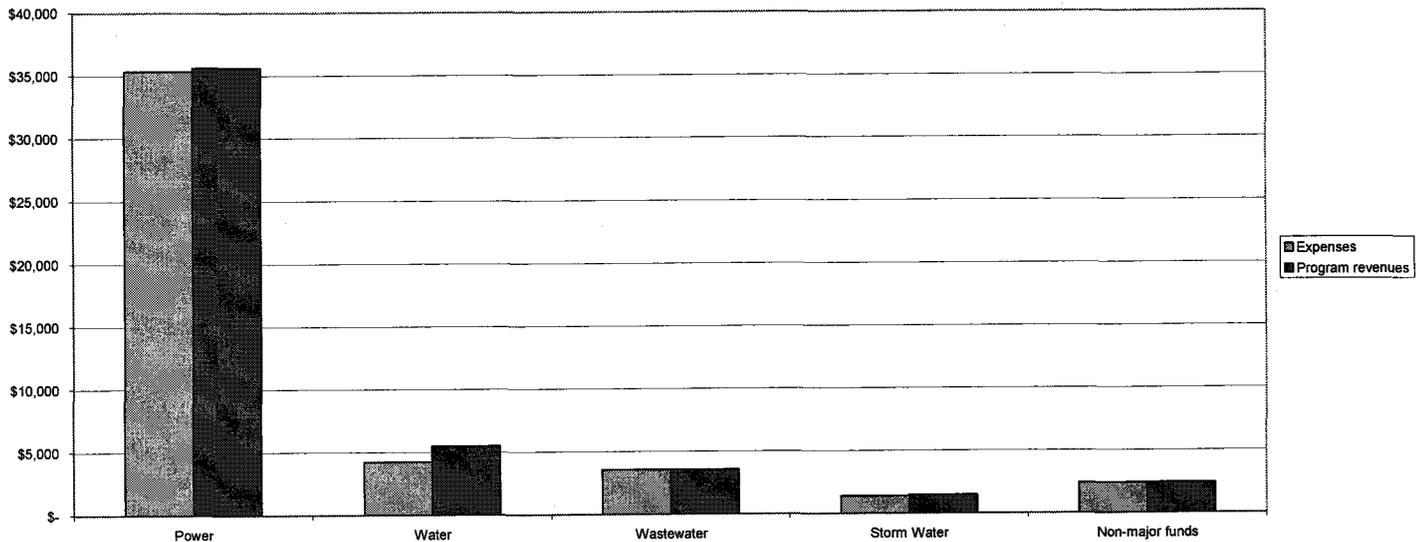
Key elements of this decrease are as follows:

- Expenses for purchased power substantially increased due to economic conditions.
- Impact fee revenues were substantially down from previous years.
- Transfers to governmental activities for services provided were \$2,937,008.
- Interest income decreased 42.9% from prior year (\$325,706).

Revenue by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, Murray City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, Murray City's governmental funds reported combined ending fund balances of \$17,043,168, an increase of \$2,690,236 in comparison with the prior year. Approximately 56 percent of this total amount or \$9,507,099 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay for capital projects, to meet an obligation to an inter-local cooperative, to generate income to pay for the perpetual care of the municipal cemetery, and for a variety of other restricted purposes.

The general fund is the chief operating fund of Murray City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,060,159 while total fund balance was \$9,518,846. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18 percent of total general fund expenditures, while total fund balance represents 24 percent of that same amount. The fund balance of Murray City's general fund increased by \$521,318 during the current fiscal year.

The City began providing ambulance service January 1 of the current fiscal year. Through a lease purchase the City added three full service ambulances (\$519,300). The City began receiving payments April 1st and has received \$169,000 through June 30, 2009. Accounts receivable of \$564,820 are expected to be collected in the future for services provided during the fiscal year.

City management held back approximately \$1.4 million in budgeted expenditures due to the decline in City sales tax revenues, interest income, building permits and other construction related revenues. This action avoided the use of any existing reserves during the economic slow down.

The Capital Projects Fund has a total fund balance of \$5,393,324, an increase of \$2,137,188 in comparison with the prior year. Sixteen percent of this amount (\$881,092) constitutes unreserved fund balance, which is available for spending on future capital projects. The remainder of fund balance is reserved or designated for purchase of land as specified in the bond covenants of the Sales Tax Revenue bonds issued in March of 2009. During the current fiscal year a second new fire station as well as several City road projects were completed through expenditures of the Capital Project Fund.

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

Unrestricted net assets of the Water Fund at the end of the year were \$7,546,229, in the Waste Water Fund unrestricted net assets were \$3,717,175, for the Power Fund unrestricted net assets were \$3,913,480, and for the Storm Water Fund unrestricted net assets were \$767,706. The Water Fund's net assets increased \$868,958. The Storm Water, Waste Water, and Power Funds' net assets all decreased \$7,920, \$302,226, and \$1,390,838 respectively. Revenues in these funds did not meet expectations. Expenses increased due to the implementation of OPEB.

The Water Department renovated a well on Vine Street (\$419,687) and replaced water lines (\$81,727). They purchased a ten wheel dump truck (\$142,313). The Waste Water Fund finished the Fireclay Development Project sewer line (\$2,336,224). The Storm Water fund acquired a new truck (\$271,765). New transformers were purchased by the Power Fund for approximately \$600,000. The cost for the purchase of power by the Power Fund increased substantially due to economic conditions. Other factors concerning the finances of these funds have already been addressed in the discussion of Murray City's business-type activities.

General Fund Budgetary Highlights

The original fiscal year 2009 City budget was increased \$6,309,119 by amendment.

- The General Fund Budget was increased \$1,469,653. Bond proceeds from the 2009 Sales Tax Refunding Bonds increased the budget \$1,535,000. General Fund reserves were transferred to the Capital Projects Fund (\$115,000), and the Redevelopment Fund (\$100,000) for purposes as noted below. Additional General Fund balance reserves were used to open the budget \$149,653 to pay for expenditures for equipment and building remodeling.
- The Capital Projects Fund budget was increased by \$4,557,240. To complete construction of the new fire station \$115,000 was transferred from the General Fund Reserves. The budget was opened to accept bond proceeds from the sale of the 2009 Sales Tax Revenue Bonds (\$4,580,000) and \$137,760 was transferred to the Redevelopment Fund for consultants.
- The Community Development Fund increased their budget \$32,512 to use previously unspent Community Block Grant allocations.
- The Redevelopment Agency Fund (RDA) increased their budget \$237,760 to reflect receipt of money from the General Fund (\$100,000) and the Capital Projects Fund (\$137,760) for payment to consultants for City improvement projects.
- The Library Fund Budget was increased by \$11,954 to purchase additional library books with the interest available from the Anna J. Wood Endowment Funds.

These budget amendments are expected to have no significant negative effect on future services or liquidity.

Capital Asset and Debt Administration

Capital assets. Murray City's investment in capital assets for its governmental and business-type activities as of June 30, 2009 were \$155,330,779 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total change in Murray City's investment in capital assets for the current fiscal year was .8 percent (a 3.2 percent increase for governmental activities and 2.4 percent decrease for business-type activities). These changes in capital assets will have no effect on the availability of fund reserves for future use.

Major capital asset events during the current fiscal year included completion of one new fire station (\$3,603,661) and various road projects (\$751,812). The City also purchased three ambulances (\$519,300) and a new fire engine ladder truck (\$933,110). Additional information on Murray City's capital assets can be found in the Notes to the Financial Statement, Note 4, Capital Assets on page 44.

Murray City's Capital Assets (In thousands) (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 10,890	\$ 10,510	\$ 3,993	\$ 3,850	\$ 14,883	\$ 14,360
Buildings	31,283	26,730	6,002	5,986	37,285	32,716
Improvements other than buildings	16,220	15,777	142,695	143,888	158,915	159,665
Machinery and equipment	14,009	11,979	22,453	21,846	36,462	33,825
Infrastructure	58,173	57,342	-	-	58,173	57,342
Construction in progress	704	2,330	469	1,475	1,173	3,805
	131,279	124,668	175,612	177,045	306,891	301,713
Less accumulated depreciation	(59,503)	(55,146)	(92,057)	(91,400)	(151,560)	(146,546)
Net Capital Assets	\$ 71,776	\$ 69,522	\$ 83,555	\$ 85,645	\$ 155,331	\$ 155,167

Long-term debt. At the end of the current fiscal year, Murray City had total bonded debt outstanding of \$44,285,000. All of Murray City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

Murray City's Outstanding Debt (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue Bonds	\$ 14,865	\$ 11,810	\$ 29,420	\$ 31,005	\$ 44,285	\$ 42,815

Murray City's total bonded debt increased by \$1,470,000 (3.4 percent) during the current fiscal year. In March the City issued \$4,580,000 of Sales Tax Revenue Bonds Series 2009A and \$1,535,000 of Sales Tax Revenue Bonds Series 2009B. The proceeds of the Series 2009A are to be used to purchase land while the 2009B are to be used to refund the Sales Tax Revenue Series 2002 Bonds. The 2009 Sales Tax Bonds were rated AA by Fitch and AA- by Standard and Poor's. Murray City's Electric Revenue Bonds Series 2001, 2004, and 2006 as well as the 2003 Water and Sewer Revenue Bonds, Excise Tax Revenue Bonds, Sales Tax Revenue Refunding Bonds Series 2007 are rated Aaa by Moody's and are insured. In May 2002, Murray City issued \$1,865,000 in Sales Tax Revenue Bonds Series 2002 to finance capital improvements to various parks within the City. In March 2009 these bonds were refunded as part of the 2009 Series Sales Tax Bonds. As allowed by state law the Redevelopment Agency of Murray City will make all principal and interest payments on the refunded 2009B Bonds over the next 6 years.

In November of 2006, Murray City refunded a portion of the Series 2001 and 2004 Electric Revenue Bonds with the Series 2006 Electric Revenue Bonds with a net present value savings of almost \$612,000. In March of 2007 the City refunded and defeased the Municipal Building Authority Bonds Series 1997 and 2001 with the Sales Tax Revenue Bonds Series 2007 with a net present value savings of \$312,000. During March of the current fiscal year Murray City refunded the Sales Tax Series 2002 Bonds with the Series 2009 Sales Tax Bonds for a net present value savings of \$57,844.

State statutes limit the amount of debt a governmental entity may issue to 8 percent of its reasonable fair cash value of property. The current debt limitation for Murray City is \$440,460,000, which is significantly in excess of Murray City's outstanding debt.

Additional information on Murray City's long-term debt can be found in Note 4, page 52.

Economic Factors and Next Year's Budgets and Rates

Murray City has not been immune to the economic factors that have affected the State as well as the Nation. Unemployment rates have risen and interest rates and investments have decreased.

The unemployment rate for Murray City is currently 5.7 percent, which is an increase from a rate of 3.3 percent a year ago. This compares to the state's average unemployment rate of 5.7 percent and the national average of 9.5 percent. The State Pool Interest Rate (where the majority of the City's cash is invested) is currently at 1.0% compared to 3.0% one year ago. Inflationary trends in the region compare favorably to national indices.

Since retail sales have decreased nationally as well as locally, the City has experienced a decrease in a major revenue source. These factors were considered in preparing Murray City's budget for the 2010 fiscal year. Sales tax revenues were decreased 10% and interest income was reduced by roughly 33%. No increased property taxes were requested. The diverse sales tax base within the City has helped soften the economic impact within the City. Murray City policymakers remain sensitive to the current economic factors as they provide City services.

Requests for Information

This financial report is designed to provide a general overview of Murray City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 5025 South State Street, Murray City, Utah, 84107.

MURRAY CITY CORPORATION, UTAH
Statement of Net Assets
June 30, 2009

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 9,288,628	\$ 7,915,199	\$ 17,203,827
Investments	3,012,790	-	3,012,790
Receivables, net of allowance for uncollectibles	8,213,608	6,507,478	14,721,086
Inventories	58,539	2,033,649	2,092,188
Due from other governments	2,466,640	111,150	2,577,790
Notes receivable	1,815,981	-	1,815,981
Restricted cash	5,800,016	2,236,109	8,036,125
Land held for resale	20,000	-	20,000
Land	10,890,282	3,992,718	14,883,000
Buildings	31,283,209	6,002,102	37,285,311
Improvements other than buildings	16,220,081	142,695,505	158,915,586
Machinery and equipment	12,009,110	20,850,095	32,859,205
Furniture and fixtures	2,000,073	1,602,737	3,602,810
Infrastructure	58,172,781	-	58,172,781
Construction in progress	703,966	468,706	1,172,672
Accumulated depreciation	(59,503,482)	(92,057,104)	(151,560,586)
Investments in joint ventures	1,592,027	3,139,558	4,731,585
Unamortized bond issue costs	882,401	892,559	1,774,960
Prepaid generation and transmission fees	-	2,601,977	2,601,977
Total assets	104,926,650	108,992,438	213,919,088
LIABILITIES			
Accounts payable	1,668,611	4,538,613	6,207,224
Accrued interest payable	120,711	176,466	297,177
Accrued liabilities	622,365	411,942	1,034,307
Customer deposits	-	1,236,143	1,236,143
Unearned revenue	7,426,205	-	7,426,205
Noncurrent liabilities:			
Due within one year	3,120,091	2,245,242	5,365,333
Due in more than one year	17,200,068	29,647,081	46,847,149
Total liabilities	30,158,051	38,255,487	68,413,538
NET ASSETS			
Invested in capital assets, net of related debt	59,490,056	53,074,008	112,564,064
Restricted for:			
Perpetual care - nonexpendable	520,000	-	520,000
Construction and debt service	5,774,866	1,002,666	6,777,532
Unrestricted	8,983,677	16,660,277	25,643,954
Total net assets	\$ 74,768,599	\$ 70,736,951	\$ 145,505,550

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Activities
For the Year Ended June 30, 2009

	Program Revenues			Net (Expense) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities						
General government	\$ 9,033,246	\$ 5,963,347	\$ 14,120	\$ (3,055,779)	\$	\$ (3,055,779)
Public safety	18,181,844	867,300	325,931	(16,988,613)		(16,988,613)
Highways and public improvements	6,065,812	97,056	1,073,541	(4,895,215)		(4,895,215)
Parks, recreation and public property	5,921,701	1,632,314	97,952	(4,191,435)		(4,191,435)
Library	1,343,653	46,162	18,694	(1,278,797)		(1,278,797)
Community and economic development	941,785	-	158,146	(783,639)		(783,639)
Interest on long-term debt	558,986	-	-	(558,986)		(558,986)
Total governmental activities	42,047,027	8,606,179	1,231,687	(31,752,464)		(31,752,464)
Business-type activities						
Power	35,358,164	35,617,491	-	\$ 259,327		259,327
Water	4,222,561	5,491,890	-	1,269,329		1,269,329
Waste water	3,562,933	3,555,878	-	(7,055)		(7,055)
Golf course	1,574,465	1,596,276	-	21,811		21,811
Storm water	1,392,484	1,467,324	-	74,840		74,840
Solid waste	831,854	818,520	-	(13,334)		(13,334)
Total business-type activities	46,942,461	48,547,379	-	1,604,918		1,604,918
General Revenues:						
Taxes						
Property taxes				8,773,598	-	8,773,598
Franchise taxes				5,056,167	-	5,056,167
General sales taxes and highway sales taxes				12,443,974	-	12,443,974
Interest income				514,317	434,262	948,579
Gain on sale and disposal of assets				51,106	60,469	111,575
Miscellaneous				1,180,585	-	1,180,585
Transfers - net				2,937,008	(2,937,008)	-
Total general revenue and transfers				30,956,755	(2,442,277)	28,514,478
Change in net assets				(795,709)	(837,359)	(1,633,068)
Net assets - beginning				75,564,308	71,574,310	147,138,618
Net assets - ending				\$ 74,768,599	\$ 70,736,951	\$ 145,505,550

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Balance Sheet – Governmental Funds
June 30, 2009

	<u>Governmental Fund Types</u>			Total
	General	Capital Projects	Other Governmental Funds	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,412,960	\$ 1,044,723	\$ 2,990,701	\$ 8,448,384
Investments	3,012,790	-	-	3,012,790
Receivables:				
Property taxes	5,964,079	-	1,447,945	7,412,024
Special assessments	300	-	-	300
Other	801,284	-	-	801,284
Notes receivable	1,815,981	-	-	1,815,981
Due from other funds	801,275	-	-	801,275
Due from other governments	2,461,928	-	4,712	2,466,640
Land held for resale	-	-	20,000	20,000
Restricted cash	1,262,634	4,512,232	25,150	5,800,016
Total assets	\$ 20,533,231	\$ 5,556,955	\$ 4,488,508	\$ 30,578,694
<u>LIABILITIES</u>				
Accounts payable	\$ 1,343,463	\$ 163,631	\$ 150,733	\$ 1,657,827
Accrued liabilities	413,286	-	6,992	420,278
Due to other funds	-	-	776,275	776,275
Deferred revenue	9,257,636	-	1,423,510	10,681,146
Total liabilities	11,014,385	163,631	2,357,510	13,535,526
<u>FUND BALANCE</u>				
Reserved for:				
Land held for resale	-	-	20,000	20,000
Capital projects	1,000,000	4,512,232	-	5,512,232
UTOPIA	1,458,687	-	-	1,458,687
Cemetery perpetual care	-	-	520,000	520,000
Library endowment	-	-	25,150	25,150
Unreserved, reported in:				
General fund	7,060,159	-	-	7,060,159
Special revenue funds	-	-	767,456	767,456
Capital projects funds	-	881,092	-	881,092
Permanent fund	-	-	798,392	798,392
Total fund balances	9,518,846	5,393,324	2,130,998	17,043,168
Total liabilities and fund balances	\$ 20,533,231	\$ 5,556,955	\$ 4,488,508	\$ 30,578,694

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets
For the Year Ended June 30, 2009

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

Total Fund Balances - Total Governmental Funds (page 25)	\$ 17,043,168
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	73,368,047
Other long-term assets are not available for current period expenditures and are therefore deferred in the funds balance sheet.	4,137,342
Internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Assets.	610,404
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(20,390,362)</u>
Net Assets - Governmental Activities (page 23)	<u>\$ 74,768,599</u>

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2009

	<u>Governmental Fund Types</u>			Total Governmental Funds
	General	Capital Projects	Other Governmental Funds	
REVENUES				
Taxes and special assessments	\$ 23,854,234	\$ -	\$ 2,327,014	\$ 26,181,248
Licenses and permits	1,236,050	-	-	1,236,050
Intergovernmental	1,511,544	-	176,840	1,688,384
Charges for services	5,526,989	-	58,677	5,585,666
Fines and forfeitures	1,738,301	-	46,162	1,784,463
Miscellaneous	1,174,019	-	6,566	1,180,585
Interest income	354,358	68,073	73,474	495,905
Total revenues	35,395,495	68,073	2,688,733	38,152,301
EXPENDITURES				
General government	8,200,483	10,000	-	8,210,483
Public safety	18,838,530	3,188,976	-	22,027,506
Highways and public improvements	3,948,158	260,576	-	4,208,734
Parks, recreation, and public property	5,664,749	-	-	5,664,749
Library	-	-	1,375,856	1,375,856
Community and economic development	-	-	156,706	156,706
Redevelopment	-	-	784,079	784,079
Municipal building authority	-	-	1,000	1,000
Debt service:				
Principal	1,723,315	-	-	1,723,315
Interest and administrative charges	478,871	-	35,800	514,671
Bond issuance costs	-	140,972	-	140,972
Total expenditures	38,854,106	3,600,524	2,353,441	44,808,071
Excess (deficiency) of revenues over (under) expenditures	(3,458,611)	(3,532,451)	335,292	(6,655,770)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	6,162,399	-	6,162,399
Capital leases	1,556,897	-	-	1,556,897
Payments to bond escrow agent	-	(1,520,000)	-	(1,520,000)
Transfers in	3,378,330	1,165,000	137,760	4,681,090
Transfers out	(1,165,000)	(137,760)	(441,322)	(1,744,082)
Sale of capital assets	209,702	-	-	209,702
Total other financing sources (uses)	3,979,929	5,669,639	(303,562)	9,346,006
Net change in fund balance	521,318	2,137,188	31,730	2,690,236
Fund balance at beginning of year	8,997,528	3,256,136	2,099,268	14,352,932
Fund balance at end of year	\$ 9,518,846	\$ 5,393,324	\$ 2,130,998	\$ 17,043,168

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities (page 24) are different because:

Net change in fund balances - total governmental funds (page 27)	\$	2,690,236
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.		2,267,752
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(58,178)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(4,379,324)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,374,404)
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The net revenue of certain activities of the Internal Service Funds are reported with governmental activities		58,209
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Change in net assets of governmental activities (page 24)	\$	(795,709)
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The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
General property taxes	\$ 6,518,392	\$ 6,518,392	\$ 6,446,584	\$ (71,808)
General sales and use taxes	14,096,000	14,096,000	12,351,483	(1,744,517)
Franchise taxes	4,697,000	4,697,000	5,056,167	359,167
Total taxes	<u>25,311,392</u>	<u>25,311,392</u>	<u>23,854,234</u>	<u>(1,457,158)</u>
Licenses and permits				
Business licenses	600,000	600,000	595,131	(4,869)
Alcoholic beverage licenses	1,500	1,500	200	(1,300)
Other licenses	22,000	22,000	29,350	7,350
Permits	779,000	779,000	611,369	(167,631)
Total licenses and permits	<u>1,402,500</u>	<u>1,402,500</u>	<u>1,236,050</u>	<u>(166,450)</u>
Intergovernmental				
Class C road allotment	2,450,000	2,450,000	1,073,541	(1,376,459)
State liquor allotment	70,000	70,000	68,726	(1,274)
F.E.M.A. and EMS grants	180,750	180,750	45,573	(135,177)
Local law enforcement grant	87,432	87,432	165,408	77,976
Victim advocate & violence against women grants	36,134	36,134	46,224	10,090
Salt Lake County grant	62,000	62,000	62,120	120
ZAP tax grant	75,000	75,000	49,952	(25,048)
Total intergovernmental	<u>2,961,316</u>	<u>2,961,316</u>	<u>1,511,544</u>	<u>(1,449,772)</u>
Charges for services				
Administration charges	2,988,996	2,988,996	2,988,996	-
Parks and recreation	1,107,000	1,107,000	1,157,330	50,330
Special public safety services	140,000	140,000	120,334	(19,666)
Ambulatory services	600,000	600,000	746,966	146,966
Heritage center	160,000	160,000	180,006	20,006
Cemetery lots and services	246,500	246,500	236,301	(10,199)
Other services	101,000	101,000	97,056	(3,944)
Total charges for services	<u>5,343,496</u>	<u>5,343,496</u>	<u>5,526,989</u>	<u>183,493</u>
Miscellaneous				
Fines and forfeitures	2,245,500	2,245,500	1,738,301	(507,199)
Interest income	450,000	450,000	354,358	(95,642)
Miscellaneous	281,500	421,783	1,174,019	752,236
Total miscellaneous	<u>2,977,000</u>	<u>3,117,283</u>	<u>3,266,678</u>	<u>149,395</u>
Total revenues	<u>37,995,704</u>	<u>38,135,987</u>	<u>35,395,495</u>	<u>(2,740,492)</u>

(Continued)

MURRAY CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund (Continued)
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>EXPENDITURES</u>				
General government:				
Legislative	\$ 306,360	\$ 306,360	\$ 289,907	\$ 16,453
Justice court	1,721,932	1,721,932	1,583,511	138,421
Mayor	468,329	468,329	436,977	31,352
Finance	1,214,477	1,214,477	1,112,713	101,764
Treasurer	270,975	270,975	252,665	18,310
Recorder and business licensing	442,550	442,550	442,309	241
Legal	676,039	676,039	654,945	21,094
Planning and zoning	697,406	697,406	616,383	81,023
Nondepartmental	1,037,500	967,500	727,766	239,734
Government buildings	323,997	323,997	323,941	56
Personnel	393,290	393,290	354,533	38,757
Data processing	1,485,401	1,485,401	1,404,833	80,568
Total general government	<u>9,038,256</u>	<u>8,968,256</u>	<u>8,200,483</u>	<u>767,773</u>
Public safety:				
Police department	10,490,044	10,524,697	10,294,312	230,385
Fire department	8,819,102	8,819,102	7,737,205	1,081,897
Building inspection	830,947	830,947	807,013	23,934
Total public safety	<u>20,140,093</u>	<u>20,174,746</u>	<u>18,838,530</u>	<u>1,336,216</u>
Highways and public improvements				
Engineering	971,605	971,605	957,778	13,827
Streets and highways	1,832,565	1,832,565	1,722,906	109,659
Class C road	2,667,600	1,587,600	1,025,359	562,241
Road construction	160,000	160,000	145,168	14,832
Shops and garages	227,800	227,800	96,947	130,853
Total highways and public improvements	<u>5,859,570</u>	<u>4,779,570</u>	<u>3,948,158</u>	<u>831,412</u>
Parks, recreation, and public property				
Parks	3,904,816	3,904,816	2,878,646	1,026,170
Organized recreation	2,486,936	2,486,936	2,419,971	66,965
Cemetery	371,173	371,173	366,132	5,041
Total parks, recreation, and public property	<u>6,762,925</u>	<u>6,762,925</u>	<u>5,664,749</u>	<u>1,098,176</u>
Debt service:				
Principal	215,600	1,750,600	1,723,315	27,285
Interest	490,100	490,100	478,871	11,229
Total debt service	<u>705,700</u>	<u>2,240,700</u>	<u>2,202,186</u>	<u>38,514</u>
Total expenditures	<u>42,506,544</u>	<u>42,926,197</u>	<u>38,854,106</u>	<u>4,072,091</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Capital leases	1,018,355	2,553,355	1,556,897	(996,458)
Sale of capital assets	322,000	331,370	209,702	(121,668)
Transfers in	2,923,899	2,923,899	3,378,330	454,431
Transfers out	-	(1,165,000)	(1,165,000)	-
Net other financing sources (uses)	<u>4,264,254</u>	<u>4,643,624</u>	<u>3,979,929</u>	<u>(663,695)</u>
Net change in fund balance	(246,586)	(146,586)	521,318	667,904
Fund balance at beginning of year	8,997,528	8,997,528	8,997,528	-
Fund balance at end of year	<u>\$ 8,750,942</u>	<u>\$ 8,850,942</u>	<u>\$ 9,518,846</u>	<u>\$ 667,904</u>

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Net Assets – Proprietary Funds
June 30, 2009

Business-type Activities - Enterprise Funds

	Business-type Activities - Enterprise Funds					Total	Governmental
	Water Fund	Waste Water Fund	Power Fund	Storm Water Fund	Non-Major Enterprise Funds		Activities - Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 5,971,426	\$ 284,447	\$ -	\$ 832,565	\$ 826,761	\$ 7,915,199	\$ 840,244
Receivables:							
Accounts	915,523	445,152	4,892,265	162,770	42,050	6,457,760	-
Other	-	-	49,718	-	-	49,718	-
Due from other funds	1,141,627	480	-	-	-	1,142,107	-
Due from other governments	-	111,150	-	-	-	111,150	-
Inventories	-	-	1,955,438	-	78,211	2,033,649	58,539
Total current assets	8,028,576	841,229	6,897,421	995,335	947,022	17,709,583	898,783
Noncurrent assets:							
Restricted cash	-	-	2,236,109	-	-	2,236,109	-
Capital assets:							
Land	1,719,666	310,255	1,636,461	-	326,336	3,992,718	-
Buildings	904,024	949,132	3,351,412	-	797,534	6,002,102	-
Improvements other than buildings	21,424,685	10,169,485	76,966,681	30,239,648	3,895,006	142,695,505	-
Machinery and equipment	2,391,636	1,281,561	15,614,633	799,621	762,644	20,850,095	138,176
Furniture and fixtures	244,514	102,762	1,249,027	-	6,434	1,602,737	-
Construction in progress	108,017	89,181	14,126	257,382	-	468,706	-
Accumulated depreciation	(12,026,347)	(5,315,987)	(51,608,646)	(18,821,784)	(4,284,340)	(92,057,104)	(87,767)
Net capital assets	14,766,195	7,586,389	47,223,694	12,474,867	1,503,614	83,554,759	50,409
Other assets:							
Unamortized bond issuance costs	16,913	10,109	865,537	-	-	892,559	-
Prepaid generation and transmission fees	-	-	2,601,977	-	-	2,601,977	-
Investment in joint ventures	-	3,139,558	-	-	-	3,139,558	-
Total other assets	16,913	3,149,667	3,467,514	-	-	6,634,094	-
Total noncurrent assets	14,783,108	10,736,056	52,927,317	12,474,867	1,503,614	92,424,962	50,409
Total assets	\$ 22,811,684	\$ 11,577,285	\$ 59,824,738	\$ 13,470,202	\$ 2,450,636	\$ 110,134,545	\$ 949,192

(Continued)

MURRAY CITY CORPORATION, UTAH
Statement of Net Assets – Proprietary Funds (Continued)
June 30, 2009

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Waste Water Fund	Power Fund	Storm Water Fund	Non-Major Enterprise Funds	Total	
LIABILITIES							
Current liabilities:							
Accounts payable	\$ 141,084	\$ 26,075	\$ 4,153,693	\$ 131,918	\$ 85,843	\$ 4,538,613	\$ 10,784
Accrued liabilities	11,102	110,389	263,770	3,751	22,930	411,942	202,087
Due to other funds	480	-	1,141,627	-	-	1,142,107	25,000
Accrued interest payable	49,271	29,451	89,063	6,887	1,794	176,466	-
Compensated absences	88,825	32,570	258,825	23,878	33,555	437,653	15,453
Bonds and leases payable	212,800	127,200	1,315,000	113,902	38,687	1,807,589	-
Total current liabilities	503,562	325,685	7,221,978	280,336	182,809	8,514,370	253,324
Noncurrent liabilities:							
Deposits	2,700	-	1,233,443	-	-	1,236,143	-
Compensated absences	139,913	42,294	330,352	28,253	54,271	595,083	18,584
Net OPEB payable	65,885	32,942	214,125	32,942	32,942	378,836	16,471
Bonds and leases payable	4,115,176	2,459,824	21,719,742	297,215	81,205	28,673,162	-
Total noncurrent liabilities	4,323,674	2,535,060	23,497,662	358,410	168,418	30,883,224	35,055
Total liabilities	4,827,236	2,860,745	30,719,640	638,746	351,227	39,397,594	288,379
NET ASSETS							
Invested in capital assets, net							
of related debt	10,438,219	4,999,365	24,188,952	12,063,750	1,383,722	53,074,008	50,409
Restricted for debt service	-	-	1,002,666	-	-	1,002,666	-
Unrestricted	7,546,229	3,717,175	3,913,480	767,706	715,687	16,660,277	610,404
Total net assets	17,984,448	8,716,540	29,105,098	12,831,456	2,099,409	70,736,951	660,813
Total liabilities and net assets	\$ 22,811,684	\$ 11,577,285	\$ 59,824,738	\$ 13,470,202	\$ 2,450,636	\$ 110,134,545	\$ 949,192

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds
For the Year Ended June 30, 2009

Business-type Activities - Enterprise Funds

	Water Fund	Waste Water Fund	Power Fund	Storm Water Fund	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
<u>OPERATING REVENUES</u>							
Sales and charges for services	\$ 5,175,498	\$ 3,441,706	\$ 34,463,816	\$ 1,446,194	\$ 1,503,804	\$ 46,031,018	\$ 389,384
Connection and servicing fees	10,156	1,240	182,307	-	-	193,703	-
Green fees	-	-	-	-	901,672	901,672	-
Other	27,239	177	719,450	8,400	9,320	764,586	-
Total operating revenues	5,212,893	3,443,123	35,365,573	1,454,594	2,414,796	47,890,979	389,384
<u>OPERATING EXPENSES</u>							
Production or purchase of power	-	-	20,378,400	-	-	20,378,400	-
Transmission, distribution, and maintenance	1,963,122	754,097	35,091	439,079	-	3,191,389	-
Administration and general	1,208,303	509,287	6,583,772	85,471	124,802	8,511,635	-
Depreciation and amortization	855,944	758,491	3,549,691	802,026	185,975	6,152,127	5,313
Operations and maintenance	-	1,104,192	3,792,019	55,045	1,573,310	6,524,566	344,274
Jordan River parkway	-	-	-	-	515,387	515,387	-
Total operating expenses	4,027,369	3,126,067	34,338,973	1,381,621	2,399,474	45,273,504	349,587
Operating income (loss)	1,185,524	317,056	1,026,600	72,973	15,322	2,617,475	39,797
<u>NON-OPERATING REVENUES (EXPENSES)</u>							
Interest income	143,666	35,482	245,281	1,643	8,190	434,262	18,412
Interest expense	(195,192)	(125,312)	(1,019,191)	(10,863)	(6,845)	(1,357,403)	-
Impact fees	278,997	112,755	251,918	12,730	-	656,400	-
Loss in joint venture	-	(311,554)	-	-	-	(311,554)	-
Gain/(loss) on disposal of assets	23,850	-	14,000	22,619	-	60,469	-
Total nonoperating revenues (expenses)	251,321	(288,629)	(507,992)	26,129	1,345	(517,826)	18,412
Income before transfers	1,436,845	28,427	518,608	99,102	16,667	2,099,649	58,209
Transfers In	-	13,002	-	-	-	13,002	-
Transfers Out	(567,887)	(343,655)	(1,909,446)	(107,022)	(22,000)	(2,950,010)	-
Change in net assets	868,958	(302,226)	(1,390,838)	(7,920)	(5,333)	(837,359)	58,209
Total net assets, beginning	17,115,490	9,018,766	30,495,936	12,839,376	2,104,742	71,574,310	602,604
Total net assets - ending	\$ 17,984,448	\$ 8,716,540	\$ 29,105,098	\$ 12,831,456	\$ 2,099,409	\$ 70,736,951	\$ 660,813

The accompanying notes are an integral part of this financial statement.

MURRAY CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Fund	Waste Water Fund	Power Fund	Storm Water Fund	Non-Major Enterprise Funds	Total	
Cash flows from operating activities							
Receipts from customers and users	\$ 5,044,769	\$ 3,359,324	\$ 34,063,589	\$ 1,418,181	\$ 2,412,265	\$ 46,298,128	\$ 389,384
Payments to suppliers	(1,846,975)	(2,468,848)	(24,618,178)	(392,563)	(2,021,256)	(31,347,820)	(175,885)
Payments to employees	(1,179,394)	(368,822)	(6,416,390)	(60,505)	(123,942)	(8,149,053)	(247,013)
Investments in joint ventures	-	(255,360)	-	-	-	(255,360)	-
Net cash provided by operating activities	2,018,400	266,294	3,029,021	965,113	267,067	6,545,895	(33,514)
Cash flows from noncapital financing activities							
Transfers from other funds	-	13,002	-	-	-	13,002	-
Transfers to other funds	(567,887)	(343,655)	(1,909,446)	(107,022)	(22,000)	(2,950,010)	-
Advances from (to) other funds	(1,141,627)	-	1,141,627	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(1,709,514)	(330,653)	(767,819)	(107,022)	(22,000)	(2,937,008)	-
Cash flows from capital and related financing activities							
Acquisition of property, plant, and equipment	(450,035)	(1,781,413)	(890,591)	(744,175)	(133,409)	(3,999,623)	-
Proceeds from sale of assets	23,850	-	14,000	35,820	-	73,670	-
Impact fees	278,997	112,755	251,918	12,730	-	656,400	-
Proceeds from issuance of debt	-	-	-	211,766	-	211,766	-
Principal paid on capital debt	(206,541)	(123,459)	(1,293,237)	(63,495)	(107,276)	(1,794,008)	-
Interest paid on capital debt	(199,476)	(127,873)	(1,016,891)	(7,340)	(7,074)	(1,358,654)	-
Net cash provided by (used in) capital and related financing activities	(553,205)	(1,919,990)	(2,934,801)	(554,694)	(247,759)	(6,210,449)	-
Cash flows from investing activities							
Interest and dividends received	143,666	35,482	245,281	1,643	8,190	434,262	18,412
Net cash provided by investing activities	143,666	35,482	245,281	1,643	8,190	434,262	18,412
Net increase (decrease) in cash and cash equivalents	(100,653)	(1,948,867)	(428,318)	305,040	5,498	(2,167,300)	(15,102)
Cash and cash equivalents, beginning of year	6,072,079	2,233,314	2,664,427	527,525	821,263	12,318,608	855,346
Cash and cash equivalents, end of year	\$ 5,971,426	\$ 284,447	\$ 2,236,109	\$ 832,565	\$ 826,761	\$ 10,151,308	\$ 840,244
Unrestricted cash	5,971,426	284,447	-	832,565	826,761	7,915,199	840,244
Restricted cash	-	-	2,236,109	-	-	2,236,109	-
Total Cash	\$ 5,971,426	\$ 284,447	\$ 2,236,109	\$ 832,565	\$ 826,761	\$ 10,151,308	\$ 840,244

(Continued)

MURRAY CITY CORPORATION, UTAH
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2009

	<u>Business-type Activities - Enterprise Funds</u>						<u>Governmental Activities - Internal Service Funds</u>
	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Power Fund</u>	<u>Storm Water Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by operating activities							
Operating income (loss)	\$ 1,185,524	\$ 317,056	\$ 1,026,600	\$ 72,973	\$ 15,322	\$ 2,617,475	\$ 39,797
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation and amortization	855,943	758,491	3,549,690	802,026	185,975	6,152,125	5,313
Investments in joint ventures	-	(255,360)	-	-	-	(255,360)	-
Changes in assets and liabilities:							
Accounts receivable	(171,087)	(83,799)	(1,619,967)	(36,413)	(2,531)	(1,913,797)	-
Other receivables	264	-	57,738	-	-	58,002	-
Inventories	-	-	(61,842)	-	(7,311)	(69,153)	(4,046)
Accounts payable	116,147	(610,559)	99,662	101,561	74,752	(218,437)	(6,959)
Accrued liabilities	(48,060)	89,390	(125,053)	(13,626)	(39,145)	(136,494)	(9,090)
Due to other funds	-	-	-	-	-	-	(75,000)
Compensated absences & OI	76,969	51,075	292,435	38,592	40,005	499,076	16,471
Customer deposits	2,700	-	(190,242)	-	-	(187,542)	-
Net cash provided by operating activities	<u>\$ 2,018,400</u>	<u>\$ 266,294</u>	<u>\$ 3,029,021</u>	<u>\$ 965,113</u>	<u>\$ 267,067</u>	<u>\$ 6,545,895</u>	<u>\$ (33,514)</u>

The accompanying notes are an integral part of this financial statement.

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MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Murray City Corporation (the City) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Financial reporting is based upon all GASB pronouncements, as well as the FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the accompanying financial statements.

The City of Murray was incorporated November 25, 1902. The City operates under a strong Mayor Council form of government. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). The component units discussed below are included as part of the City's reporting entity as blended component units.

The Redevelopment Agency of Murray City (RDA) was established in 1976 to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the Municipal Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority of Murray City Corporation (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a five-member board of trustees composed of the Municipal Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise 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, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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. 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 and claims and judgments, are recorded only when payment is due.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants 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 are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 45 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.
- The Capital Projects Fund accounts for the activities of the City's various construction projects and capital improvements for governmental activities.

The City reports the following major proprietary funds:

- The Power Fund accounts for the activities of the City's electrical production and distribution operations.
- The Water Fund accounts for the activities of the City's water production, treatment and distribution operations.
- The Waste Water Fund accounts for the operation and maintenance of the City's sewer collection system and sewage treatment.
- The Storm Water Fund accounts for the activities of the City's storm water drainage system.

Additionally, the City reports the following fund types:

Internal Service funds to account for the self-insurance activities of the various funds throughout the City and to account for the costs of operating a maintenance facility for vehicles and equipment owned by the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Assets, Liabilities, and Net Assets or Equity

Cash, Deposits and Investments Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". In the Power, Water, Wastewater, Storm Water, and Solid Waste Management funds, the City records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2009 were estimated based on July billings and are included in the operating revenues and accounts receivable at year-end.

Inventories and Prepaid Items Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 to 40 years
Infrastructure	20 to 50 years
Improvements other than buildings	4 to 10 years
Machinery and equipment	5 to 30 years
Furniture and fixtures	5 to 10 years
Water and sewer lines	33 years

Compensated Absences For governmental funds amounts of vested or accumulated vacation leave and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave without limitation. Accumulated sick leave is paid to employees upon retirement, with a limitation of 25 percent of accumulated hours. Employees that are terminated for reasons other than retirement are not paid for accumulated sick leave. Historically, compensated absences are paid by the individual funds as they become due.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity (Continued)

Long-Term Obligations In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Restricted Assets Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation and are considered by the City to be immaterial.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net assets of governmental activities as reported in the government-wide statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets is reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 131,279,502
Investment in joint venture	1,592,027
Accumulated depreciation	<u>(59,503,482)</u>
Total difference	<u><u>\$ 73,368,047</u></u>

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets (Continued)

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net assets. Balances at June 30, 2009 were:

Sales tax revenue bonds	\$	14,655,000
Excise tax revenue bonds		210,000
Bond issuance premium		186,615
Capital leases		1,746,581
Interest payable on long-term debt		120,711
Net OPEB payable		1,099,795
Compensated absences		2,371,660
		2,371,660
Total difference	\$	20,390,362

Explanation of Certain Differences Between Governmental Fund Operating Statements and the Statement of Net Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$	7,325,223
Depreciation expense		(5,057,471)
		(5,057,471)
Net difference, as reported	\$	2,267,752

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information Prior to May 1, the Mayor submits to the Municipal Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the proposed sources of revenues.

Between May 1 and June 20, the Municipal Council reviews and adjusts the Mayor's proposed budget. On or before June 20, a public hearing is held and the budget is legally adopted through passage of a resolution.

After the budget is adopted, the Finance Director may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The Municipal Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund.

When the Municipal Council determines that an emergency exists, such as widespread damage from fire, flood, or earthquake the Municipal Council may increase the budget of the General Fund by resolution or a public hearing.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Fund. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.

Annual budgets for the General Fund, all Special Revenue Funds (Municipal Building Authority Fund, Library Fund, Redevelopment Agency Fund, Community and Economic Development Fund), and the Capital Projects Fund were legally adopted by the City and are prepared on the modified-accrual method of accounting.

Encumbrances (commitments related to unperformed purchase orders or contracts for goods or services) are used only as an internal management control device during the year. The City does not have any encumbrances outstanding at year end since appropriations lapse at year end. However, encumbered amounts are generally re-appropriated and honored as part of the following year's budget.

Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus such budgets for governmental funds.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Tax Revenues

Property taxes are collected by the Salt Lake County Treasurer and remitted to the City in two to three installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 45 days after fiscal year end has not been made, as the amounts are not deemed to be material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has been made for fees due and payable to the City at June 30th.

4. DETAILED NOTES FOR ALL FUNDS

Deficit Fund Equity and Excess Expenditures Over Appropriations

The Library Fund has a deficit fund balance of \$204,373 at June 30, 2009. It is planned that this deficit will be eliminated by making appropriate revenue and expenditure adjustments over the next two years.

Deposits and Investments

Utah State law establishes the rules and regulations for deposits and investments and is known as the Utah Money Management Act. The Act established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. The City has complied with the Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

As of June 30, 2009, the City's demand deposits and cash on hand amounted to \$2,170,829.

As of June 30, 2009, the City has investments in the Utah Public Treasurer's Investment Fund of \$23,069,123. The fund is not rated and the weighted average maturity was less than 90 days.

As of June 30, 2009, the City has investments in three corporations' debt instruments totaling \$3,012,790. Each of these corporate notes meets the high standards of quality required by the Utah Money Management Act and all mature within one year and are reported at their respective fair value.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

Custodial Credit Risk - Deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2009, \$1,783,557 of the City's \$2,033,557 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. The Utah Money Management Act does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. The Act requires that the City keep deposits in a qualified depository, which the City has done.

Custodial Credit Risk - Investments. This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City has no formal policy regarding custodial credit risk for investments. Money invested in the Utah Public Treasurer's Investment Fund is pooled with many other state and local entities, and is managed by the Utah State Treasurer. The Fund is not categorized as to custodial credit risk.

Interest rate credit risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss from changes in interest rates is to follow the Utah Money Management Act and only invest in instruments that mature in one year or less. Investments within the Public Treasurer's Investment Fund have a weighted average maturity of less than 90 days. The investments in corporate debt securities all mature within one year.

Credit risk is the risk that an issuer will not fulfill its obligations. The City policy is consistent with and complies with the Utah State Money Management Act. Investment is limited to U.S. Treasuries, U.S. Government Agency instruments, Utah Public Treasurer's Investment Fund, and other instruments that are rated A or higher by Standard & Poor's or Moody's. The City only invested in the Utah Public Treasurer's Investment Fund and qualified corporate debt securities during the year. The corporate investments were rated AA-, A+, and A by Standard and Poor's and Aaa and Aa3 by Moody's.

Concentration of Credit Risk. City policy requires diversification and limits the amount that may be invested in the same company. First, the City may not invest more than 20% of its idle funds outside of the Utah Public Treasurer's Investment Fund. Second, not more than 10% of the total portfolio may be invested in a single company's credit instruments. The Utah Public Treasurer's Investment Fund is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

The deposits and investments described above are included on the government-wide statement of net assets as follows:

Cash and cash equivalents	\$ 17,203,827
Restricted cash	8,036,125
Investments	3,012,790
	\$ 28,252,742

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Deposits

Enterprise fund deposits are deposits the City requires from residential renters and any business receiving a utility connection. The deposit is refundable after 2 years for residential and business customers upon satisfactory payment history.

Receivables

Receivables as of year end for the City's individual major funds and nonmajor and internal service funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water	Waste Water	Power	Storm Water	Nonmajor Funds	Total
Taxes	\$ 5,964,079	\$ -	\$ -	\$ -	\$ -	\$ 1,447,945	\$ 7,412,024
Accounts and other	801,284	922,777	451,483	5,052,379	162,946	42,050	7,432,919
Special assessments	300	-	-	-	-	-	300
Intergovernmental	2,461,928	-	111,150	-	-	4,712	2,577,790
Gross receivables	9,227,591	922,777	562,633	5,052,379	162,946	1,494,707	17,423,033
Less: allowance for uncollectibles	-	(7,254)	(6,331)	(110,396)	(176)	-	(124,157)
Net total receivables	<u>\$ 9,227,591</u>	<u>\$ 915,523</u>	<u>\$ 556,302</u>	<u>\$ 4,941,983</u>	<u>\$ 162,770</u>	<u>\$ 1,494,707</u>	<u>\$ 17,298,876</u>

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the government funds were as follows:

	Unavailable	Unearned
Notes receivable (General Fund)	\$ 1,815,981	\$ -
Sales taxes receivable (General Fund)	1,438,960	-
Property tax receivable (General Fund)	5,863,420	-
Property tax receivable (Library Fund)	1,423,510	-
Various prepayments received (General Fund)	-	139,275
Total deferred/unearned revenue for governmental funds	<u>\$10,541,871</u>	<u>\$ 139,275</u>

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Notes Receivable

General Fund notes receivable includes a \$1,815,981 third party promissory note for the sale of property known as the Sports Mall. The note has an interest rate of nine percent with monthly principal and interest payments of \$26,796. Under the note, the City will receive monthly installment payments through May 15, 2017 at which time all unpaid principal and interest become due.

Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>07/01/08</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/09</u>
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 10,510,282	\$ 380,000	\$ -	\$ 10,890,282
Construction in progress	2,329,796	897,943	(2,523,773)	703,966
Total capital assets, not depreciated	<u>12,840,078</u>	<u>1,277,943</u>	<u>(2,523,773)</u>	<u>11,594,248</u>
Capital assets, depreciated:				
Buildings	26,729,918	4,553,291	-	31,283,209
Improvements other than buildings	15,777,026	443,055	-	16,220,081
Infrastructure	57,341,656	831,125	-	58,172,781
Machinery and equipment	9,867,164	2,571,067	(429,121)	12,009,110
Furniture and fixtures	2,111,544	172,515	(283,986)	2,000,073
Total capital assets, depreciated	<u>111,827,308</u>	<u>8,571,053</u>	<u>(713,107)</u>	<u>119,685,254</u>
Accumulated depreciation:				
Buildings	(7,997,483)	(723,643)	-	(8,721,126)
Improvements other than buildings	(9,170,309)	(839,410)	-	(10,009,719)
Infrastructure	(29,805,724)	(2,377,793)	-	(32,183,517)
Machinery and equipment	(6,471,091)	(981,382)	421,194	(7,031,279)
Furniture and fixtures	(1,701,271)	(140,556)	283,986	(1,557,841)
Total accumulated depreciation	<u>(55,145,878)</u>	<u>(5,062,784)</u>	<u>705,180</u>	<u>(59,503,482)</u>
Total capital assets, depreciated (net)	<u>56,681,430</u>	<u>3,508,269</u>	<u>(7,927)</u>	<u>60,181,772</u>
Net governmental capital assets	<u>\$ 69,521,508</u>	<u>\$ 4,786,212</u>	<u>\$ (2,531,700)</u>	<u>\$ 71,776,020</u>

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

	<u>07/01/08</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/09</u>
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Land	3,855,951	\$ 136,767	\$ -	\$ 3,992,718
Construction in progress	1,474,861	328,710	(1,334,865)	468,706
Total capital assets, not depreciated	<u>5,330,812</u>	<u>465,477</u>	<u>(1,334,865)</u>	<u>4,461,424</u>
Capital assets, depreciated:				
Buildings	5,985,675	16,427	-	6,002,102
Improvements other than buildings	143,888,232	3,749,908	(4,942,635)	142,695,505
Machinery and equipment	20,562,592	783,117	(495,614)	20,850,095
Furniture and fixtures	1,284,018	318,719	-	1,602,737
Total capital assets, depreciated	<u>171,720,517</u>	<u>4,868,171</u>	<u>(5,438,249)</u>	<u>171,150,439</u>
Accumulated depreciation:				
Buildings	(4,011,364)	(137,640)	-	(4,149,004)
Improvements other than buildings	(74,033,250)	(4,938,444)	4,942,635	(74,029,059)
Machinery and equipment	(11,852,343)	(989,285)	323,059	(12,518,569)
Furniture and fixtures	(1,348,743)	(11,729)	-	(1,360,472)
Total accumulated depreciation	<u>(91,245,700)</u>	<u>(6,077,098)</u>	<u>5,265,694</u>	<u>(92,057,104)</u>
Total capital assets, depreciated (net)	<u>80,474,817</u>	<u>(1,208,927)</u>	<u>(172,555)</u>	<u>79,093,335</u>
Net business-type capital assets	<u>\$ 85,805,629</u>	<u>\$ (743,450)</u>	<u>\$ (1,507,420)</u>	<u>\$ 83,554,759</u>

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:		
General government		\$ 598,217
Public safety		791,765
Highways and public improvements		2,926,586
Parks, recreation, and public property		721,156
Library		<u>25,060</u>
Total depreciation expense - governmental activities		<u>\$ 5,062,784</u>
Business-type activities:		
Water		854,816
Waste Water		757,817
Storm Water		802,026
Power		3,476,464
Murray Parkway Recreation		<u>185,975</u>
Total depreciation expense - business-type activities		<u>\$ 6,077,098</u>

Interfund Receivable, Payables and Transfers

At June 30, 2009, interfund balances due to or from other funds was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Library	\$ 662,775
General	Central Garage	25,000
General	Redevelopment Agency	100,000
General	Community Development	13,500
Waste Water	Water	480
Water	Power	<u>1,141,627</u>
		<u>\$ 1,943,382</u>

Interfund advances are generally for working capital requirements and are generally expected to be repaid in the next fiscal year. During the year ended June 30, 2008, the General Fund advanced the Library Fund \$750,000 for a building remodel project. During the year ended June 30, 2009, this loan was restructured to mature on March 1, 2015 with equal annual installment payments, including interest at a rate of 3.25%, due each March.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

In addition to the above amounts which will be repaid by the respective funds, transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2009 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
Water	General	\$ 567,887
Waste Water	General	343,655
Storm Water	General	94,020
Storm Water	Waste Water	13,002
Power	General	1,909,446
Murray Parkway Recreation	General	22,000
Cemetery Perpetual Care	General	60,000
Library	General	67,094
Redevelopment Agency	General	299,668
Community Development	General	10,686
Economic Development	General	3,874
Capital Projects	Redevelopment Agency	137,760
General	Capital Projects	1,165,000
		<u>\$ 4,694,092</u>

The majority of transfers were to governmental funds for administrative services they provide to other funds, and for capital expenditures in governmental funds that benefit the City.

Investments in Joint Ventures

The City is a participant in several joint ventures listed below that generate financial resources through member assessments, surcharge taxes, or user fees. The City reflects its equity position (in the net resources of the joint ventures) in the funds which have the rights to such resources.

Trans-Jordan Cities The City has an approximate 8.8% ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City's equity in the net resources of the Association at June 30, 2009, is reported in the government-wide statement of net assets. The Association was organized in 1968 as a joint enterprise fund of the Cities of Sandy, Midvale, West Jordan, and Murray, Utah. The City of South Jordan, Utah joined the Association during fiscal year 1997. The cities of Draper and Riverton, Utah joined the Association during fiscal year 1998. The primary purpose of the Association is the operation, maintenance and control of a refuse dumping site east of Bingham Canyon in Salt Lake County. The City has no firm commitments to make additional equity investments in Trans-Jordan Cities.

The Association is governed by its Board of Directors. Under the organization agreement, the Board of Directors is composed of the Mayors, or their appointed representatives, of the participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Investments in Joint Ventures (Continued)

Separate audited financial statements for Trans-Jordan Cities may be obtained from Trans-Jordan Cities, Accounting Department at 10873 South 7200 West, South Jordan, UT 84095.

Central Valley Water Reclamation Facility The Waste Water Fund (an enterprise fund) has an approximate 5.7% ownership in the Central Valley Water Reclamation Facility (the Facility). The Facility, a separate legal entity and political subdivision of the State of Utah, was formed pursuant to the Utah Interlocal Co-operation Act. The Facility's membership consists of five special-purpose government entities and two cities. The Facility was formed to plan, construct and operate a regional sewage treatment facility for the benefit of the seven members. Members of the Facility are required to pay their proportionate share of monthly operating costs, construction costs and maintenance and administrative costs. The Facility is governed by its Board of Directors. Under the Organization Agreement, all seven members (one of whom is the City), are entitled to designate one of the Facility's seven directors. The City's share of operating, maintenance, administrative expenses and debt service amounted to \$1,104,192 in 2009. The Waste Water Fund made a net contribution of \$255,360 to the Facility in 2009 and recorded a \$311,554 loss on joint venture resulting in a net decrease in its investment in the Facility of \$56,194.

During 2005, the Facility issued \$30,500,000 of revenue bonds of a total of \$35,000,000 authorized. The City's share of the total obligation will be \$3,462,000 when all bonds are issued. The City is required to fund its proportionate share of debt service each year, which is included in the City's assessment from the Facility.

Separate compiled financial statements for Central Valley Water Reclamation Facility may be obtained from the Central Valley Water Reclamation Facility Accounting Department at 800 West Central Valley Road, Salt Lake City, UT 84119.

Interlocal Agreements

Utah Associated Municipal Power System (UAMPS) The Power Department is a member of the Utah Associated Municipal Power Systems (UAMPS). UAMPS, a joint action agency and political subdivision of the State of Utah, was formed by an Organization Agreement dated November 6, 1980, pursuant to the provisions of the Utah Interlocal Co-operation Act. UAMPS' membership consists of 34 municipalities, one joint action agency, one electric service district and one water conservancy district.

UAMPS is a legally separate entity, which possesses the ability to establish its own budget, incur debt, sue and be sued, and own and lease property. No other governmental units in Utah exercise significant control over UAMPS. As such, UAMPS is not a component unit as defined by the Governmental Accounting Standards Board in their Statement No. 14, "The Financial Reporting Entity".

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interlocal Agreements (Continued)

UAMPS' purposes include planning, financing, developing, acquiring, constructing, improving, bettering, operating and maintaining of projects, or ownership interests or capacity rights therein, for the generation, transmission and distribution of electric energy for the benefit of its members.

As a member of UAMPS, the City has participated in various individual projects. The City acquired for \$45,662 an approximate five percent interest in the Hunter II power plant project. During the year ended June 30, 1990, the City acquired an approximate five percent entitlement in UAMPS' share of a transmission service project from Craig, Colorado to Mona, Utah (the Craig-Mona project) for \$1,805,428. The City acquired an additional 1.6 mega watts of plant capacity in the San Juan Generating Station Unit 4 for \$1,953,599 during 1994. During the year ended June 30, 2009, the City acquired an interconnection with Granger Electric at their electric generating facility in South Jordan for \$550,000. These entitlement payments represent prepayment of future generation fees for the projects and are being amortized over the lives of the service contracts. The unamortized balance of prepaid generation and transmission fees at June 30, 2009 is \$2,601,977.

Under various power sales contracts, UAMPS' members are required to pay their proportionate share of all operation and maintenance expenses and debt service on the revenue bonds issued by UAMPS, and any other energy-related costs, as defined in the contract regardless of whether any power is supplied to the Power Fund. The City has no firm commitments to make additional equity investments in UAMPS or in any specified projects of AMPS.

Under the organization agreement, the four members with the greatest financial obligations to UAMPS, one of which is the City, are each entitled to designate one of UAMPS' directors. All other directors are selected from the representatives of the remaining UAMPS members.

Separate financial statements for UAMPS may be obtained from the Manager of Finance at 2825 East Cottonwood Parkway, Suite #200, Salt Lake City, UT 84121.

Valley Emergency Communications Center The City is a member of the Valley Emergency Communications Center (the Center). The Center was organized June 30, 1988, as a joint enterprise between the City, Midvale City, Salt Lake County, Sandy City, South Jordan City, West Jordan City and West Valley City. The primary purpose of the Center is to fund and operate a communications center which handles communications and other services for the members, including police, fire, 911 service, dispatch and records services.

The Center is governed by a Board of Trustees consisting of one representative from each member appointed by the governing body thereof. The Center's activities are funded by a surcharge tax on telephones within each member's city and member assessments. The Board of Trustees sets assessments for all member agencies in amounts sufficient to provide the funds required by the annual budget. The Center determines the 911 assessments for the telephone users within the members' jurisdictions.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Valley Emergency Communications Center (Continued) Separate audited financial statements for Valley Emergency Communications Center may be obtained from the Finance Director at 5360 South 5885 West, West Valley City, UT 84118.

DEA - Metro Task Force The City is a member and lead agency of the Drug Enforcement Administration (DEA) Metro Task Force (the Task Force). The Task Force is an interlocal cooperative organized to investigate and prosecute controlled substance offenders in the Salt Lake metropolitan area. The membership of the Task Force consists of sixteen Federal, State, County and Municipal law enforcement agencies. Activities of the Task Force are funded through federal and state grants, with no funds being provided by the participating members.

Separate audited financial statements for DEA-Metro Task Force may be obtained from Murray City Corporation, Office of Finance and Administration, 5025 South State Street, Murray, UT 84157-0520.

Capital Leases

The City has entered into lease agreements, as lessee, for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

	<u>Original Principal</u>	<u>Interest Rates</u>
Pierce fire truck	\$ 398,258	3.474%
Phone system	359,883	3.474%
Garbage truck	154,883	3.474%
Vacuum truck and golf carts	420,925	3.264%
Fire engine ladder truck	933,110	4.200%
Ambulances and equipment	519,300	3.850%
Police vehicles	104,487	4.250%
Storm water truck	211,766	4.450%

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009 were as follows:

June 30,	Totals
2010	\$ 747,586
2011	611,791
2012	525,557
2013	412,121
2014	210,781
Total minimum lease payments	2,507,836
Less: interest portion	(230,246)
Present value of minimum lease payments	2,277,590
Amount due within one year	(658,418)
Amount due after one year	\$ 1,619,172

Revenue Bonds

In March 2009, the City issued \$4,580,000 of Sales Tax Revenue Bonds Series 2009A and \$1,535,000 of Sales Tax Revenue Refunding Bonds Series 2009B. The proceeds of the Series 2009A bonds of \$4,580,000, net of issuance costs of \$105,793, together with a re-offering premium of \$27,220 were deposited into a construction fund to be used for capital projects. The proceeds of the Series 2009B bonds of \$1,535,000, net of issuance costs of \$35,179, together with a re-offering premium of \$20,179 were deposited into an irrevocable trust with an escrow agent. These funds will be used to provide for the future debt payments of \$1,520,000 on the Series 2002 Sales Tax Revenue Bonds. As a result, the total liability for these bonds has been removed from the City's books. The City realized an economic gain (difference between the present value of the old and new debt service payments) of \$57,844 from the refunding.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2009 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount
Electric Series 2001	\$ 20,000,000	\$570,000 to \$1,070,000	4.00% to 4.85%	6/1/2014	\$ 4,895,000
Excise Tax Series 2003	3,000,000	\$210,000 to \$585,000	2.00% to 3.00%	9/1/2009	210,000
Water/Sewer Series 2003	8,500,000	\$305,000 to \$630,000	2.00% to 5.25%	10/1/2023	6,915,000
Electric Series 2004	9,300,000	\$305,000 to \$685,000	3.00% to 5.25%	6/1/2025	7,975,000
Electric Series 2006	9,700,000	\$15,000 to \$1,500,000	4.00% to 5.00%	6/1/2021	9,635,000
Sales Tax Series 2007	9,990,000	\$710,000 to \$875,000	3.75% to 5.000%	12/1/2020	8,540,000
Sales Tax Series 2009A	4,580,000	\$275,000 to \$405,000	3.00% to 4.40%	4/1/2023	4,580,000
Sales Tax Series 2009B	1,535,000	\$235,000 to \$275,000	3.00% to 3.75%	4/1/2015	1,535,000
	<u>\$ 66,605,000</u>				<u>\$ 44,285,000</u>

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2010	\$ 3,215,000	\$ 2,370,744	\$ 5,585,744
2011	3,165,000	2,238,605	5,403,605
2012	3,265,000	2,109,624	5,374,624
2013	3,355,000	1,977,680	5,332,680
2014	3,115,000	1,845,483	4,960,483
2015 - 2019	16,050,000	4,766,485	20,816,485
2020 - 2024	11,435,000	1,408,880	12,843,880
2025	685,000	34,250	719,250
	<u>\$ 44,285,000</u>	<u>\$ 16,751,751</u>	<u>\$ 61,036,751</u>

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2009 was as follows:

	<u>07/01/08</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/09</u>	<u>Due in One Year</u>
<u>Governmental activities</u>					
Bonds payable:					
Sales tax	\$ 11,015,000	\$ 6,115,000	\$ (2,475,000)	\$ 14,655,000	\$ 1,350,000
Excise tax	795,000	-	(585,000)	210,000	210,000
Total bonds payable	11,810,000	6,115,000	(3,060,000)	14,865,000	1,560,000
Capital leases	372,999	1,556,897	(183,315)	1,746,581	505,828
Compensated absences	2,267,948	1,687,293	(1,549,543)	2,405,698	1,054,263
Net OPEB payable	-	1,116,266	-	1,116,266	-
Bond issuance premium	151,064	47,398	(11,848)	186,614	-
Governmental activities, long-term liabilities	<u>\$ 14,602,011</u>	<u>\$ 10,522,854</u>	<u>\$ (4,804,706)</u>	<u>\$ 20,320,159</u>	<u>\$ 3,120,091</u>
<u>Business-type activities</u>					
Revenue bonds payable	\$ 31,005,000	\$ -	\$ (1,585,000)	\$ 29,420,000	\$ 1,655,000
Capital leases	490,014	211,766	(170,771)	531,009	152,589
Compensated absences	912,496	685,204	(564,964)	1,032,736	437,653
Net OPEB payable	-	378,836	-	378,836	-
Bond issuance premium	567,979	-	(38,237)	529,742	-
Business-type activities, long-term liabilities	<u>\$ 32,975,489</u>	<u>\$ 1,275,806</u>	<u>\$ (2,358,972)</u>	<u>\$ 31,892,323</u>	<u>\$ 2,245,242</u>

The Electric Series 2001 Revenue bonds trust indenture specifies a net revenue to debt service coverage ratio the Power Fund is required to maintain. The Power Fund met the debt service coverage requirement at June 30, 2009.

The following is a schedule of bonds that were issued by the City and later refunded because lower interest rates were available:

<u>Bond Description</u>	<u>Original Issue</u>	<u>Unpaid Balance June 30, 2009</u>	<u>Final Date of Maturity</u>	<u>Refunding Bonds</u>
Electric Series 2001	\$ 20,000,000	\$ 9,215,000	6/1/2011	Electric Series 2006
MBA Series 2001	9,790,000	7,585,000	12/1/2011	Sales Tax Series 2007
Sales Tax Series 2002	1,865,000	1,520,000	4/1/2015	Sales Tax Series 2009B

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information

Risk Management The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's Retained Risk Reserve Fund (an internal service fund) accounts for and accumulates resources for uninsured loss. Under this program, the Retained Risk Reserve Fund (the Fund) provides coverage for up to a maximum of \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Contingent Liabilities Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is a participant of the Intermountain Power Agency (IPA), a separate legal entity established under the guidelines of the Utah Interlocal Co-operation Act. The IPA operates a power production plant near Delta, Utah for the benefit of its members. IPA has approximately \$5.1 billion of revenue bonds that are paid from the revenues received from participant charges. Under the terms of its original contract with IPA, the City is entitled and obligated to purchase four percent of the plant's power output. However, under a subsequent excess power sales agreement, the City transferred its power entitlement to certain California purchasers for the duration of the project unless the City recalls any or all of the entitlement. In recent years, the City sold most of its entitlement to the California purchasers. The City is liable for operating expenses and repayment of the outstanding bonds only in the event of a prolonged power outage (in excess of 24 months) and/or failure to perform under the agreement on the part of each of the California participants.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Commitments

The City entered into a Pledge and Loan Agreement with the Utah Telecommunications Open Infrastructure Agency (UTOPIA). UTOPIA is an interlocal cooperative created to finance, construct and operate a system of fiber optic communication lines in various cities in the state. UTOPIA would lease use of the fiber optic system to retail vendors of telephone, video and other digital services. The pledge commits the City to set aside and deposit funds as security in a debt service fund for the portion of the project related to the City. The maximum amount committed by the City was \$1,458,687 for the year ended June 30, 2009, with a 2% increase per year through 2040. Sales and use tax revenues have been pledged towards the payment of the City's share of the debt service reserve fund requirement; however, the pledge is junior to any previously pledged sales and use tax revenue. On July 1, 2007, the City was required to deposit \$1,235,039 into the UTOPIA Series 2004 Bond Debt Service Reserve Fund. These funds will remain on deposit until the sooner of the bonds being retired or 33 years from June 2, 2008. The City may, if additional bonds are issued, be required to deposit additional funds into a bond debt service reserve fund. The timing of these additional pledged deposits depends on the timing of additional bond issues.

Conduit Debt Obligations From time to time, the City has issued Industrial Revenue Bonds (IRBs) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City and the State, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2009, there have been ten series of Industrial Revenue Bonds issued. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$97.0 million.

Redevelopment Agency In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling \$761,403 were generated. Of this amount, the RDA was required to pay \$415,497 to the Murray School District. There is no outstanding debt of the RDA at June 30, 2009, however, the RDA has agreed to make payments on the Series 2009A and 2009B sales tax bonds.

During the year ended June 30, 2009, funds expended by the RDA were limited to the categories of debt service, capital outlay and administration costs. Administrative costs totaled \$784,079, capital outlay costs totaled \$-0-, and debt service payments totaled \$299,668 for the year.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Employee Retirement Systems and Pension Plans The City contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for Employers with Social Security Coverage, and the Fire Fighters Retirement System for Employers without Social Security Coverage, (hereafter referred to cumulatively as the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). The Systems provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. URS issues a publicly available financial report that includes financial statements and required supplementary information for the Systems.

A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer for the employee) to the respective systems to which they belong; 6.00% to the Local Government Contributory Retirement System and 13.14% to the Firefighters Retirement System, respectively. The City is required to contribute a percent of members' annual covered salary to the respective systems; 7.61% to the Local Government Contributory Retirement System, 11.62% to the related Noncontributory Retirement System, 22.61% to the Public Safety Noncontributory Retirement System, and 13.14% to the Firefighters Retirement System. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Funding Policy (Continued) The City's contributions in dollars to each of the Systems for the years ending June 30, 2009, 2008 and 2007, were equal to the required contributions for each year. The contribution amounts are as follows:

	2009	2008	2007
Local Governmental Contributory Retirement System	\$ 153,757	\$ 144,742	\$ 159,886
Local Governmental Noncontributory Retirement System	1,600,410	1,502,454	1,526,993
Public Safety Retirement System for Employers with Social Security Coverage	898,921	856,686	833,241
Firefighters Retirement System	416,503	356,393	307,922

Deferred Compensation Plan Under the URS, the City offers its employees a Deferred Compensation Plan (the Plan) in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The payment of deferred compensation is not available to employees until termination, retirement, death, or emergency. The City discontinued contributions to this plan in 2003.

Defined Contribution Plans The 401(k) plan provided by URS is a multiple-employer defined contribution plan. All employees of the City who participate in the URS contributory, noncontributory, or fire fighters system are eligible to participate in the plan. Employees are immediately 100 percent vested in their contributions to the plan. Employee contributions to the 401(k) plan and the Deferred Compensation Plan are voluntary. Employer contributions are also voluntary and are intended to standardize the contribution rates for all full time employees participating in the URS. The City's contributions to the 401(k) plan were \$789,727, \$746,174, and \$766,861 for the years ended June 30, 2009, 2008 and 2007, respectively.

In addition to the URS plans, the City also participates in a 401 (a) plan provided by International City Management Association, a multiple-employer defined contribution plan. Only elected or appointed employees of the City are eligible to participate in this plan. Employees are fully vested upon contribution to the plan. Currently, there are three employees who participate in the plan. The City contributes to the plan on behalf of the employee. Employees are not eligible to make contributions. The contribution requirement for the year ended June 30, 2009 was \$67,353.

MURRAY CITY CORPORATION, UTAH
Notes to the Financial Statements (Continued)
June 30, 2009

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Defined Contribution Plans (Continued) In addition to the pension benefits described above, the City provides post-retirement health care benefits in accordance with City policy, to all employees who retire from the City upon completing the requirements for the retirement plan participated in as detailed above. Currently there are 24 retirees who meet those requirements. The City pays 50% of the retirees' health care insurance premiums for the first 18 months with the remaining 50% paid by the retirees on a pay-as-you-go basis. After 18 months, the City pays 20% to 30% of the premium, depending on the retiree's years of service. This post employment benefit is available until the retiree reaches the age of 65 at which time they are no longer eligible to participate. Terminated employees under the COBRA act are allowed to purchase the same insurance policy at their own expense for a period of 18 months. The City paid \$55,843 in premiums for retirees during the fiscal year ended June 30, 2009.

The GASB has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions", which established accounting standards for reporting other post employment benefits (OPEB). Statement 45, which is effective for the City for the year ended June 30, 2009, requires the City to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

As of July 1, 2009, the date of the latest actuarial valuation, approximately 411 active employees and 21 inactive (retired) employees are receiving health insurance benefits from the City. The actuarial accrued liability (AAL) for benefits was \$15.23 million, with no actuarial value of assets, resulting in an unfunded accrued liability of \$15.23 million due to the City's pay-as-you-go accounting.

Annual required contribution/OPEB cost	\$ 1,495,102
Contributions made	-
Increase in net OPEB obligations	<u>1,495,102</u>
Net OPEB obligation end of year	<u><u>\$ 1,495,102</u></u>

The Net OPEB expense of \$1,495,102 is the additional amount that the City will report as a liability.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of events far in the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. In the July 1, 2009 actuarial valuation, an interest rate of 4% was used and an amortization period of 30 years. The projected annual healthcare cost trend rate is initially 6.5% and trending down to 5.1% for FY 60-61 and later.

SUPPLEMENTAL INFORMATION

MURRAY CITY CORPORATION, UTAH
Combining Balance Sheet – Non-major Governmental Funds
June 30, 2009

	Special Revenue					Total Nonmajor Governmental Funds
	Municipal Building Authority	Library Fund	Redevelopment Agency	Community Development Fund	Economic Development Fund	
ASSETS						
Cash and cash equivalents	\$ 321	\$ 454,184	\$ 1,196,234	\$ 21,570	\$ -	\$ 1,318,392
Receivables:						
Due from other governments	-	-	-	4,712	-	-
Property taxes	-	1,447,945	-	-	-	-
Restricted cash	-	25,150	-	-	-	-
Land held for resale	-	-	20,000	-	-	-
Total assets	\$ 321	\$ 1,927,279	\$ 1,216,234	\$ 26,282	\$ -	\$ 1,318,392
LIABILITIES						
Accounts payable	\$ -	\$ 38,375	\$ 112,358	\$ -	\$ -	\$ -
Accrued liabilities	-	6,992	-	-	-	-
Deferred revenue	-	1,423,510	-	-	-	-
Due to other funds	-	662,775	100,000	13,500	-	-
Total liabilities	-	2,131,652	212,358	13,500	-	-
FUND BALANCE						
Reserved for:						
Land held for resale	-	-	20,000	-	-	-
Library endowment	-	25,150	-	-	-	-
Cemetery perpetual care	-	-	-	-	-	520,000
Unreserved:						
Undesignated	321	(229,523)	983,876	12,782	-	798,392
Total fund balance	321	(204,373)	1,003,876	12,782	-	1,318,392
Total liabilities and fund balances	\$ 321	\$ 1,927,279	\$ 1,216,234	\$ 26,282	\$ -	\$ 1,318,392

MURRAY CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-major Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue							Permanent	Total
	Municipal Building Authority	Library Fund	Redevelopment Agency	Community Development Fund	Economic Development Fund	Cemetery Perpetual Care Fund	Nonmajor Governmental Funds		
REVENUES									
Taxes	\$ -	\$ 1,565,611	\$ 761,403	\$ -	\$ -	\$ -	\$ -	\$ 2,327,014	
Intergovernmental	-	18,694	-	158,146	-	-	-	176,840	
Perpetual care fees	-	-	-	-	-	58,677	-	58,677	
Fines and forfeitures	-	46,162	-	-	-	-	-	46,162	
Interest	-	14,477	31,957	-	-	27,040	-	73,474	
Miscellaneous	1,000	4,673	893	-	-	-	-	6,566	
Total revenues	1,000	1,649,617	794,253	158,146	-	85,717	-	2,688,733	
EXPENDITURES									
Municipal building authority	1,000	-	-	-	-	-	-	1,000	
Library	-	1,375,856	-	-	-	-	-	1,375,856	
Redevelopment	-	-	784,079	-	-	-	-	784,079	
Community & economic development	-	-	-	156,706	-	-	-	156,706	
Debt service:									
Interest	-	35,800	-	-	-	-	-	35,800	
Total expenditures	1,000	1,411,656	784,079	156,706	-	-	-	2,353,441	
Excess of revenues over expenditures	-	237,961	10,174	1,440	-	85,717	-	335,292	
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	137,760	-	-	-	-	137,760	
Transfers out	-	(67,094)	(299,668)	(10,686)	(3,874)	(60,000)	-	(441,322)	
Total other financing uses	-	(67,094)	(161,908)	(10,686)	(3,874)	(60,000)	-	(303,562)	
Net change in fund balance	-	170,867	(151,734)	(9,246)	(3,874)	25,717	-	31,730	
Fund balance, beginning of year	321	(375,240)	1,155,610	22,028	3,874	1,292,675	-	2,099,268	
Fund balance, end of year	\$ 321	\$ (204,373)	\$ 1,003,876	\$ 12,782	\$ -	\$ 1,318,392	\$ -	\$ 2,130,998	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Municipal Building Authority – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Miscellaneous	\$ -	\$ -	\$ 1,000	\$ 1,000
Interest income	1,000	1,000	-	(1,000)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<u>EXPENDITURES</u>				
Miscellaneous	1,000	1,000	1,000	-
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>321</u>	
Fund balance at end of year			<u>\$ 321</u>	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Library Fund – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes	\$ 1,587,672	\$ 1,587,672	\$ 1,565,611	\$ (22,061)
Intergovernmental	18,500	18,500	18,694	194
Fines and forfeitures	37,000	37,000	46,162	9,162
Interest income	21,000	21,000	14,477	(6,523)
Miscellaneous	4,200	16,154	4,673	(11,481)
Total revenues	<u>1,668,372</u>	<u>1,680,326</u>	<u>1,649,617</u>	<u>(30,709)</u>
<u>EXPENDITURES</u>				
Salaries and wages	936,446	936,446	849,529	86,917
Building, equipment, and repairs and maintenance	283,826	283,826	265,743	18,083
Books and periodicals	219,000	230,954	225,209	5,745
Capital outlay	67,600	67,600	34,102	33,498
Miscellaneous	38,500	38,500	1,273	37,227
Debt service				
Principal	93,000	93,000	-	93,000
Interest and administrative charges	30,000	30,000	35,800	(5,800)
Total expenditures	<u>1,668,372</u>	<u>1,680,326</u>	<u>1,411,656</u>	<u>268,670</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>237,961</u>	<u>237,961</u>
<u>OTHER FINANCING USES</u>				
Transfer out	-	-	(67,094)	(67,094)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(67,094)</u>	<u>(67,094)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>170,867</u>	<u>\$ 170,867</u>
Fund balance at beginning of year			<u>(375,240)</u>	
Fund balance at end of year			<u>\$ (204,373)</u>	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Redevelopment Agency Fund – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes	\$ 875,000	\$ 875,000	\$ 761,403	\$ (113,597)
Interest income	55,000	55,000	31,957	(23,043)
Miscellaneous	-	-	893	893
Total revenues	<u>930,000</u>	<u>930,000</u>	<u>794,253</u>	<u>(135,747)</u>
<u>EXPENDITURES</u>				
Professional services	213,474	451,234	258,823	192,411
Salaries and wages	113,193	113,193	105,581	7,612
Miscellaneous	443,500	443,500	419,675	23,825
Debt service:				
Principal	215,000	215,000	-	215,000
Interest and administrative charges	85,000	85,000	-	85,000
Total expenditures	<u>1,070,167</u>	<u>1,307,927</u>	<u>784,079</u>	<u>523,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(140,167)</u>	<u>(377,927)</u>	<u>10,174</u>	<u>388,101</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	137,760	137,760
Transfer out	-	-	(299,668)	(299,668)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(161,908)</u>	<u>(161,908)</u>
Net change in fund balance	<u>\$ (140,167)</u>	<u>\$ (377,927)</u>	<u>(151,734)</u>	<u>\$ 226,193</u>
Fund balance at beginning of year			<u>1,155,610</u>	
Fund balance at end of year			<u>\$ 1,003,876</u>	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Community Development Fund – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 361,484	\$ 394,178	\$ 158,146	\$ (236,032)
Total revenues	<u>361,484</u>	<u>394,178</u>	<u>158,146</u>	<u>(236,032)</u>
<u>EXPENDITURES</u>				
Miscellaneous	361,484	393,996	156,706	237,290
Total expenditures	<u>361,484</u>	<u>393,996</u>	<u>156,706</u>	<u>237,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>182</u>	<u>1,440</u>	<u>(1,258)</u>
<u>OTHER FINANCING USES</u>				
Transfer out	-	-	(10,686)	(10,686)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(10,686)</u>	<u>(10,686)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 182</u>	<u>(9,246)</u>	<u>\$ (11,944)</u>
Fund balance at beginning of year			<u>22,028</u>	
Fund balance at end of year			<u>\$ 12,782</u>	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Economic Development Fund – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Other revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING USES</u>				
Transfer out	-	-	(3,874)	(3,874)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(3,874)</u>	<u>(3,874)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,874)</u>	<u>\$ (3,874)</u>
Fund balance at beginning of year			<u>3,874</u>	
Fund balance at end of year			<u>\$ -</u>	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Capital Projects (Major Fund) – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Interest income	\$ 63,000	\$ 100,000	\$ 68,073	\$ (31,927)
Total revenues	63,000	100,000	68,073	(31,927)
<u>EXPENDITURES</u>				
General government	-	4,442,240	10,000	4,432,240
Public safety	4,066,000	3,952,461	3,188,976	763,485
Highways and public improvements	-	228,539	260,576	(32,037)
Debt service				
Bond issuance costs	-	-	140,972	(140,972)
Total expenditures	4,066,000	8,623,240	3,600,524	5,022,716
Excess (deficiency) of revenues over (under) expenditures	(4,003,000)	(8,523,240)	(3,532,451)	4,990,789
<u>OTHER FINANCING SOURCES (USES)</u>				
Refunding bonds issued	-	4,580,000	6,162,399	1,582,399
Payments to bond escrow agent	-	-	(1,520,000)	(1,520,000)
Transfers in	2,876,000	4,081,000	1,165,000	(2,916,000)
Transfers out	-	-	(137,760)	(137,760)
Total other financing sources (uses)	2,876,000	8,661,000	5,669,639	(2,991,361)
Net change in fund balance	\$ (1,127,000)	\$ 137,760	2,137,188	\$ 1,999,428
Fund balance at beginning of year			3,256,136	
Fund balance at end of year			\$ 5,393,324	

MURRAY CITY CORPORATION, UTAH
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Cemetery Perpetual Care Fund – Budget to Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Perpetual care fees	\$ 60,000	\$ 60,000	\$ 58,677	\$ (1,323)
Interest income	56,000	56,000	27,040	(28,960)
Total revenues	<u>116,000</u>	<u>116,000</u>	<u>85,717</u>	<u>(30,283)</u>
<u>EXPENDITURES</u>				
Miscellaneous	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>116,000</u>	<u>116,000</u>	<u>85,717</u>	<u>(30,283)</u>
<u>OTHER FINANCING USES</u>				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing uses	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 56,000</u>	<u>\$ 56,000</u>	25,717	<u>\$ (30,283)</u>
Fund balance at beginning of year			1,292,675	
Fund balance at end of year			<u>\$ 1,318,392</u>	

MURRAY CITY CORPORATION, UTAH
Statement of Net Assets – Internal Service Funds
June 30, 2009

	Central Garage Fund	Retained Risk Reserve Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 1,965	\$ 838,279	\$ 840,244
Inventories	58,539	-	58,539
Total current assets	<u>60,504</u>	<u>838,279</u>	<u>898,783</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	138,176	-	138,176
Less: accumulated depreciation	(87,767)	-	(87,767)
Total noncurrent assets	<u>50,409</u>	<u>-</u>	<u>50,409</u>
Total assets	<u>\$ 110,913</u>	<u>\$ 838,279</u>	<u>\$ 949,192</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	10,784	-	\$ 10,784
Accrued liabilities	2,087	200,000	202,087
Due to other funds	25,000	-	25,000
Compensated absences	15,453	-	15,453
Total current liabilities	<u>53,324</u>	<u>200,000</u>	<u>253,324</u>
Noncurrent liabilities:			
Compensated absences	18,584	-	18,584
Net OPEB payable	16,471	-	16,471
Total noncurrent liabilities	<u>35,055</u>	<u>-</u>	<u>35,055</u>
Total liabilities	<u>88,379</u>	<u>200,000</u>	<u>288,379</u>
<u>NET ASSETS</u>			
Invested in capital assets	50,409	-	50,409
Unrestricted	(27,875)	638,279	610,404
Total net assets	<u>22,534</u>	<u>638,279</u>	<u>660,813</u>
Total liabilities and net assets	<u>\$ 110,913</u>	<u>\$ 838,279</u>	<u>\$ 949,192</u>

MURRAY CITY CORPORATION, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Net Assets –
Internal Service Funds
For the Year Ended June 30, 2009

	Central Garage Fund	Retained Risk Reserve Fund	Total
<u>OPERATING REVENUES</u>			
Charges for services	\$ 389,384	\$ -	\$ 389,384
Total operating revenues	389,384	-	389,384
<u>OPERATING EXPENSES</u>			
Depreciation and amortization	5,313	-	5,313
Garage	309,051	-	309,051
Self insurance claims	-	35,223	35,223
Total operating expenses	314,364	35,223	349,587
Operating income (loss)	75,020	(35,223)	39,797
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	-	18,412	18,412
Change in net assets	75,020	(16,811)	58,209
Total net assets - beginning	(52,486)	655,090	602,604
Total net assets - ending	\$ 22,534	\$ 638,279	\$ 660,813

MURRAY CITY CORPORATION, UTAH
Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2009

	Central Garage Fund	Retained Risk Reserve Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 389,384	\$ -	\$ 389,384
Payments to suppliers	(140,662)	(35,223)	(175,885)
Payments to employees	(247,013)	-	(247,013)
Net cash provided (used) by by operating activities	<u>1,709</u>	<u>(35,223)</u>	<u>(33,514)</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Interest and dividends received	-	18,412	18,412
Net cash provided by investing activities	<u>-</u>	<u>18,412</u>	<u>18,412</u>
Net increase (decrease) in cash and cash equivalents	1,709	(16,811)	(15,102)
Cash and cash equivalents, beginning of year	256	855,090	855,346
Cash and cash equivalents, end of year	<u>\$ 1,965</u>	<u>\$ 838,279</u>	<u>\$ 840,244</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 75,020	\$ (35,223)	\$ 39,797
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	5,313	-	5,313
Changes in assets and liabilities:			
Inventories	(4,046)	-	(4,046)
Accounts payable	(6,959)	-	(6,959)
Accrued liabilities	(9,090)	-	(9,090)
Due to other funds	(75,000)	-	(75,000)
Compensated absences & OPEB	16,471	-	16,471
Net cash provided (used) by by operating activities	<u>\$ 1,709</u>	<u>\$ (35,223)</u>	<u>\$ (33,514)</u>

MURRAY CITY CORPORATION, UTAH
Combining Statement of Net Assets – Non-Major Proprietary Funds
June 30, 2009

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 403,665	\$ 423,096	\$ 826,761
Receivables:			
Accounts	-	42,050	42,050
Inventories	78,211	-	78,211
Total current assets	<u>481,876</u>	<u>465,146</u>	<u>947,022</u>
Noncurrent assets:			
Capital assets:			
Land	326,336	-	326,336
Buildings	797,534	-	797,534
Improvements other than buildings	3,895,006	-	3,895,006
Machinery and equipment	762,644	-	762,644
Furniture and fixtures	6,434	-	6,434
Accumulated depreciation	(4,284,340)	-	(4,284,340)
Net capital assets	<u>1,503,614</u>	<u>-</u>	<u>1,503,614</u>
Total assets	<u>\$ 1,985,490</u>	<u>\$ 465,146</u>	<u>\$ 2,450,636</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 41,913	\$ 43,930	\$ 85,843
Accrued liabilities	22,930	-	22,930
Accrued interest payable	1,794	-	1,794
Compensated absences	33,555	-	33,555
Bonds and leases payable	38,687	-	38,687
Total current liabilities	<u>138,879</u>	<u>43,930</u>	<u>182,809</u>
Noncurrent liabilities:			
Compensated absences	54,271	-	54,271
Net OPEB payable	32,942	-	32,942
Bonds and leases payable	81,205	-	81,205
Total noncurrent liabilities	<u>168,418</u>	<u>-</u>	<u>168,418</u>
Total liabilities	<u>307,297</u>	<u>43,930</u>	<u>351,227</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,383,722	-	1,383,722
Unrestricted	294,471	421,216	715,687
Total net assets	<u>1,678,193</u>	<u>421,216</u>	<u>2,099,409</u>
Total liabilities and net assets	<u>\$ 1,985,490</u>	<u>\$ 465,146</u>	<u>\$ 2,450,636</u>

MURRAY CITY CORPORATION, UTAH
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets –
Non-Major Proprietary Funds
For the Year Ended June 30, 2009

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	
<u>OPERATING REVENUES</u>			
Sales and charges for services	\$ 685,284	\$ 818,520	\$ 1,503,804
Green fees	901,672	-	901,672
Other	9,320	-	9,320
Total operating revenues	<u>1,596,276</u>	<u>818,520</u>	<u>2,414,796</u>
<u>OPERATING EXPENSES</u>			
Administration and general	124,802	-	124,802
Depreciation and amortization	185,975	-	185,975
Operations and maintenance	744,116	829,194	1,573,310
Jordan River parkway	515,387	-	515,387
Total operating expenses	<u>1,570,280</u>	<u>829,194</u>	<u>2,399,474</u>
Operating income (loss)	<u>25,996</u>	<u>(10,674)</u>	<u>15,322</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	6,331	1,859	8,190
Interest expense	(4,185)	(2,660)	(6,845)
Total nonoperating revenues (expenses)	<u>2,146</u>	<u>(801)</u>	<u>1,345</u>
Income before transfers	28,142	(11,475)	16,667
Transfers Out	(22,000)	-	(22,000)
Change in net assets	6,142	(11,475)	(5,333)
Total net assets - beginning	<u>1,672,051</u>	<u>432,691</u>	<u>2,104,742</u>
Total net assets - ending	<u>\$ 1,678,193</u>	<u>\$ 421,216</u>	<u>\$ 2,099,409</u>

MURRAY CITY CORPORATION, UTAH
Combining Statement of Cash Flows – Non-Major Proprietary Funds
For the Year Ended June 30, 2009

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	
Cash flows from operating activities			
Receipts from customers and users	\$ 1,596,276	\$ 815,989	\$ 2,412,265
Payments to suppliers	(1,232,367)	(788,889)	(2,021,256)
Payments to employees	(123,942)	-	(123,942)
Net cash provided by operating activities	<u>239,967</u>	<u>27,100</u>	<u>267,067</u>
Cash flows from noncapital financing activities			
Transfers from (to) other funds	(22,000)	-	(22,000)
Net cash provided by (used in) noncapital financing activities	<u>(22,000)</u>	<u>-</u>	<u>(22,000)</u>
Cash flows from capital and related financing activities			
Acquisition of capital assets	(133,409)	-	(133,409)
Interest paid on capital debt	(4,414)	(2,660)	(7,074)
Principal paid on debt	(38,186)	(69,090)	(107,276)
Net cash provided by (used in) capital and related financing activities	<u>(176,009)</u>	<u>(71,750)</u>	<u>(247,759)</u>
Cash flows from investing activities			
Interest and dividends received	6,331	1,859	8,190
Net cash provided by investing activities	<u>6,331</u>	<u>1,859</u>	<u>8,190</u>
Net increase (decrease) in cash and cash equivalents	48,289	(42,791)	5,498
Cash and cash equivalents, beginning of year	355,376	465,887	821,263
Cash and cash equivalents, end of year	<u>\$ 403,665</u>	<u>\$ 423,096</u>	<u>\$ 826,761</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (loss)	\$ 25,996	\$ (10,674)	\$ 15,322
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	185,975	-	185,975
Changes in assets and liabilities:			
Accounts receivable	-	(2,531)	(2,531)
Inventories	(7,311)	-	(7,311)
Accounts payable	34,447	40,305	74,752
Accrued liabilities	(39,145)	-	(39,145)
Compensated absences & OPEB	40,005	-	40,005
Net cash provided by operating activities	<u>\$ 239,967</u>	<u>\$ 27,100</u>	<u>\$ 267,067</u>

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STATISTICAL SECTION

MURRAY CITY CORPORATION, UTAH

Statistical Section

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosure, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.	80
Revenue Capacity These schedules contain information to help the reader assess the government’s most significant local revenue source, the sales tax and property tax.	88
Debt Capacity These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.	92
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.	96
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.	98

MURRAY CITY CORPORATION

Schedule I

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

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of debt	\$ 22,869,807	\$ 28,770,223	\$ 28,343,192	\$ 29,541,665	\$ 52,274,868	\$ 52,908,117	\$ 52,902,803	\$ 59,490,056
Restricted	7,557,422	2,558,697	2,202,087	1,898,696	1,899,774	520,000	520,000	6,294,866
Unrestricted	12,289,215	13,450,927	15,688,858	18,077,438	20,642,104	18,270,359	22,141,505	8,983,677
Total governmental net assets	\$ 42,716,444	\$ 44,779,847	\$ 46,234,137	\$ 49,517,799	\$ 74,816,746	\$ 71,698,476	\$ 75,564,308	\$ 74,768,599
Business-type activities								
Invested in capital assets, net of debt	\$ 49,286,673	\$ 53,545,182	\$ 49,573,548	\$ 39,193,479	\$ 42,286,323	\$ 56,426,684	\$ 53,268,719	\$ 53,074,008
Restricted	2,121,200	2,155,287	4,282,936	314,066	314,066	-	-	1,002,666
Unrestricted	4,610,149	2,102,157	3,188,789	18,453,040	16,911,220	16,278,747	18,305,591	16,660,277
Total business-type net assets	\$ 56,018,022	\$ 57,802,626	\$ 57,045,273	\$ 57,960,585	\$ 59,511,609	\$ 72,705,431	\$ 71,574,310	\$ 70,736,951
Primary government								
Invested in capital assets, net of debt	\$ 72,156,480	\$ 82,315,405	\$ 77,916,740	\$ 68,735,144	\$ 94,561,191	\$ 109,334,801	\$ 106,171,522	\$ 112,564,064
Restricted	9,678,622	4,713,984	6,485,023	2,212,762	2,213,840	520,000	520,000	7,297,532
Unrestricted	16,899,364	15,553,084	18,877,647	36,530,478	37,553,324	34,549,106	40,447,096	25,643,954
Total primary government net assets	\$ 98,734,466	\$ 102,582,473	\$ 103,279,410	\$ 107,478,384	\$ 134,328,355	\$ 144,403,907	\$ 147,138,618	\$ 145,505,550

Note: Information is not available for years prior to 2002 when the city implemented the GASB Statement 34 reporting model.

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MURRAY CITY CORPORATION

Schedule 2

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

	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities								
General government	\$ 4,065,105	\$ 4,136,700	\$ 4,074,801	\$ 4,054,281	\$ 4,557,351	\$ 5,089,925	\$ 5,535,977	\$ 9,033,246
Public safety	12,416,912	12,392,322	13,214,002	13,877,094	14,387,079	15,758,002	15,989,552	18,181,844
Highways & public improvements	4,748,122	4,459,142	4,874,103	3,724,064	7,430,318	5,914,630	5,212,078	6,065,812
Parks & recreation	3,348,204	2,907,748	5,563,445	6,083,456	6,556,539	6,705,421	6,297,459	5,921,701
Library	1,128,403	1,139,467	1,258,685	1,379,520	1,468,358	1,477,881	1,444,039	1,343,653
Community & economic development	2,225,452	385,434	525,528	684,436	606,982	433,737	776,806	941,785
Interest on long term debt	652,990	781,567	764,187	774,296	708,588	427,264	488,505	538,986
Total governmental expenses	28,585,188	26,202,380	30,274,751	30,577,147	35,715,215	35,806,860	35,744,416	42,047,027
Business-type activities								
Power	37,517,554	30,596,620	30,183,419	30,428,215	32,394,213	33,585,345	35,397,182	35,358,164
Water	3,249,238	3,368,046	3,752,221	4,046,970	3,662,740	4,022,923	3,520,613	4,222,561
Wastewater	2,641,355	2,925,598	2,945,314	3,032,725	3,403,524	3,353,761	2,745,852	3,562,933
Golf course	1,961,230	1,570,162	1,448,381	1,469,321	1,397,843	1,729,276	1,538,119	1,574,465
Telecomm/Storm Water in 2007	178,304	214,648	213,443	-	-	1,462,630	1,381,677	1,392,484
Solid waste	641,874	299,524	1,012,461	682,874	741,945	782,577	710,794	831,854
Total business-type net assets	46,189,555	38,974,598	39,555,239	39,660,105	41,600,265	44,936,512	45,294,237	46,942,461
Total primary government expenses	\$ 74,774,743	\$ 65,176,978	\$ 69,829,990	\$ 70,237,252	\$ 77,315,480	\$ 80,743,372	\$ 81,038,653	\$ 88,989,488
Program revenues								
Governmental activities								
Charges for services	\$ 4,241,828	\$ 3,552,998	\$ 3,963,475	\$ 4,303,470	\$ 3,272,173	\$ 3,385,471	\$ 3,615,584	\$ 5,963,347
General government	332,968	248,534	161,071	234,154	338,222	322,965	340,284	867,300
Public safety	-	-	-	-	-	-	-	97,056
Highways & public improvements	745,884	1,012,882	1,312,650	1,403,926	1,504,895	1,689,310	1,702,493	1,632,314
Parks & recreation	24,626	27,853	28,394	26,810	35,881	35,273	40,052	46,162
Library	490,752	710,624	670,186	1,742,881	797,714	1,041,150	-	-
Community & economic development	184,101	1,740,930	307,046	369,624	456,718	555,443	364,758	456,697
Operating grants & contributions	1,615,985	1,740,930	1,612,653	1,365,688	1,491,235	14,892,624	1,591,139	1,231,687
Capital grants & contributions	7,636,144	7,293,821	8,055,475	9,446,553	7,896,838	21,922,236	7,654,310	10,294,563
Total governmental program revenues								

MURRAY CITY CORPORATION
Schedule 3
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Transient Room Tax	In Lieu of Tax Transfer	Total
2000	\$ 4,229,695	\$ 11,842,556	\$ 822,014	\$ 33,222	\$2,547,846	19,475,333
2001	4,537,715	11,779,998	979,356	58,291	2,734,222	20,089,582
2002	5,020,708	12,709,545	1,369,446	48,509	2,357,056	21,505,264
2003	5,113,897	11,092,873	2,649,398	78,276	1,293,801	20,228,245
2004	6,369,655	11,871,337	3,160,337	60,990	1,374,758	22,837,077
2005	6,919,279	12,356,922	4,188,965	63,918	1,315,997	24,845,081
2006	6,959,296	13,464,760	4,742,777	80,409		25,247,242
2007	8,928,609	14,001,006	4,618,367	96,061		27,644,043
2008	8,975,027	13,941,921	4,918,591	103,260		27,938,799
2009	8,773,598	12,249,133	5,056,167	102,350		26,181,248

Note: Beginning in 2006 In Lieu of Tax Transfers were no longer classified as tax revenue.

MURRAY CITY CORPORATION
Schedule 4

Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ 76	\$ 79	\$ 600	\$ 184	\$ 1,580	\$ 1,745	\$ 1,280	\$ 3,065	\$ 3,035	\$ 2,459
Unreserved	3,901	4,143	5,873	4,145	4,032	6,233	7,781	8,092	5,962	7,060
Total General Fund	\$ 3,977	\$ 4,222	\$ 6,473	\$ 4,329	\$ 5,612	\$ 7,978	\$ 9,061	\$ 11,157	\$ 8,997	\$ 9,519
All other governmental funds										
Reserved	\$ 1,907	\$ 1,559	\$ 2,548	\$ 2,149	\$ 1,949	\$ 1,978	\$ 1,952	\$ 575	\$ 576	\$ 5,077
Unreserved, reported in										
Capital projects fund	106	168	176	102	614	197	8	2,372	3,256	881
Special revenue funds	892	2,027	2,649	815	591	881	957	1,381	750	768
Permanent fund	-	-	496	509	517	539	607	708	773	798
Total all other governmental funds	\$ 2,905	\$ 3,754	\$ 5,869	\$ 3,575	\$ 3,671	\$ 3,595	\$ 3,524	\$ 5,036	\$ 5,355	\$ 7,524

MURRAY CITY CORPORATION

Schedule 5

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes & special assessments	\$ 19,475	\$ 20,090	\$ 21,505	\$ 20,228	\$ 22,837	\$ 24,845	\$ 25,247	\$ 27,644	\$ 27,939	\$ 26,181
Licenses & permits	1,035	902	802	1,052	1,025	2,235	1,449	1,659	1,629	1,236
Intergovernmental	1,408	3,826	2,081	1,952	1,920	1,736	1,948	2,099	1,956	1,688
Charges for services	967	962	1,202	1,365	1,586	1,776	1,985	2,122	2,043	5,586
Fines & forfeitures	682	1,068	1,475	1,842	2,150	2,384	2,300	2,477	2,026	1,784
Rents & concessions	747	772	757	747	1,060	1,326	1,314	1,297	-	-
Miscellaneous	321	354	298	205	492	203	202	325	269	1,181
Interest	598	723	651	439	434	464	727	1,026	905	496
Total revenues	25,233	28,697	28,771	27,830	31,504	34,969	35,172	38,649	36,767	38,152
Expenditures										
General government	3,038	3,203	2,536	4,069	4,302	4,566	5,105	5,407	5,212	7,969
Public safety	9,847	11,178	11,827	11,744	12,534	13,194	14,624	16,166	16,003	19,804
Highways & public improvements	3,308	3,590	4,330	4,321	4,243	3,274	5,734	3,186	2,707	2,526
Parks & recreation	2,769	2,730	3,061	3,416	4,802	5,328	5,621	6,003	5,286	5,484
Library	969	1,080	1,230	1,242	1,362	1,514	1,540	1,549	1,582	1,363
Community & economic development	26	47	594	249	258	201	237	33	37	157
Redevelopment	268	319	163	135	267	477	369	400	598	784
Capital outlay	3,711	4,337	12,403	5,864	4,095	2,967	231	1,371	8,358	4,342
Debt Service										
Principal	755	800	796	585	935	1,260	1,300	1,340	1,305	1,723
Interest	306	260	606	777	745	772	713	448	515	515
Bond issuance costs	-	-	207	-	-	-	-	159	-	141
Total expenditures	24,997	27,544	37,753	32,402	33,543	33,553	35,474	36,062	41,603	44,808
Excess of revenues over (under) expenditures	236	1,153	(8,982)	(4,572)	(2,039)	1,416	(302)	2,587	(4,836)	(6,656)

Other financing sources (uses)												
Proceeds from borrowing	-	-	11,655	-	3,000	-	-	-	10,156	-	-	6,162
Payments to refunding bond escrow	-	-	-	-	-	-	-	(11,619)	-	-	-	(1,520)
Capital lease financing	-	-	-	-	-	733	180	-	-	-	-	1,557
Transfers in	215	200	1,180	560	25	245	1,576	5,195	8,809	8,809	4,681	
Transfers out	(50)	(25)	(1,060)	(560)	(25)	(245)	(557)	(2,842)	(5,996)	(5,996)	(1,744)	
Sales of capital assets	88	113	173	134	418	141	115	130	184	184	210	
Total other financing sources (uses)	253	288	11,948	134	3,418	874	1,314	1,020	2,997	2,997	9,346	
Net change in fund balances	\$ 489	\$ 1,441	\$ 2,966	\$ (4,438)	\$ 1,379	\$ 2,290	\$ 1,012	\$ 3,607	\$ (1,839)	\$ (1,839)	\$ 2,690	

Debt service as a % of noncapital expenditures	5.25%	4.79%	5.91%	5.41%	6.05%	7.12%	6.06%	5.46%	5.79%	5.88%
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MURRAY CITY CORPORATION
Schedule 6
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending June 30	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
2000	\$ 1,879,439,211	1.23	\$ 2,320,000,000	81.0%
2001	1,995,381,842	1.36	2,460,000,000	81.1%
2002	2,140,558,277	1.54	2,820,000,000	75.9%
2003	2,240,713,841	1.49	2,870,000,000	78.1%
2004	2,646,945,401	1.51	3,578,000,000	74.0%
2005	2,759,982,137	1.50	3,720,000,000	74.2%
2006	2,862,401,216	1.45	3,863,000,000	74.1%
2007	3,288,381,528	1.77	4,420,000,000	74.4%
2008	3,866,773,720	1.52	5,225,000,000	74.0%
2009	4,098,025,336	1.42	6,075,000,000	67.5%

Source: Salt Lake County Auditor's Office

Note: All property in Salt Lake County is assessed annually. All property is assessed at its fair market value with a 45% reduction in fair market value allowed for primary residential property. Tax rates are per \$1,000 of assessed value.

MURRAY CITY CORPORATION
Schedule 6A
Power Fund Revenue Information

Note: Information on power revenue is located in the "Continuing Disclosure Section" under the Electric Revenue Bond title.

MURRAY CITY CORPORATION
Schedule 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rate	Overlapping Rates				
	Total Murray City Direct	Murray School District	Murray City Library	Salt Lake County	Mosquito Abatement District	Central Utah Water Conservation
2000	1.23%	5.20%	0.43%	3.87%	0.01%	0.40%
2001	1.36	5.14	0.40	2.91	0.01	0.39
2002	1.54	5.88	0.39	2.03	0.01	0.40
2003	1.49	6.47	0.38	2.94	0.02	0.40
2004	1.51	6.51	0.38	2.87	0.03	0.36
2005	1.50	6.64	0.51	2.82	0.03	0.35
2006	1.45	6.53	0.49	2.68	0.03	0.40
2007	1.77	5.95	0.43	2.35	0.03	0.40
2008	1.52	5.09	0.37	1.99	0.02	0.30
2009	1.42	4.79	0.35	1.92	0.02	0.29

Source: Salt Lake County

MURRAY CITY CORPORATION
Schedule 8
Principal Sales Tax Payers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Sales Tax Collections	Rank	Percentage of Total City Sales Taxes	Sales Tax Collections	Rank	Percentage of Total City Sales Taxes
Warehouse Store	\$ 1,380,046	1	11.27%	\$-----		-----
Clothing Store	609,881	2	4.98%	406,510	5	2.99%
Furniture Store	596,154	3	4.87%	651,938	2	4.79%
Auto Sales	504,998	4	4.12%	-----		-----
Warehouse Store	385,415	5	3.15%	613,697	3	4.51%
Auto Sales	343,697	6	2.81%	-----		-----
Auto Sales	341,959	7	2.79%	218,123	9	1.60%
Auto Sales	341,915	8	2.79%	-----		-----
Electronics Store	332,281	9	2.71%	-----		-----
Auto Sales	287,027	10	2.34%	-----		-----
Department Store	261,512	11	2.13%	314,856	7	2.31%
Auto Sales	251,808	12	2.06%	-----		-----
Utilities	241,990	13	1.98%	171,811	13	1.26%
Auto Sales	240,007	14	1.96%	201,509	11	1.48%
Building Materials	235,530	15	1.92%	-----		-----
Auto Sales				1,428,247	1	10.50%
Department Store				504,223	4	3.71%
Auto Sales				325,351	6	2.39%
General Merchandise				223,399	8	1.64%
Food Retailer				210,738	10	1.55%
Auto Sales				195,682	12	1.44%
Electronics Store				155,518	14	1.14%
Auto Sales				141,005	15	1.04%
Total	<u>\$ 6,354,220</u>		<u>51.87%</u>	<u>\$ 5,762,607</u>		<u>42.36%</u>

Source: Utah State Tax Commission

MURRAY CITY CORPORATION
Schedule 9
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 2,347,319	\$ 2,267,083	96.58%	\$ 79,773	\$ 2,346,856	99.98%
2001	2,803,216	2,720,974	97.07%	68,077	2,789,051	99.49%
2002	3,339,529	3,236,133	96.90%	56,414	3,292,547	98.59%
2003	3,370,383	3,266,544	96.92%	82,203	3,348,747	99.36%
2004	4,050,520	3,895,765	96.18%	75,424	3,971,189	98.04%
2005	4,213,642	4,131,312	98.05%	122,950	1,254,262	100.96%
2006	4,252,740	4,125,737	97.01%	111,516	4,237,253	99.64%
2007	5,961,277	5,803,417	97.35%	88,346	5,891,763	98.83%
2008	5,680,958	5,382,672	94.75%	88,937	5,471,609	96.31%
2009	5,979,944	5,764,695	96.40%	93,451	5,858,146	97.96%

Source: Salt Lake County Treasurer

MURRAY CITY CORPORATION
Schedule 10
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases			
2000	\$ 6,531,000	\$ -	\$ 2,750,000	\$ -	\$ 9,281,000	0.74%	\$ 204
2001	5,731,000	-	20,000,000	-	25,731,000	1.95%	565
2002	16,590,000	-	19,430,000	126,000	36,146,000	2.72%	798
2003	16,005,000	-	18,755,000	98,000	34,858,000	2.62%	781
2004	18,070,000	-	26,555,000	387,000	45,012,000	3.22%	1,010
2005	16,810,000	713,000	34,820,000	290,000	52,633,000	3.59%	1,184
2006	15,510,000	543,000	33,450,000	200,000	49,703,000	3.27%	1,121
2007	13,115,000	550,159	32,505,000	639,562	46,809,721	2.71%	1,044
2008	11,810,000	372,998	31,005,000	420,924	43,608,922	2.73%	954
2009	14,865,000	1,746,581	29,420,000	531,008	46,652,589	2.80%	1,010

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

MURRAY CITY CORPORATION
Schedule 11
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt (2)(3)
Debt repaid with property taxes			
Murray City School District	\$ 22,480,000	100.00%	\$ 22,480,000
Salt Lake County General Obligation Debt	247,300,000	4.50%	11,128,500
Other debt			
Salt Lake County Sales Tax Bonds	80,300,000	4.50%	3,613,500
Salt Lake County Lease Revenue Bonds	36,600,000	4.50%	1,647,000
Salt Lake County Capital Leases	1,500,000	4.50%	67,500
Salt Lake County Special Assessment Bonds	4,300,000	4.50%	193,500
Subtotal, overlapping debt			<u>39,130,000</u>
Murray City direct debt			<u>16,611,580</u>
Total direct and overlapping debt			<u><u>\$ 55,741,580</u></u>

Source: Debt outstanding data obtained from Salt Lake County Auditor.

- (1) The percentage of overlapping debt is based upon population.
- (2) Murray City School District's debt is as of their fiscal year end which is June 30.
- (3) Salt Lake County's debt is as of their fiscal year end which is December 31.

MURRAY CITY CORPORATION

Schedule 12

Legal Debt Margin Information

Last Ten Fiscal Years

(in thousands of dollars)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 185,600	\$ 196,800	\$ 225,600	\$ 229,600	\$ 286,240	\$ 297,600	\$ 309,040	\$ 353,600	\$ 418,000	\$ 486,000
Total net debt applicable to limit	1,731	18,366	19,661	18,977	29,739	39,085	48,960	45,620	42,815	44,285
Legal debt margin	\$ 183,869	\$ 178,434	\$ 205,939	\$ 210,623	\$ 256,501	\$ 258,515	\$ 260,080	\$ 307,980	\$ 375,185	\$ 441,715

Total net debt applicable to the limit as a percentage of debt limit	0.93%	9.33%	8.71%	8.27%	10.39%	13.13%	15.84%	12.90%	10.24%	9.11%
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Legal Debt Margin Calculation for Fiscal Year 2009

Total reasonable fair cash value	\$6,075,000
Debt limit (8% of fair cash value)	486,000
Debt applicable to debt limit	44,285
Legal debt margin	<u>\$ 441,715</u>

Note: The bonded debt of the City is limited by statute to 8% of the "reasonable fair cash value" of property.

MURRAY CITY CORPORATION
Schedule 13
Pledged Revenue Coverage
Last Ten Fiscal Years

2001, 2004, 2006 Electric Revenue Bonds

Fiscal Year	Utility Revenues(1)	Less Utility Expenses(2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2000	\$ 23,475,471	\$ 18,981,880	\$ 4,493,591	\$ 805,000	\$ 246,838	4.27
2001	23,453,257	24,170,134	(716,877)	-	366,063	(1.96)
2002	29,865,308	32,086,704	(2,221,396)	570,000	1,073,620	(1.35)
2003	32,505,637	25,863,361	6,642,276	675,000	958,300	4.07
2004	29,174,680	25,364,029	3,810,651	700,000	931,300	2.34
2005	29,276,312	25,246,377	4,029,935	730,000	1,138,221	2.16
2006	32,957,429	27,534,067	5,423,362	1,060,000	1,276,823	2.32
2007	33,905,131	28,952,452	4,952,679	1,115,000	1,147,010	2.19
2008	34,091,482	30,928,405	3,163,077	1,175,000	1,207,253	1.33
2009	35,876,773	30,789,288	5,087,485	1,255,000	1,057,379	2.20

2003 Water and Sewer Revenue Bonds

2004	\$ 7,904,276	\$ 4,865,702	\$ 3,038,574	\$ -	\$ 161,331	18.83
2005	9,075,720	4,799,802	4,275,918	305,000	346,825	6.56
2006	8,645,714	5,112,252	3,533,462	310,000	340,675	5.43
2007	9,565,796	5,363,965	4,201,831	315,000	345,122	6.37
2008	9,683,420	4,836,573	4,846,847	325,000	327,619	7.43
2009	9,263,744	5,980,985	3,282,759	330,000	319,425	5.05

2003 Excise Tax Road Revenue Bonds

2004	\$ 1,545,963	\$ -	\$ 1,545,963	\$ -	\$ 34,688	44.57
2005	1,200,096	-	1,200,096	535,000	64,025	2.00
2006	1,415,168	-	1,415,168	545,000	53,225	2.37
2007	1,515,171	-	1,515,171	555,000	42,125	2.54
2008	1,555,813	-	1,555,813	570,000	30,263	2.59
2009	1,073,541	-	1,073,541	585,000	15,075	1.79

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

(1) Revenues include operating and non-operating revenues.

(2) Expenses exclusive of depreciation, amortization, loss in joint venture, interest expense, and in lieu of tax transfers.

MURRAY CITY CORPORATION
Schedule 14
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population(1)	Personal Income	Per Capita Personal Income(2)	Unemployment Rate(3)
1999	33,461	\$ 857,136,976	\$ 25,616	3.4%
2000	45,391	1,256,150,534	27,674	3.0%
2001	45,565	1,317,511,975	28,915	4.3%
2002	45,315	1,329,949,935	29,349	6.3%
2003	44,621	1,331,401,398	29,838	5.7%
2004	44,555	1,397,467,575	31,365	4.8%
2005	44,453	1,466,193,299	32,983	4.7%
2006	44,844	1,728,467,186	38,544	2.4%
2007	45,732	1,598,379,132	34,951	3.4%
2008	46,201	1,663,605,608	36,008	5.7%

(1) United States Census Bureau for Murray City.

(2) U.S. Department of Commerce, Bureau of Economic Analysis for Salt Lake County/City.

(3) Utah Department of Workforce Services for Salt Lake County.

MURRAY CITY CORPORATION
Schedule 15
Principal Employers
As of June 30, 2009

Employer	Industry Type	Employees	Rank
Intermountain Health Care	Health care	4743	1
Murray City Corporation	City government	977	2
Murray City School District	Public education	868	3
The University of Phoenix	Higher education	474	4
Nordstrom, Inc	Department store	394	5
3M Health Information Systems	Data processing services	377	6
Costco Wholesale Corp	Retailer	311	7
The Cheesecake Factory	Restaurant	255	8
Sorensen Bio Science	Plastic products	250	9
Zevex	Electrical appliances and equipment	218	10

Note: Principal employers for prior years is not available.

MURRAY CITY CORP
Schedule 16
Full Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Funtion/Program	Full Time Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	54	58	62	66	66	68	66	65	59	59
Police										
Officers	66	67	67	70	72	75	75	78	78	75
Civilians	15	17	17	17	17	17	17	17	17	18
Fire										
Firefighters	40	50	50	50	50	50	50	52	52	59
Civilians	2	1	2	2	2	2	2	2	2	3
Highways & Public Improvements	36	36	38	38	40	40	42	36	35	35
Parks & Recreation	29	31	31	34	34	34	34	34	34	34
Library	10	10	10	10	10	10	10	10	9	9
Community & Economic Development	5	6	6	6	6	5	5	5	4	4
Fleet	7	7	6	6	6	5	5	4	4	4
Power	59	62	59	55	56	54	54	54	54	55
Water	15	16	16	17	16	16	16	16	16	16
Wastewater	11	10	10	9	10	10	9	9	8	9
Golf Course	10	10	9	9	9	9	9	9	8	8
Storm Water	0	0	0	0	0	0	0	6	6	7
Metro Narcotics Task Force	4	4	4	4	4	4	4	4	3	3
Total Full Time Equivalent Employees	363	385	387	393	398	399	398	401	389	398
Seasonal Employees	307	326	393	503	555	574	543	575	560	579
Total Employees	670	711	780	896	953	973	941	976	949	977

MURRAY CITY CORPORATION

Schedule 17

Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	2,697	3,497	3,654	3,528	4,318	4,563	4,260	2,549	2,194	2,588
Traffic citations	-	-	-	7,746	11,429	13,588	11,959	6,935	6,666	8,141
Fire										
Fire calls	1,020	1,113	1,148	1,163	1,030	1,086	1,261	1,252	1,261	1,496
Medical calls	2,730	2,991	3,489	3,473	3,141	3,490	3,456	3,687	3,962	3,741
Inspections	905	987	1,144	1,310	1,266	1,132	1,176	1,200	1,261	794
Parks & recreation										
Park center admissions	-	-	2,522	18,539	30,317	32,074	34,000	33,257	43,272	34,000
Recreation participants	11,686	11,436	12,100	13,653	14,873	15,581	15,320	15,484	16,447	17,779
Library										
Volumes in collection	73,406	84,344	81,715	82,335	82,602	81,643	85,861	84,236	86,723	90,627
Total volumes borrowed	262,974	265,084	294,418	307,901	340,622	352,306	339,282	365,855	406,842	418,169
Water										
Customers	9,084	9,074	9,229	9,310	9,356	9,304	9,456	9,490	9,825	9,890
Annual consumption (in millions of gallons)	3,131	2,974	2,836	2,729	2,711	3,234	2,750	3,865	3,344	3,784
Sewer										
Customers	8,561	8,598	8,627	8,722	8,784	8,817	8,953	8,966	8,977	9,151
Power										
Customers	16,213	15,904	15,938	15,999	16,087	16,112	16,269	16,500	16,546	16,637
Peak demand (KW)	82,320	89,040	89,980	93,150	98,300	93,310	98,560	98,246	107,110	98,327
Internal generation (MWH)	9,608	14,616	93,876	50,014	42,411	25,729	27,655	53,055	62,038	21,261
Purchased power (MWH)	361,098	368,396	305,859	331,056	397,312	369,312	383,825	361,917	449,567	448,487

MURRAY CITY CORPORATION
Schedule 18
Capital Asset Statistics by Function
Last Ten Fiscal Years

<u>Function/Program</u>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	2
Patrol units	36	36	36	36	38	38	38	40	41	42
Fire stations	3	3	3	3	3	3	3	3	3	4
Public works										
Streets(miles)	136	136	136	142	142	143	143	144	144	144
Streetlights	2361	2370	2385	2409	2454	2458	2489	2584	2505	2610
Parks & recreation										
Acreeage	149	149	149	259	259	259	259	259	259	252
Parks	9	9	10	10	10	10	10	10	10	10
Golf courses	2	2	2	2	2	2	2	2	2	2
Recreation centers	0	0	0	1	1	1	1	1	1	1
Water										
Water mains(miles)	139	174	176	176	177	178	178	179	183	185
Wastewater										
Sanitary sewers(miles)	84	113	121	122	124	125	125	125	124	128
Power										
Generators	3	3	4	4	4	4	4	4	5	5
Substations	4	4	4	4	4	4	4	5	5	6

COMPLIANCE SECTION

Hansen, Bradshaw, Malmrose & Erickson

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CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Council
Murray City Corporation, Utah

We have audited the basic financial statements of Murray City Corporation, Utah (the City), as of and for the year ended June 30, 2009, and have issued our report thereon dated December 2, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we consider the deficiency presented in the accompanying Schedule of Findings to be a significant deficiency in internal control.

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

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

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

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

December 2, 2009

Hansen, Bradshaw, Malmrose & Erickson

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CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Council
Murray City Corporation, Utah

We have audited the basic financial statements of Murray City Corporation, Utah (the City) for the year ended June 30, 2009, and have issued our report thereon dated December 2, 2009. As part of our audit, we have audited the City's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2009. The City received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)

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

Cash Management	B & C Road Funds
Budgetary Compliance	Other Compliance Requirements
Truth in Taxation and Property	Impact Fees
Tax Limitation	Uniform Building Code Standards
Liquor Law Enforcement	Purchasing Requirements
Public Debt	Utah Retirement Systems
Asset Forfeiture	

The management of the City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Our audit does not provide a legal determination on the City's compliance with these requirements.

The results of our audit procedures disclosed an immaterial instance of noncompliance with the requirements referred to above, which is described in the accompanying schedule of findings. We considered this instance of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Murray City Corporation, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; matching, level of effort, or earmarking; eligibility; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2009.

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

This report is intended solely for the information and use of management of the City and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

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

December 2, 2009

MURRAY CITY CORPORATION
Schedule of Findings
Year Ended June 30, 2009

Financial Statement Audit - Significant Deficiency

Improper Recognition of Accounting Transactions and Account Balance Adjustments

Finding: During the performance of our audit engagement procedures, we noted management had not adjusted all account balances to reflect appropriate year-end balances. This is a necessary step to ensure the financial statements are fairly stated. The unrecorded amounts were, in our judgment, material to the financial statements. Management subsequently recorded the amounts after discussion and review with its auditors of adjustments proposed by them. Since the City's control policies and procedures did not prevent or detect these misstatements of the financial statements, we concluded there is a significant deficiency in the City's control policies and procedures as required to be reported under professional standards.

Recommendation: We recommend the City completely account for all financial transactions and adjustments in a timely manner and reconcile applicable general ledger accounts to supporting schedules when available.

Management's Response: The City will change procedures and responsibilities to ensure timely and proper adjustments for all financial transactions and reconcile general ledger accounts to supporting schedules when available.

State Legal Compliance Findings

Requirement/Program

Current Year Findings

1. Deficit Fund Balance

Finding: Under State law, deficit fund balances in any fund are illegal. We noted a deficit fund balance in the Library Fund of \$204,373 as of June 30, 2009. This deficit resulted in the City's noncompliance with State of Utah fund balance requirements.

Recommendation: We recommend management review the budget of this fund and take appropriate action to eliminate this deficit fund balance in accordance with State of Utah legal compliance guidelines.

Management's Response: Management of the Library Fund will be encouraged to make appropriate revenue and expenditure adjustments in the next few years to eliminate this deficit fund balance.

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CONTINUING DISCLOSURE SECTION

MURRAY CITY CORPORATION
Continuing Disclosure-For all Revenue and Excise Tax Bonds of Murray City, Utah
Fiscal Year Ending June 30, 2009

Disclosure References

Debt Structure of Murray City

Outstanding Municipal Debt of the City
See Note 4 in Notes to Financial Statements in this Report.

Financial Information Regarding Murray City

Certain Property Tax Matters-Historical City Tax Rates
See Schedule 7 in the Statistical Section of this Report.

Certain Property Tax Matters-Taxable and Estimated Market Value of Property
See Schedule 6 in the Statistical Section of this Report.

Certain Property Tax Matter-Tax Collection Record
See Schedule 9 in the Statistical Section of this Report.

Five Year Financial Summary-See Table 2 of Sales Tax Bonds Continuing Disclosure.

MURRAY CITY CORPORATION
Continuing Disclosure-Sales Tax Bonds-Series 2007 and 2009
Fiscal Year Ending June 30, 2009

Table 1A
Sources of General Fund Revenue

Set forth below are brief descriptions of the various sources of revenue available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited financial statements for the year ending June 30, 2009.

- Taxes-Approximately 68% of the general fund's revenues are from taxes (approximately 52% from sales and use taxes; approximately 27% from general property taxes; approximately 21% from franchise taxes.)
- Fines and Forfeitures-Approximately 5% of the general fund revenues are collected from fines and forfeitures.
- Charges for Services-Approximately 16% of general fund revenues are from charges for services
- Intergovernmental Revenues-Approximately 4% of general fund revenues are from state and federal grants and shared revenues.
- Licenses and Permits-Approximately 3% of general fund revenues are from licenses and permits.
- Interest-Approximately 1% of general fund revenues are from interest income.
- Miscellaneous Revenue-Approximately 3% of general fund revenues are from miscellaneous revenues.

Table 1B
Pledged Sales and Use Taxes

<u>Fiscal Year</u>	<u>Pledged Sales and Use Taxes</u>	<u>Percent Change From Prior Year</u>
2009	\$12,249,134	-12.14%
2008	\$13,941,921	-0.42%
2007	\$14,001,006	2.60%
2006	\$13,646,750	10.44%
2005	\$12,356,922	4.09%
2004	\$11,871,387	7.02%
2003	\$11,092,873	-6.44%
2002	\$11,856,499	0.65%
2001	\$11,779,998	-0.53%
2000	\$11,842,556	1.82%

MURRAY CITY CORPORATION
Continuing Disclosure-Sales Tax Bonds Series 2007 and 2009
Fiscal Year Ending June 30, 2009

Table 2
Murray City General Fund
Balance Sheet
(Unaudited)

	2005	2006	2007	2008	2009
Assets					
Cash & equivalents	\$ 6,676,845	\$ 9,198,556	\$ 9,299,325	\$ 6,801,199	\$ 4,412,960
Investments	-	1,000,000	1,998,524	-	3,012,790
Special assessments	20,859	1,753	652	50,596	300
Other	1,509,373	437,351	193,515	427,895	801,284
Property taxes receivable	3,740,000	5,278,000	5,380,000	5,567,645	5,964,079
Due from other funds	1,177,480	465,803	110,000	863,500	801,275
Due from other governments	2,367,113	2,663,144	2,893,498	3,026,978	2,461,928
Notes receivable	2,345,465	2,230,331	2,104,397	1,966,650	1,815,981
Restricted cash & equivalents	-	-	-	1,235,039	1,262,634
Total assets	\$ 17,837,135	\$ 21,274,938	\$ 21,979,911	\$ 19,939,502	\$ 20,533,231
Liabilities					
Accounts payable	\$ 825,809	\$ 1,982,751	\$ 589,707	\$ 672,000	\$ 1,343,463
Accrued liabilities	1,281,043	1,168,659	1,202,727	1,333,533	413,286
Due to other funds	100,150	17,851	-	-	-
Deposits	12,699	12,699	12,699	-	-
Deferred revenue	7,489,375	9,031,908	9,018,108	8,936,441	9,257,636
Compensated absences	149,638	-	-	-	-
Total liabilities	9,858,714	12,213,868	10,823,241	10,941,974	11,014,385
Fund balance					
Reserved					
For capital projects	-	-	1,830,000	1,800,000	1,000,000
For class C roads	515,000	50,000	-	-	-
For UTOPIA	1,230,000	1,230,000	1,235,039	1,235,039	1,458,687
Unreserved					
Undesignated	6,233,421	7,781,070	8,091,631	5,962,489	7,060,159
Total fund balance	7,978,421	9,061,070	11,156,670	8,997,528	9,518,846
Total liabilities & fund balance	\$ 17,837,135	\$ 21,274,938	\$ 21,979,911	\$ 19,939,502	\$ 20,533,231

MURRAY CITY CORPORATION
Continuing Disclosure-Sales Tax Bonds Series 2007 and 2009
Fiscal Year Ending June 30, 2009

Table 2a
Murray City General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
(Unaudited)

	2005	2006	2007	2008	2009
Revenues					
Taxes & special assessments	\$ 22,479,549	\$ 22,895,306	\$ 25,282,472	\$ 25,546,217	\$ 23,854,234
Licenses & permits	2,235,131	1,448,991	1,659,527	1,629,110	1,236,050
Intergovernmental	1,539,849	1,858,507	2,056,411	1,904,565	1,511,544
Charges for services	1,735,337	1,915,910	2,036,672	1,973,117	5,526,989
Fines & forfeitures	2,357,026	2,263,787	2,442,382	1,986,474	1,738,301
Interest	409,369	634,973	859,734	672,890	354,358
Miscellaneous	197,379	197,411	320,532	254,630	1,174,019
Total revenue	\$ 30,953,640	\$ 31,214,885	\$ 34,657,730	\$ 33,967,003	\$ 35,395,495
Expenditures					
General government	\$ 5,074,547	\$ 5,104,793	\$ 5,406,712	\$ 5,494,900	\$ 8,200,483
Public safety	13,913,342	14,623,999	16,165,371	16,560,749	18,838,530
Highways & public improvements	4,809,252	5,733,760	4,556,938	3,587,048	3,948,158
Parks & recreation	5,525,074	5,620,872	6,003,531	5,962,693	5,664,749
Debt service					
Principal	155,000	355,000	555,000	1,232,714	1,723,315
Interest & administrative charges	29,322	53,069	42,125	409,202	478,871
Bond issuance costs	-	-	158,837	-	-
Total expenditures	29,506,537	31,491,493	32,888,514	33,247,306	38,854,106
Excess (deficiency) of revenues over (under) expenditures	1,447,103	(276,608)	1,769,216	719,697	(3,458,611)
Other financing sources (uses)					
Operating transfers in	45,000	1,575,807	2,834,518	2,872,704	3,378,330
Operating transfers out	-	(512,000)	(2,797,030)	(5,936,000)	(1,165,000)
Sale of fixed assets	141,332	115,434	130,059	184,457	209,702
Bond or capital lease proceeds	733,008	180,016	10,155,874	-	1,556,897
Payments to refunded bond escrow	-	-	(9,997,037)	-	-
Net other financing sources (uses)	919,340	1,359,257	326,384	(2,878,839)	3,979,929
Net change in fund balance	2,366,443	1,082,649	2,095,600	(2,159,142)	521,318
Fund balance at beginning of year	5,611,978	7,978,421	9,061,070	11,156,670	8,997,528
Fund balance at end of year	\$ 7,978,421	\$ 9,061,070	\$ 11,156,670	\$ 8,997,528	\$ 9,518,846

MURRAY CITY CORPORATION
Continuing Disclosure-Electric Revenue Bonds-Series 2001, 2004, and 2006
Fiscal Year Ending June 30, 2009

Table 1
Power Rates

Rates fixed and charged for the energy distributed by Murray City Power are recommended by the Power Advisory Board and established by ordinance by the Mayor and City Council. Rates for electric service to customers of Murray City Power are not subject to approval of any Utah or federal regulatory body.

The unit costs and average monthly billings for most residential and commercial customers under current rates are as follows:

Residential

Customer Charge:	Per meter, per billing period	\$3.07
Energy Charge:	Peak Season (April through September)	
	First 600 KWH, per KWH:	\$0.0787
	All additional KWH, per KWH:	\$0.0882
	Off Peak Season (October through March)	
	All KWH, per KWH:	\$0.0787

Residential-All Electric

Customer Charge:	Per meter, per billing period	\$3.07
Energy Charge:	Peak Season (April through September)	
	First 600 KWH, per KWH:	\$0.0734
	All additional KWH, per KWH:	\$0.0822
	Off Peak Season (October through March)	
	First 400 KWH, per KWH:	\$0.0688
	All additional KWH, per KWH:	\$0.0510

Commercial-General Service Small

Customer Charge:	Per meter, per billing period	\$7.68
Energy Charge:	First 1500 KWH, per KWH:	\$0.0847
	All additional KWH, per KWH:	\$0.0428
Demand Charge:	Peak Season (April through September)	
	All KW above 5 KW, per KW:	\$11.44
	Off Peak Season (October through March)	
	All KW above 5 KW, per KW:	\$10.07

Commercial-General Service Large

Customer Charge:	Per meter, per billing period	\$19.21
Energy Charge:	All KWH, per KWH:	\$0.0399
Demand Charge:	Peak Season (April through September)	
	All KW, per KW:	\$12.05
	Off Peak Season (October through March)	
	All KW, per KW:	\$10.59

MURRAY CITY CORPORATION
Continuing Disclosure-Electric Revenue Bonds-Series 2001, 2004, and 2006
Fiscal Year Ending June 30, 2009

Table 1 Continued

Average Monthly Bill and Consumption

	Summer Bill	Summer KWH	Winter Bill	Winter KWH
Residential	\$ 64.11	759	\$ 53.72	633
Residential-All Electric	\$ 60.96	771	\$ 68.12	1,088
Commercial-General Service Small	\$ 156.24	1,695	\$ 138.50	1,491
Commercial-General Service Large	\$ 3,099.52	43,604	\$ 2,699.54	38,351

Bills for electric service are prepared and mailed by the city administration on a monthly basis. Second and third notices of non-payment are given 50 and 58 days, respectively, after the date of the initial bill. Electric service is terminated between 60 and 76 days after the date of the initial bill.

MURRAY CITY CORPORATION
Fiscal Year Ending June 30, 2009
Ten Largest Power Customers

Table 2

Name	Type of Business	KWH	Percent of City's Total KWH
IHC	Health Care	61,960,597	14.01%
Murray City	Government	11,406,981	2.58%
Multi Technology	Medical Manufacturing	7,540,256	1.71%
Murray School District	Public Education	5,941,296	1.34%
Costco	Retail Sales	4,890,084	1.10%
Cookietree	Bakery	4,674,720	1.06%
Larry H Miller	Auto Dealerships	3,557,280	0.80%
UTA	Transportation	3,397,815	0.77%
US West	Communications	3,381,583	0.76%
Sam's Club	Retail Sales	3,185,095	0.72%
Totals		109,935,707	24.85%

MURRAY CITY CORPORATION
Continuing Disclosure-Electric Revenue Bonds-Series 2001, 2004, and 2006
Fiscal Year Ending June 30, 2009

Table 3
Power Department Annual Operating Statistics

	2005	2006	2007	2008	2009
Electric revenues by class					
Residential	\$ 8,195,616	\$ 8,758,130	\$ 8,995,450	\$ 9,383,050	\$ 9,923,204
Commercial & industrial	17,260,075	18,798,937	21,219,725	20,897,900	22,256,485
Other	715,472	739,225	743,341	557,471	822,464
Total revenues	\$26,171,163	\$28,296,292	\$30,958,516	\$30,838,421	\$33,002,153
Number of metered customers					
Residential	13,128	13,253	13,405	13,434	13,546
Commercial and industrial	2,833	2,857	2,936	2,951	2,923
Other	151	159	159	161	169
Total metered customers	16,112	16,269	16,500	16,546	16,638
Peak demand (KW)	93,310	98,560	98,700	107,106	98,327
Energy generated & purchased (MWh)					
Total System generation	25,729	27,655	53,055	37,708	21,261
Purchased power	369,313	383,825	361,917	449,567	448,487
Total energy available	395,042	411,480	414,972	487,275	469,748
Losses and system use (MWh)	22,127	22,897	9,257	42,598	13,717
Energy sales (MWh)	372,915	388,583	405,715	444,677	433,044
Electric energy sales (MWh)					
Residential	109,378	113,730	117,581	121,942	118,013
Commercial & industrial	252,429	263,954	277,203	311,228	303,492
Other	11,108	10,899	10,931	11,507	11,539
Total energy sales (MWh)	372,915	388,583	405,715	444,677	433,044

MURRAY CITY CORPORATION
Continuing Disclosure-Electric Revenue Bonds-Series 2001, 2004, and 2006
Fiscal Year Ending June 30, 2009

Table 4
Power Historical Operating Results (1)

	2005	2006	2007	2008	2009
Operating revenues:					
Energy sales revenues	\$ 26,571,079	\$ 28,354,736	\$ 30,958,516	\$ 31,662,362	\$ 34,463,816
Miscellaneous	2,392,127	1,277,487	2,122,246	1,173,680	901,757
Total operating revenues	28,963,206	29,632,223	33,080,762	32,836,042	35,365,573
Operating expenses:					
Cost of power	16,544,212	18,724,219	18,668,931	20,805,863	20,378,400
Operations & maintenance(2)	8,702,165	8,808,848	10,283,521	10,122,542	9,155,882
Total operating expenses	25,246,377	27,533,067	28,952,452	30,928,405	29,534,282
Net operating income	3,716,829	2,099,156	4,128,310	1,907,637	5,831,291
Other income and expense (net)	305,636	3,325,206	821,369	1,255,440	497,199
Balance available for debt service	4,022,465	5,424,362	4,949,679	3,163,077	6,328,490
Debt service on bonds	1,868,221	2,336,823	2,262,010	2,278,151	2,274,191
Balance remaining after debt service	\$ 2,154,244	\$ 3,087,539	\$ 2,687,669	\$ 884,926	\$ 4,054,299
Debt service coverage ratio	2.15	2.32	2.19	1.39	2.78

(1) Historical data taken from the audited financial statements of the Power Fund.

(2) Excludes depreciation, amortization, in lieu of tax transfers and gain or loss on sale of assets.

MURRAY CITY CORPORATION
Continuing Disclosure-Electric Revenue Bonds-Series 2001, 2004, and 2006
Fiscal Year Ending June 30, 2009

Table 4A
Power Fund Projected Operating Results (1)

	2010	2011	2012	2013	2014
Operating revenues:					
Energy sales revenues	\$ 36,600,000	\$ 38,856,000	\$ 39,473,000	\$ 40,993,000	\$ 41,812,860
Miscellaneous	1,269,000	1,037,000	1,037,000	1,040,000	1,060,800
Total operating revenues	37,869,000	39,893,000	40,510,000	42,033,000	42,873,660
Operating expenses:					
Cost of power	21,213,000	23,416,000	25,097,000	25,467,700	25,997,054
Operations & maintenance(2)	8,363,000	8,530,000	8,701,000	8,875,000	9,141,250
Total operating expenses	29,576,000	31,946,000	33,798,000	34,342,700	35,138,304
Net operating income	8,293,000	7,947,000	6,712,000	7,690,300	7,735,356
Other income and expense	630,000	680,000	680,000	730,000	744,600
Balance available for debt service	8,923,000	8,627,000	7,392,000	8,420,300	8,479,956
Debt service on bonds	2,319,000	2,306,000	2,301,000	2,295,000	2,301,074
Balance remaining after debt service	\$ 6,604,000	\$ 6,321,000	\$ 5,091,000	\$ 6,125,300	\$ 6,178,882
Debt service coverage ratio	3.85	3.74	3.21	3.67	3.69

(1) Basis of projection for fiscal years 2010 through 2014 utilizes actual data.

(2) Excludes depreciation, amortization, in lieu of tax transfers and gain or loss on sale of assets.

MURRAY CITY CORPORATION
Continuing Disclosure-Excise Tax Road Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 1
Sources of Revenues for Class B and Class C Road Allocations
(Expressed in Thousands)

	2004	2005	2006	2007	2008
Motor fuel tax	\$ 239,925	\$ 241,484	\$ 240,432	\$ 254,676	\$ 250,669
Special fuel tax	86,163	93,837	101,098	111,150	112,984
Motor vehicle registration fees	29,390	30,690	32,579	34,293	35,366
Proportional registration fees	11,830	12,122	13,040	14,772	14,202
Temporary permits	360	336	357	401	523
Special transportation permits	5,962	6,612	7,351	7,823	8,189
Highway use permits	8,148	8,421	8,588	8,090	7,574
Motor vehicle control fees	4,515	4,757	5,062	5,302	5,295
Miscellaneous permits & fees	1,852	1,895	1,928	1,625	2,208
Investment income	1,934	3,457	5,746	4,871	7,602
Miscellaneous other income	1,049	1,677	2,019	1,761	1,679
Total	\$ 391,128	\$ 405,288	\$ 418,200	\$ 444,764	\$ 446,291

(Source: Utah State Auditor's Office-Comprehensive Annual Financial Report.)

Table 2
Class C Road Fund Distributions

Year	Murray City Allocations	Total B&C Road Funds
2004	\$1,545,953	\$126,044,713
2005	1,200,096	99,940,917
2006	1,116,253	92,051,605
2007	1,515,171	124,415,351
2008	1,555,813	128,055,200
2009	1,349,993	118,289,293

(Source Utah Department of Transportation.)

Table 3
Calculation of Actual & Estimated Debt Service Coverage

Year	Actual* or Projected Class C Funds	Debt Service 2003 Bonds	Coverage
2004*	\$1,545,953	\$34,688	44.57
2005*	1,200,096	599,025	2.00
2006*	1,116,253	598,225	1.87
2007*	1,515,171	597,225	2.54
2008*	1,555,813	600,263	2.59
2009*	1,349,993	600,075	2.25
2010	1,450,000	213,150	6.80

(Source Murray City)

MURRAY CITY CORPORATION
Continuing Disclosure-Water and Sewer Revenue Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 1
Historical Net Revenues and Debt Service Coverage (1)

	2005	2006	2007	2008	2009
Operating revenues:					
Charges for services	\$ 6,935,371	\$ 7,623,055	\$ 8,080,274	\$ 8,284,615	\$ 8,617,204
Fees	2,014,598	710,462	875,538	1,018,503	11,396
Other	20,442	28,838	7,062	21,805	27,416
Total operating revenues	8,970,411	8,362,355	8,962,874	9,324,923	8,656,016
Operating expenses:					
Transmission & distribution	2,421,315	2,413,218	2,694,049	2,288,069	2,717,219
Administration & general	1,671,031	1,732,515	1,625,194	1,465,287	1,387,590
Operations & maintenance(2)	707,456	966,519	1,044,722	1,083,217	1,104,192
Total operating expenses	4,799,802	5,112,252	5,363,965	4,836,573	5,209,001
Net operating income	4,170,609	3,250,103	3,598,909	4,488,350	3,447,015
Other income and expense	75,309	283,359	600,922	358,497	594,750
Balance available for debt service	4,245,918	3,533,462	4,199,831	4,846,847	4,041,765
Debt service on bonds	651,825	650,675	660,122	662,917	649,425
Balance remaining after debt service	\$ 3,594,093	\$ 2,882,787	\$ 3,539,709	\$ 4,183,930	\$ 3,392,340
Debt service coverage ratio	6.51	5.43	6.36	7.31	6.22

(1) Data has been taken from audited financial statements of the Water and Sewer Funds.

(2) Excludes depreciation, amortization, in lieu of tax transfers and loss on joint venture.

MURRAY CITY CORPORATION
Fiscal Year Ending June 30, 2009
Ten Largest Water and Sewer Customers

Table 2

Name	Water Charges	Sewer Charges	Total
Intermountain Medical Center	\$113,296	\$120,491	\$233,787
Murray City Corporation	167,890	33,612	201,502
Murray School District	124,168	35,756	159,924
Hunters Wood Apartments	54,024	66,882	120,906
Three Fountains Condos	50,100	43,698	93,798
Winchester Estates	53,267	38,108	91,375
Intermountain Health Care	45,336	39,064	84,400
Stillwater Apartments	37,208	42,619	79,827
Murray UT PM Group	62,039	9,386	71,425
Applegate Association	35,430	29,483	64,913

MURRAY CITY CORPORATION
Continuing Disclosure-Water and Sewer Revenue Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 3A
Five Year Financial Summaries of the System
Balance Sheet-Water Enterprise Fund

	2005	2006	2007	2008	2009
Current Assets:					
Cash & equivalents	\$ 2,602,412	\$ 2,709,029	\$ 4,921,635	\$ 6,072,079	\$ 5,971,426
Receivables, net of allowance	349,375	655,891	823,401	744,436	915,523
Other receivables	8,975	6,444	1,020	264	-
Due from other funds	33,288	-	-	-	1,141,627
Total current assets	2,994,050	3,371,364	5,746,056	6,816,779	8,028,576
Restricted cash	422,702	-	-	-	-
Property, plant, & equipment:					
Land	1,714,666	1,714,666	1,714,666	1,714,666	1,719,666
Buildings	570,550	904,024	904,024	904,024	904,024
Improvements other than buildings	18,538,057	19,925,064	20,161,372	20,877,244	21,424,685
Machinery & equipment	2,534,912	2,095,040	2,221,698	2,208,825	2,391,636
Furniture & fixtures	394,806	244,515	244,515	244,515	244,514
Construction in progress	244,954	-	260,304	494,688	108,017
Accumulated depreciation	(9,803,253)	(9,793,700)	(10,531,291)	(11,272,986)	(12,026,347)
Net property plant & equipment	14,194,692	15,089,609	14,975,288	15,170,976	14,766,195
Other assets:					
Unamortized bond issuance costs	21,564	20,366	19,168	18,040	16,913
Total assets	\$ 17,633,008	\$ 18,481,339	\$ 20,740,512	\$ 22,005,795	\$ 22,811,684
Current liabilities:					
Accounts payable	\$ 218,829	\$ 45,795	\$ 403,497	\$ 24,937	\$ 141,084
Accrued liabilities	44,486	48,794	42,664	59,162	11,102
Due to other funds	10,085	53,374	960	480	480
Accrued interest	53,791	52,821	51,835	53,555	49,271
Compensated absences	-	-	-	-	88,825
Long term debt-current portion	194,024	197,153	203,412	400,253	212,800
Total current liabilities	521,215	397,937	702,368	538,387	503,562
Non-current liabilities:					
Deposits	-	-	-	-	2,700
Compensated absences	74,477	63,316	199,444	23,942	139,913
Net OPEB payable	-	-	-	-	65,885
Long term debt-due after one year	4,935,076	4,737,923	4,534,511	4,327,976	4,115,176
Total non-current liabilities	5,009,553	4,801,239	4,733,955	4,351,918	4,323,674
Total Liabilities	5,530,768	5,199,176	5,436,323	4,890,305	4,827,236
Net Assets:					
Investment in capital net of debt	9,065,592	10,154,533	10,237,365	10,442,747	10,438,219
Unrestricted	3,036,648	3,127,630	5,066,824	6,672,743	7,546,229
Total net assets	12,102,240	13,282,163	15,304,189	17,115,490	17,984,448
Total liabilities & net assets	\$ 17,633,008	\$ 18,481,339	\$ 20,740,512	\$ 22,005,795	\$ 22,811,684

MURRAY CITY CORPORATION
Continuing Disclosure-Water and Sewer Revenue Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 3B
Five Year Financial Summaries of the System
Statement of Revenues, Expenses and Changes in Fund Net Assets

	2005	2006	2007	2008	2009
Operating revenues:					
Sales & charges for service	\$ 3,828,387	\$ 4,628,274	\$ 4,931,555	\$ 4,993,881	\$ 5,175,498
Connection fees	1,240,859	461,180	11,735	36,177	10,156
Other	13,685	16,120	7,062	11,941	27,239
Total operating revenues	5,082,931	5,105,574	4,950,352	5,041,999	5,212,893
Operating expenses:					
Transmission, distribution & maint	1,686,865	1,527,195	1,932,020	1,514,203	1,963,122
Administrative & general	1,208,218	1,218,429	1,105,821	1,011,282	1,208,303
Depreciation & amortization	729,670	705,060	777,068	787,983	855,944
Total operating expenses	3,624,753	3,450,684	3,814,909	3,313,468	4,027,369
Operating income (loss)	1,458,178	1,654,890	1,135,443	1,728,531	1,185,524
Non-operating revenues (expenses)					
Interest revenue	53,887	112,492	200,272	267,376	143,666
Interest expense	(215,854)	(212,056)	(208,014)	(207,145)	(195,192)
Impact fees	-	-	615,322	552,101	278,997
Gain on disposal of assets	43,988	57,015	308,680	-	23,850
Net non-operating revenues/expenses	(117,979)	(42,549)	916,260	612,332	251,321
Income (loss) before transfers	1,340,199	1,612,341	2,051,703	2,340,863	1,436,845
Transfers in	-	-	437,030	-	-
Transfers out	(342,363)	(432,418)	(466,707)	(529,562)	(567,887)
Change in net assets	997,836	1,179,923	2,022,026	1,811,301	868,958
Net assets at beginning of year	11,104,404	12,102,240	13,282,163	15,304,189	17,115,490
Net assets at end of year	\$ 12,102,240	\$ 13,282,163	\$ 15,304,189	\$ 17,115,490	\$ 17,984,448

MURRAY CITY CORPORATION
Continuing Disclosure-Water and Sewer Revenue Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 4A
Five Year Financial Summaries of the System
Balance Sheet-Sewer Enterprise Fund

	2005	2006	2007	2008	2009
Current Assets					
Cash & equivalents	\$ 1,433,959	\$ 1,527,379	\$ 1,899,691	\$ 2,233,314	\$ 284,447
Receivables, net of allowance	266,309	260,686	332,832	361,353	445,152
Due from other funds	10,085	960	960	480	480
Due from other governments	111,150	111,150	111,150	111,150	111,150
Total current assets	1,821,503	1,900,175	2,344,633	2,706,297	841,229
Property, plant, & equipment					
Land	178,487	178,487	178,487	178,487	310,255
Buildings	949,132	949,132	949,132	949,132	949,132
Improvements other than buildings	7,776,639	7,833,261	7,833,261	7,833,261	10,169,485
Machinery & equipment	1,279,795	1,324,131	1,336,333	1,253,333	1,281,561
Furniture & fixtures	102,762	102,762	102,762	102,762	102,762
Construction in progress	-	-	18,775	803,988	89,181
Accumulated depreciation	(4,085,386)	(4,136,252)	(4,411,600)	(4,558,170)	(5,315,987)
Net property plant & equipment	6,201,429	6,251,521	6,007,150	6,562,793	7,586,389
Other assets					
Unamortized bond issuance costs	12,889	12,173	11,457	10,783	10,109
Investment in joint ventures	4,178,178	3,652,056	3,239,123	3,195,752	3,139,558
Total assets	\$ 12,213,999	\$ 11,815,925	\$ 11,602,363	\$ 12,475,625	\$ 11,577,285
Current liabilities					
Accounts payable	\$ 73,489	\$ 91,404	\$ 104,025	\$ 636,634	\$ 26,075
Accrued liabilities	18,979	23,032	18,937	20,999	110,389
Due to other funds	6,480	9,471	-	-	-
Accrued interest	32,153	31,573	30,984	32,012	29,451
Compensated absences	-	-	-	-	32,570
Long term debt-current portion	115,976	117,847	121,588	173,950	127,200
Total current liabilities	247,077	273,327	275,534	863,595	325,685
Non-current liabilities					
Compensated absences	16,358	20,239	64,243	6,240	42,294
Net OPEB payable	-	-	-	-	32,942
Long term debt-due after one year	2,949,924	2,832,077	2,710,489	2,587,024	2,459,824
Total non-current liabilities	2,966,282	2,852,316	2,774,732	2,593,264	2,535,060
Total liabilities	3,213,359	3,125,643	3,050,266	3,456,859	2,860,745
Net assets:					
Investment in capital net of debt	7,313,707	6,953,653	6,414,196	6,997,571	4,999,365
Restricted for debt service	314,066	314,066	-	-	-
Unrestricted	1,372,867	1,422,563	2,137,901	2,021,195	3,717,175
Total net assets	9,000,640	8,690,282	8,552,097	9,018,766	8,716,540
Total liabilities & net assets	\$ 12,213,999	\$ 11,815,925	\$ 11,602,363	\$ 12,475,625	\$ 11,577,285

MURRAY CITY CORPORATION
Continuing Disclosure-Water and Sewer Revenue Bonds-Series 2003
Fiscal Year Ending June 30, 2009

Table 4B
Five Year Financial Summaries of the System
Statement of Revenues, Expenses and Changes in Fund Net Assets

	2005	2006	2007	2008	2009
Operating revenues:					
Sales & charges for service	\$ 3,106,984	\$ 2,994,781	\$ 3,150,719	\$ 3,290,734	\$ 3,441,706
Connection fees	773,739	249,282	(1,525)	28,055	1,240
Other	6,757	12,718	-	9,864	177
Total operating revenues	3,887,480	3,256,781	3,149,194	3,328,653	3,443,123
Operating expenses:					
Transmission, distribution & maint	734,450	886,023	762,029	773,866	754,097
Administrative & general	462,813	514,086	519,373	454,005	509,287
Depreciation & amortization	359,967	249,082	296,003	301,244	758,491
Central valley operation & maint	707,456	966,519	1,044,722	1,083,217	1,104,192
Total operating expenses	2,264,686	2,615,710	2,622,127	2,612,332	3,126,067
Operating income (loss)	1,622,794	641,071	527,067	716,321	317,056
Non-operating revenues (expenses)					
Interest revenue	7,434	63,852	86,120	91,121	35,482
Interest expense	(175,459)	(141,411)	(137,108)	(133,520)	(125,312)
Impact fees	-	-	250,006	402,170	112,755
Equity loss in joint venture	(399,096)	(646,403)	(594,526)	(283,291)	(311,554)
Gain on disposal of assets	-	50,000	5,850	-	-
Net non-operating revenues/expenses	(567,121)	(673,962)	(389,658)	76,480	(288,629)
Income (loss) before transfers	1,055,673	(32,891)	137,409	792,801	28,427
Transfers in	-	-	-	-	13,002
Transfers out	(266,484)	(277,467)	(275,594)	(326,132)	(343,655)
Change in net assets	789,189	(310,358)	(138,185)	466,669	(302,226)
Net assets at beginning of year	8,211,451	9,000,640	8,690,282	8,552,097	9,018,766
Net assets at end of year	\$ 9,000,640	\$ 8,690,282	\$ 8,552,097	\$ 9,018,766	\$ 8,716,540