

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**



**MURRAY CITY, UTAH  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**MURRAY CITY, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Prepared by**



**Murray Finance**

**Justin M. Zollinger CPA, Director of Finance**  
**Brenda Moore CPA, Controller**  
**Joseph Canepari, Senior Accountant**  
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**Mindy Stacy, Accounts Payable**

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# INTRODUCTORY SECTION



December 1, 2015

LETTER OF TRANSMITTAL

To the Honorable Mayor, Members of the City Council, and Citizens of Murray City:

The Comprehensive Annual Financial Report (CAFR) of Murray City (the City) for the fiscal year ending June 30, 2015, is submitted herewith. Utah state law requires that the Finance Director in cities of the first and second class shall present to the governing body an annual financial report prepared in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accounts. This report, which fulfills these requirements, was prepared by the Murray City Finance Department.

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

The City's financial statements have been audited by Keddington & Christensen LLC, a firm of licensed certified public accountants. The goal of the independent audit was to prove reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The report of the independent auditor is presented as the first component of the financial section of this report.

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

**Profile of the Government**

Murray City, incorporated in 1903, is located in the central portion of Salt Lake County, approximately eight miles south of Salt Lake City. The City currently occupies a land area of about 11 square miles and serves a population of about 50,000. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to impose a 1 percent local option sales tax on all retail sales.

The City has operated under the strong mayor-council form of government since 1982. Policy-making and legislative authority are vested in the City Council which is made up of five members elected by

district. Some of the City Council's responsibilities are: adopting the annual budget, approving committee appointments, and approving department head appointments. The Mayor, who is full time, is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government and appointing the heads of the various departments. The City Council is elected on a non-partisan basis with members serving on a staggered four year term basis. The Mayor is elected at-large for a four year term.

The City provides a full range of services including; police protection; fire and ambulance services; construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. In addition to general government activities, the governing body controls the Water Fund, the Waste Water Fund, the Power Fund, the Solid Waste Management Fund, the Storm Water Fund, the Telecommunication Fund and the Murray Parkway Recreation Fund; therefore, these activities are included in the reporting entity. However, the Murray City School District has not met the established criteria for inclusion in the reporting entity, and accordingly, is excluded from this report.

### **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Murray City operates.

### **Local Economy**

The City is a major retail center in Salt Lake County with a regional mall, eleven major automobile dealerships and several big box retailers. Because of this diversification, the City has been able to maintain more stability during economic uncertainty. The reconstruction of Fashion Place Mall which includes several high-end department stores, numerous restaurants, and other retail stores, has helped provide some economic stability.

### **Long-term Financial Planning**

Murray City has proceeded with its capital improvement plan (CIP) for capital construction projects and equipment replacement. This plan requires City leaders to plan for the upcoming five years for potential capital needs. The City funds the CIP program with General Fund budget savings. The funds are allocated by the CIP committee which meets several times in the months of January and February to make recommendations. The CIP committee is made up of two members of City Council, the Mayor, the Finance Director, and Chief Administrative Officer. The recommendations are presented to the City Council each April and after the Council makes their changes the CIP budget is past with the City's budget. Because of this framework, there is now added emphasis on the capital improvements.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Murray City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the thirty-fourth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. I would like to express my appreciation to all staff members who assisted in and contributed to its preparation. Credit must also be given to the Mayor and the City Council for their unfailing support and for maintaining the highest standards of professionalism in the management of Murray City's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Zollinger', with a long horizontal flourish extending to the right.

Justin M. Zollinger, CPA  
Director of Finance



**MURRAY CITY LEADERSHIP**

**David Ted Eyre**  
Mayor

**D. Blair Camp**  
Council Chairman

**Dave Nicponski**  
Council Member

**Brett A. Hales**  
Council Member

**James A. Brass**  
Council Member

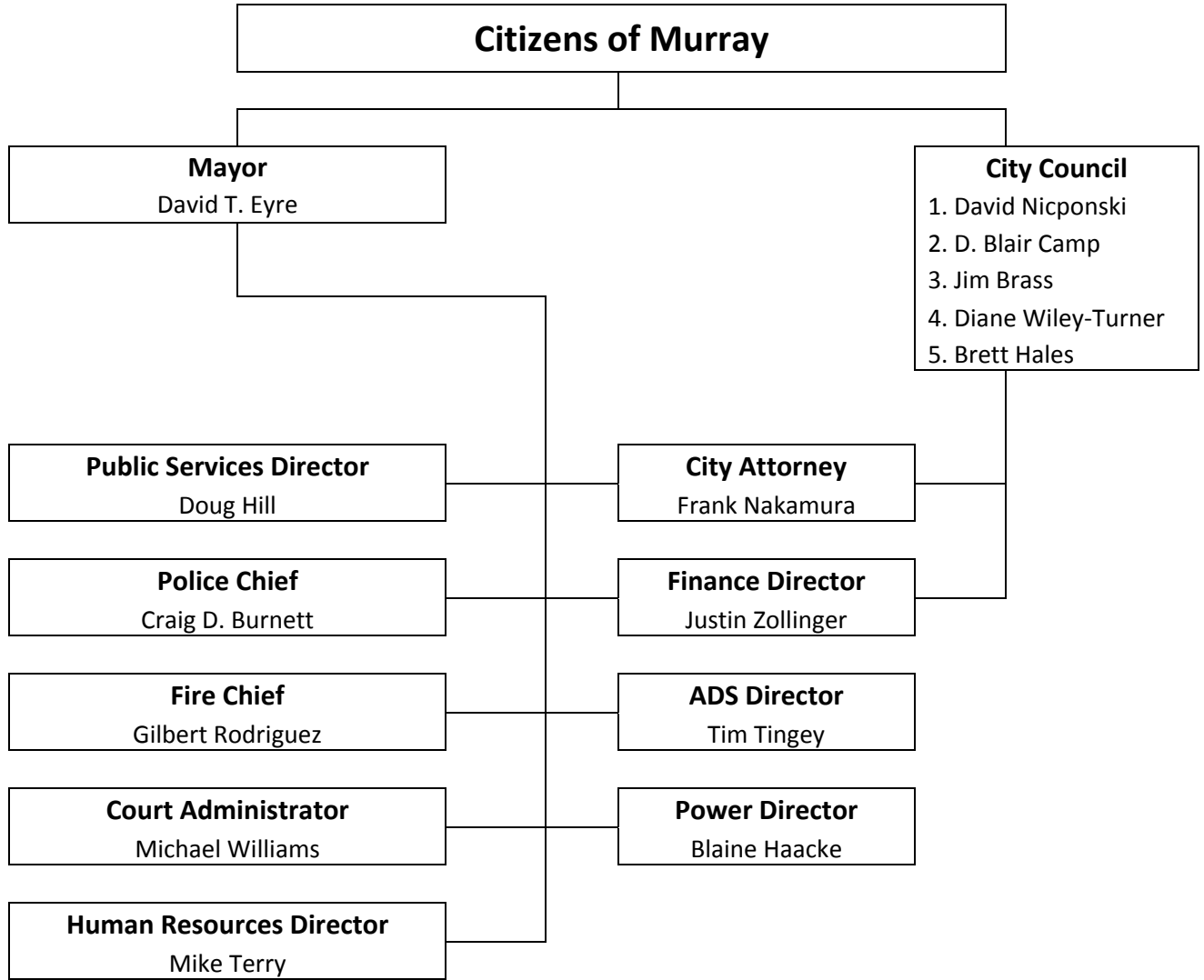
**Diane K. Wiley-Turner**  
Council Member

**DEPARTMENT AND DIVISION HEADS**

Kim Fong  
Craig D. Burnett  
Blaine Haacke  
Jennifer Kennedy  
Douglas P. Hill  
Wendell Coombs  
Frank Nakamura  
Gilbert Rodriguez  
Michael P. Terry  
W. Paul Thompson  
B. Tim Tingey  
Justin M. Zollinger  
Michael Williams

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

# ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2014**

Executive Director/CEO

## FINANCIAL SECTION



**Keddington & Christensen**  
Certified Public Accountants, LLC

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Gary K. Keddington, CPA  
Phyl R. Warnock, CPA  
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Murray as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Murray as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Murray's financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2015, on our consideration of the City of Murray's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Murray City's internal control over financial reporting and compliance.

*Keddington & Christensen, LLC*

November 20, 2015

## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Murray City, 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, 2015. We encourage readers to consider the information presented here in conjunction with the additional information 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 \$168,005,886 (net position). Of this amount, \$39,668,275 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Murray City's total net position increased by \$6,522,550. Much of this increase was due to conservative revenue budget estimates in fiscal year 2015. Actual General Fund revenues exceeded projections by \$1,261,073. Sales tax revenue came in with a \$528,389 positive budget variance, and licenses and permits revenue had positive budget variances \$404,541. The sales tax was from improved auto and retail sales, and City had continued improvement in the construction industry. Business-type activities saw small decreases in operating revenue associated with mild weather temperatures and continued to manage expenses.
- As of the close of the current fiscal year, Murray City's governmental funds reported combined ending fund balances of \$24,767,424 a decrease of \$1,461,150 in comparison with the prior year. The majority of this decrease was from the 1300 East, 5900 South, and Vine Street road projects which state money was used to completed these projects during. Approximately 34 percent of this total amount, \$8,624,302 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,624,302 or 25 percent of actual general fund revenues. The General Fund's allowable unassigned fund balance increased by \$184,011. This was a result of increased sales tax revenue of approximately \$632,705. The portion of reserves that was above the allowable amount was moved to the Capital Projects Fund to be used for one time future capital needs.
- Murray City's total bonded debt decreased by \$2,550,000 or 9.42 percent fiscal year 2015. In the future, Murray City will continue to look for opportunities to retire debt early.

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.

### **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 position presents information on all of Murray City's assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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).

## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Activities 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, Telecommunication Fund, Solid Waste Management Fund, and Storm Water Fund.

### **Fund Financial Statements**

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Murray City, like any other state and local government, 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 (business-type).

### **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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects, and redevelopment agency fund which are considered to be major funds. Data from the other three 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 in the Supplementary Information section of this report.

Murray City adopts an annual appropriated budget for its government funds. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with the budgets.



## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Proprietary Funds**

Murray City maintains two different types of proprietary funds, enterprise funds and internal service 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, Storm Water Fund, Murray Parkway Recreation Fund, Telecommunication Fund, and Solid Waste Management 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 in the Supplementary Information section of 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 the Storm Water Fund all of which are considered to be major funds of Murray City. Data from other proprietary funds are combined into a single aggregate presentation. Individual fund data is provided in the form of combining statements in the Supplementary Information section of 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 position may serve over time as a useful indicator of a government's financial position. In the case of Murray City, assets exceeded liabilities by \$168,005,886 at the close of the most recent fiscal year. The largest portion of Murray City's net position (73.87 percent), reflects its investment in capital assets (e.g., land, construction in process, buildings, infrastructure, 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Murray City's Change in Net Position**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	Restated		Restated		Restated	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 40,521,281	\$ 42,729,885	\$ 36,125,331	\$ 34,882,088	\$ 76,646,612	\$ 77,611,973
Capital assets	68,924,057	66,012,818	80,014,990	80,233,788	148,939,047	146,246,606
Total assets	<u>109,445,338</u>	<u>108,742,703</u>	<u>116,140,321</u>	<u>115,115,876</u>	<u>225,585,659</u>	<u>223,858,579</u>
Total deferred outflows of resources	1,703,574	1,350,528	532,675	422,283	2,236,249	1,772,811
Long-term liabilities outstanding	14,893,174	18,253,199	18,203,105	20,428,013	33,096,279	38,681,212
Other liabilities	6,796,824	6,205,564	9,793,575	8,722,754	16,590,399	14,928,318
Total liabilities	<u>21,689,998</u>	<u>24,458,763</u>	<u>27,996,680</u>	<u>29,150,767</u>	<u>49,686,678</u>	<u>53,609,530</u>
Total deferred inflows of resources	9,628,697	10,538,524	500,647	-	10,129,344	10,538,524
Net position:						
Net investment in capital assets	60,998,319	56,504,553	63,107,297	62,237,115	124,105,616	118,741,668
Restricted	3,632,938	5,877,926	599,057	2,302,640	4,231,995	8,180,566
Unrestricted	15,198,960	12,713,465	24,469,315	21,847,637	39,668,275	34,561,102
Total net position	<u>\$ 79,830,217</u>	<u>\$ 75,095,944</u>	<u>\$ 88,175,669</u>	<u>\$ 86,387,392</u>	<u>\$ 168,005,886</u>	<u>\$ 161,483,336</u>

An additional portion of Murray City's net position (2.52 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$39,668,275 may be used to meet the City'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 position, 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 an increase of \$6,522,550 in net position for Murray City during the current fiscal year. The primary reason for this increase in net position was from conservative revenue forecasts that limited budgets and controlled expenses.

# MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

## Murray City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	Restated		Restated		Restated	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,802,693	\$ 6,635,339	\$ 51,136,153	\$ 52,005,251	\$ 57,938,846	\$ 58,640,590
Operating grants and contributions	3,306,244	4,416,861	-	-	3,306,244	4,416,861
Capital grants and contributions	213,282	189,034	177,514	38,446	390,796	227,480
General revenues:						
Sales taxes	14,180,592	13,547,887	-	-	14,180,592	13,547,887
Property taxes	11,051,998	10,293,086	-	-	11,051,998	10,293,086
Franchise taxes	4,723,793	4,931,685	-	-	4,723,793	4,931,685
Investment income	171,045	120,002	308,112	287,922	479,157	407,924
Gain/(loss) on disposal of assets	31,248	57,336	50,350	24,856	81,598	82,192
Miscellaneous	349,131	279,039	-	-	349,131	279,039
Total revenues	<u>40,830,026</u>	<u>40,470,269</u>	<u>51,672,129</u>	<u>52,356,475</u>	<u>92,502,155</u>	<u>92,826,744</u>
Expenses:						
General government	8,195,009	8,279,086	-	-	8,195,009	8,279,086
Public safety	17,450,210	17,995,491	-	-	17,450,210	17,995,491
Highways & public improvements	6,290,764	6,809,737	-	-	6,290,764	6,809,737
Parks, recreation, and culture	8,029,613	7,947,202	-	-	8,029,613	7,947,202
Debt service - interest and fiscal charges	303,383	363,093	-	-	303,383	363,093
Water	-	-	4,399,198	4,139,275	4,399,198	4,139,275
Waste water	-	-	3,554,597	3,411,870	3,554,597	3,411,870
Power	-	-	32,612,921	32,412,110	32,612,921	32,412,110
Murray parkway	-	-	1,393,584	1,289,761	1,393,584	1,289,761
Telecommunications	-	-	69,019	71,298	69,019	71,298
Solid waste	-	-	1,229,271	1,189,055	1,229,271	1,189,055
Storm water	-	-	2,452,036	2,239,617	2,452,036	2,239,617
Total expenses	<u>40,268,979</u>	<u>41,394,609</u>	<u>45,710,626</u>	<u>44,752,986</u>	<u>85,979,605</u>	<u>86,147,595</u>
Increase (decrease) in net position before transfers	561,047	(924,340)	5,961,503	7,603,489	6,522,550	6,679,149
Transfers - net	4,173,226	3,565,101	(4,173,226)	(3,565,101)	-	-
Increase (decrease) in net position	<u>4,734,273</u>	<u>2,640,761</u>	<u>1,788,277</u>	<u>4,038,388</u>	<u>6,522,550</u>	<u>6,679,149</u>
Net position at beginning of year	75,095,944	72,455,183	86,387,392	82,349,004	161,483,336	154,804,187
Net position at end of year	<u>\$ 79,830,217</u>	<u>\$ 75,095,944</u>	<u>\$ 88,175,669</u>	<u>\$ 86,387,392</u>	<u>\$ 168,005,886</u>	<u>\$ 161,483,336</u>

## Governmental Activities

Governmental activities increased Murray City's net position by \$4,734,273. Key elements are as follows:

- Conservative revenue budgets are a significant reason why Murray City has a positive increase in net position each year. This in combination with leaders requiring a balanced budget promotes long term sustainability
- Revenue exceeded budget by approximately \$1,261,000, part of this positive variance was the result of the following revenues:
  - \$528,000 from sales tax revenue
  - \$404,500 from licenses and permits
  - \$228,000 from charges for service
- Expenses were kept in check by City leaders following budget controls.

## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

### **Business-Type Activities**

Business-type activities increased Murray City's net position by \$1,788,277. Key elements are as follows:

- Total operating income was \$5,776,102; this was a decrease of approximately \$1,917,000 over the prior year. This decrease was the result unseasonably mild temperatures in August which resulted in decreased revenue and increased expenses in the Power Fund for the Hunter emission reduction project.
- Interest expense decreased for the third straight year. It was \$839,477 in fiscal year 2014, in fiscal year 2015 it was \$644,378, a decrease of \$195,099.
- Despite the decreases in revenue and increases in operating expenses the City still was able to improve its net position through financial restraint by its leadership.

### **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 inflows, outflows, and balances of spendable resources. Such information is useful in assessing Murray City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

As of the end of the current fiscal year, Murray City's governmental funds reported combined ending fund balances of \$24,767,424, a decrease of \$1,461,150 in comparison with the prior year. Of the total balance, \$182,946 is nonspendable, \$3,632,938 is restricted, \$1,045,535 is committed, \$11,281,703 is assigned, and \$8,624,302 is unassigned.

The General Fund is the chief operating fund of the City. At fiscal year end, the General Fund reported total fund balance of \$9,030,897, of which \$148,246 is nonspendable, \$258,349 is restricted, and \$8,624,302 is unassigned.

## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The Capital Projects Fund has a total fund balance of \$11,931,405, a decrease of \$1,444,005 over the prior year. Of the total fund balance, \$649,702 was restricted. The remaining amount is for capital improvements and construction of a new city hall. This fund will continue to increase over the next few years as saving occurs for the new city hall.

### **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 position of the Water Fund at the end of the year was \$3,813,342, in the Waste Water Fund \$7,084,212, in the Power Fund \$11,969,183, and in the Storm Water Fund \$586,065.

The following funds received capital contributions: Water \$71,057, Waste Water \$80,719, Power \$17,700, and Storm Water \$8,038. These contributions of water and sewer lines, power improvements, and storm drains came from developers within the City.

### **General Fund Budgetary Highlights**

The original budget and the final amended budget decreased by \$1,814,000, the material changes are summarized as follows:

- A decrease in budget for administrative overhead allocation of (\$2,703,000).
- Increase budget in Emergency 911 for revenue pass through of \$423,000.
- Increase budget in streets and highways for Jordan Canal Project \$175,000
- Increase budget in streets and highways for Class C road fund reserves use of \$68,000.
- Increase budget in the police for Beer Tax money of \$148,000.
- Increase budget in the police and fire for grant money of \$70,000.

Other minor increases in appropriations were for miscellaneous items and small grants.

### **Capital Asset and Debt Administration**

Murray City's investment in capital assets for its governmental and business-type activities as of June 30, 2015 was \$148,939,047 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, infrastructure, machinery and equipment, and intangibles. The total change in Murray City's investment in capital assets for the current fiscal year was an increase of \$2,692,441. This represents an increase of \$2,911,239 for governmental activities and a \$218,798 decrease for business-type activities. These changes in capital assets will have no effect on the availability of fund reserves for future use.

**MURRAY CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Approximate costs for major capital projects and investments during fiscal year 2015 are as follows:

- 5900 South road project for \$1,495,000
- 1300 East road project for \$1,300,000
- Vine Street road project for \$819,000
- Avalon Drive road project for \$389,000
- 166 East Myrtle Avenue land purchase \$302,000
- Financial software purchase \$364,000
- Cemetery irrigation system \$450,000
- McGhie Well replacement water project for \$382,000
- 5900 South water line project \$1,029,000
- 5900 South storm drain project \$495,000
- Capri Drive storm drain project \$710,000
- 4500 South water line project \$330,000
- Cottonwood and & 5900 South storm drain \$385,000

**Murray City's Capital Assets  
(Net of depreciation)**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2015	2014	2015	2014	2015	2014
Land	\$ 14,786,968	\$ 14,484,896	\$ 6,974,069	\$ 6,974,069	\$ 21,761,037	\$ 21,458,965
Construction in progress	883,847	458,016	2,782,438	2,674,538	3,666,285	3,132,554
Buildings	17,948,467	18,818,961	1,375,430	1,268,850	19,323,897	20,087,811
Infrastructure	31,187,633	28,353,039	60,167,770	60,199,753	91,355,403	88,552,792
Machinery and equipment	4,117,142	3,897,906	7,334,334	7,659,078	11,451,476	11,556,984
Intangibles	-	-	1,380,949	1,457,500	1,380,949	1,457,500
Total net capital assets	<u>\$ 68,924,057</u>	<u>\$ 66,012,818</u>	<u>\$ 80,014,990</u>	<u>\$ 80,233,788</u>	<u>\$ 148,939,047</u>	<u>\$ 146,246,606</u>

Additional information regarding the City's capital assets can be found in Note 6 in the notes to the financial statements of this report.

At the end of the current fiscal year, Murray City had total bonded debt outstanding of \$24,526,000. All of Murray City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

**Murray City's Outstanding Revenue Bonds**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	2015	2014	2015	2014	2015	2014
	\$ 7,571,000	\$ 9,028,000	\$ 16,955,000	\$ 18,048,000	\$ 24,526,000	\$ 27,076,000

Murray City's bonded debt decreased by \$2,550,000 or 9.42 percent in fiscal year 2015.

## MURRAY CITY MANAGEMENT'S DISCUSSION AND ANALYSIS

Additional information on Murray City's long-term debt can be found in Note 11 in the notes to the financial statements of this report.

### **Economic Factors and Next Year's Budgets and Rates**

In August 2015, the City increased solid waste fees by .25 cents per month for the first garbage and recycling can, and increased the charge for a second can by .15 cents per month. This increase occurred to cover higher solid waste collection fees.

In fiscal year 2013 the State Legislature extended the sales tax hold harmless provision until June 30, 2016. This provision guarantees a certain level of sales tax revenue for the City for two more years. The City has not needed this provision the last four fiscal years. In addition to the hold harmless provision, the State Legislature allowed the City to levy an additional 0.2% sales tax if imposed before June 30, 2016. Murray City leaders decided in June of 2015 to enact this additional sales tax rate. This rate stays in place until June 30, 2030 or can be reduced prior if City leaders so choose.

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

### **Requests for Information**

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

## BASIC FINANCIAL STATEMENTS



**MURRAY CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 20,115,178	\$ 18,828,201	\$ 38,943,379
Investments	6,053,407	6,051,183	12,104,590
Accounts receivable (net of allowance)	8,656,820	4,461,093	13,117,913
Notes receivable	-	32,496	32,496
Due from other governments	2,940,666	-	2,940,666
Inventory	59,685	2,385,063	2,444,748
Prepaid items	167,235	6,324	173,559
Pension asset	707,580	-	707,580
Noncurrent assets:			
Restricted cash	16,467	599,057	615,524
Notes receivable	-	419,588	419,588
Investments in joint ventures	1,804,243	3,342,326	5,146,569
Capital assets:			
Land	14,786,968	6,974,069	21,761,037
Construction in progress	883,847	2,782,438	3,666,285
Buildings	32,304,606	6,305,540	38,610,146
Infrastructure	81,149,549	156,212,397	237,361,946
Machinery and equipment	14,551,564	19,320,810	33,872,374
Intangibles	-	3,759,027	3,759,027
Accumulated depreciation and amortization	(74,752,477)	(115,339,291)	(190,091,768)
Total assets	<u>109,445,338</u>	<u>116,140,321</u>	<u>225,585,659</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred pension costs	1,703,574	532,675	2,236,249
Total deferred outflows of resources	<u>1,703,574</u>	<u>532,675</u>	<u>2,236,249</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	1,914,009	4,549,070	6,463,079
Accrued liabilities	1,178,555	461,199	1,639,754
Customer deposits	280,218	1,800,226	2,080,444
Compensated absences	2,080,863	774,423	2,855,286
Interest payable	45,398	111,161	156,559
Notes payable	-	32,496	32,496
Bonds and leases payable	1,297,781	2,065,000	3,362,781
Noncurrent liabilities:			
Compensated absences	831,618	419,844	1,251,462
Net OPEB payable	257,530	277,161	534,691
Net pension payable	7,176,069	2,243,819	9,419,888
Notes payable	-	419,588	419,588
Bonds and leases payable	6,627,957	14,842,693	21,470,650
Total liabilities	<u>21,689,998</u>	<u>27,996,680</u>	<u>49,686,678</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred pension gains	1,601,144	500,647	2,101,791
Deferred inflows-property taxes	8,027,553	-	8,027,553
Total deferred inflows of resources	<u>9,628,697</u>	<u>500,647</u>	<u>10,129,344</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	60,998,319	63,107,297	124,105,616
Restricted			
Capital	3,246,578	393,702	3,640,280
Debt service	192	205,355	205,547
Library	361,780	-	361,780
Other purposes	24,388	-	24,388
Unrestricted	<u>15,198,960</u>	<u>24,469,315</u>	<u>39,668,275</u>
Total net position	<u>\$ 79,830,217</u>	<u>\$ 88,175,669</u>	<u>\$ 168,005,886</u>

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Program Revenues</b>				<b>Net (Expenses) Revenues and Changes in Net Position</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Governmental activities</b>							
General government	\$ 8,195,009	\$ 3,339,453	\$ 35,544	\$ -	\$ (4,820,012)	\$ -	\$ (4,820,012)
Public safety	17,450,210	1,661,258	607,231	-	(15,181,721)	-	(15,181,721)
Highways and public improvements	6,290,764	62,710	2,474,347	213,282	(3,540,425)	-	(3,540,425)
Parks, recreation, and culture	8,029,613	1,739,272	189,122	-	(6,101,219)	-	(6,101,219)
Debt service - interest and fiscal charges	303,383	-	-	-	(303,383)	-	(303,383)
Total governmental activities	40,268,979	6,802,693	3,306,244	213,282	(29,946,760)	-	(29,946,760)
<b>Business-type activities</b>							
Water	4,399,198	5,244,965	-	71,057	-	916,824	916,824
Waste water	3,554,597	4,600,259	-	80,719	-	1,126,381	1,126,381
Power	32,612,921	36,824,133	-	17,700	-	4,228,912	4,228,912
Murray parkway	1,393,584	1,393,713	-	-	-	129	129
Telecommunication	69,019	71,030	-	-	-	2,011	2,011
Solid waste	1,229,271	1,385,230	-	-	-	155,959	155,959
Storm water	2,452,036	1,616,823	-	8,038	-	(827,175)	(827,175)
Total business-type activities	45,710,626	51,136,153	-	177,514	-	5,603,041	5,603,041
<b>General Revenues:</b>							
					14,180,592	-	14,180,592
					11,051,998	-	11,051,998
					4,723,793	-	4,723,793
					171,045	308,112	479,157
					31,248	50,350	81,598
					349,131	-	349,131
					4,173,226	(4,173,226)	-
					<u>34,681,033</u>	<u>(3,814,764)</u>	<u>30,866,269</u>
					4,734,273	1,788,277	6,522,550
					82,878,833	88,824,231	171,703,064
					(7,782,889)	(2,436,839)	(10,219,728)
					<u>\$ 79,830,217</u>	<u>\$ 88,175,669</u>	<u>\$ 168,005,886</u>

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Governmental Fund Types</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Redevelopment Agency Fund</b>	<b>Other Governmental Funds</b>	
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 4,724,389	\$ 9,770,183	\$ 2,554,237	\$ 1,130,863	\$ 18,179,672
Investments	2,875,838	2,875,838	-	301,731	6,053,407
Receivables, net:					
Property taxes	6,130,829	-	511,674	1,491,677	8,134,180
Other	522,329	311	-	-	522,640
Due from other governments	2,940,666	-	-	-	2,940,666
Prepaid items	148,246	-	-	18,809	167,055
Restricted cash	384	-	192	15,891	16,467
<b>Total assets</b>	<b>17,342,681</b>	<b>12,646,332</b>	<b>3,066,103</b>	<b>2,958,971</b>	<b>36,014,087</b>
<b><u>LIABILITIES</u></b>					
Accounts payable	902,050	714,927	190,322	20,004	1,827,303
Accrued liabilities	888,081	-	-	26,055	914,136
Due to other funds	-	-	-	-	-
Deposits	279,218	-	1,000	-	280,218
<b>Total liabilities</b>	<b>2,069,349</b>	<b>714,927</b>	<b>191,322</b>	<b>46,059</b>	<b>3,021,657</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Deferred inflows-ambulance billing	197,453	-	-	-	197,453
Deferred inflows-property taxes	6,044,982	-	511,674	1,470,897	8,027,553
<b>Total deferred inflows of resources</b>	<b>6,242,435</b>	<b>-</b>	<b>511,674</b>	<b>1,470,897</b>	<b>8,225,006</b>
<b><u>FUND BALANCE</u></b>					
Nonspendable	148,246	-	-	34,700	182,946
Restricted	258,349	649,702	2,363,107	361,780	3,632,938
Committed	-	-	-	1,045,535	1,045,535
Assigned	-	11,281,703	-	-	11,281,703
Unassigned	8,624,302	-	-	-	8,624,302
<b>Total fund balances</b>	<b>9,030,897</b>	<b>11,931,405</b>	<b>2,363,107</b>	<b>1,442,015</b>	<b>24,767,424</b>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<b>\$ 17,342,681</b>	<b>\$ 12,646,332</b>	<b>\$ 3,066,103</b>	<b>\$ 2,958,971</b>	<b>\$ 36,014,087</b>

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

Total Fund Balances - Total Governmental Funds	\$ 24,767,424
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	70,728,300
The net pension asset is not an available resource and, therefore, is not reported in the funds.	707,580
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources.	197,453
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 Position.	1,502,517
Deferred pension gains and deferred pension costs are not associated with the use of current financial resources and are not reported in the fund statements.	100,828
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(18,173,885)</u>
Net Position - Governmental Activities	<u><u>\$ 79,830,217</u></u>

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Governmental Fund Types</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Redevelopment Agency Fund</b>	<b>Other Governmental Funds</b>	
<b><u>REVENUES</u></b>					
Sales taxes	\$ 14,180,592	\$ -	\$ -	\$ -	\$ 14,180,592
Property taxes	6,655,654	-	-	1,619,652	8,275,306
Tax increment	-	-	2,776,692	-	2,776,692
Franchise taxes	4,723,793	-	-	-	4,723,793
Licenses and permits	1,529,791	-	-	-	1,529,791
Intergovernmental	1,894,133	959,847	-	50,719	2,904,699
Charges for services	2,942,671	-	-	1,250	2,943,921
Fines and forfeitures	1,756,643	-	-	53,019	1,809,662
Emergency 911 Fees	448,508	-	-	-	448,508
Miscellaneous	296,851	28,797	15,228	8,255	349,131
Investment income	68,585	69,376	13,946	11,224	163,131
<b>Total revenues</b>	<b>34,497,221</b>	<b>1,058,020</b>	<b>2,805,866</b>	<b>1,744,119</b>	<b>40,105,226</b>
<b><u>EXPENDITURES</u></b>					
General government	6,212,761	773,572	-	-	6,986,333
Public safety	17,401,122	633,794	-	-	18,034,916
Highways and public improvements	3,632,357	3,986,901	1,666,489	-	9,285,747
Parks, recreation, and culture	5,595,645	648,768	-	1,668,570	7,912,983
Debt service:					
Principal	1,278,566	24,139	262,000	-	1,564,705
Interest and fiscal charges	307,807	1,043	21,784	-	330,634
Pledge payment - UTOPIA debt service	1,647,518	-	-	-	1,647,518
<b>Total expenditures</b>	<b>36,075,776</b>	<b>6,068,217</b>	<b>1,950,273</b>	<b>1,668,570</b>	<b>45,762,836</b>
Excess (deficiency) of revenues over (under) expenditures	(1,578,555)	(5,010,197)	855,593	75,549	(5,657,610)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	4,665,816	3,554,835	-	34,000	8,254,651
Transfers out	(2,782,119)	(5,000)	(878,379)	(409,050)	(4,074,548)
Sale of capital assets	-	16,357	-	-	16,357
<b>Total other financing sources (uses)</b>	<b>1,883,697</b>	<b>3,566,192</b>	<b>(878,379)</b>	<b>(375,050)</b>	<b>4,196,460</b>
Net change in fund balance	305,142	(1,444,005)	(22,786)	(299,501)	(1,461,150)
Fund balance at beginning of year	8,725,755	13,375,410	2,385,893	1,741,516	26,228,574
Fund balance at end of year	<b>\$ 9,030,897</b>	<b>\$ 11,931,405</b>	<b>\$ 2,363,107</b>	<b>\$ 1,442,015</b>	<b>\$ 24,767,424</b>

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

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

Net change in fund balances - total governmental funds	\$ (1,461,150)
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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.	2,922,165
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Revenue recognized in the government-wide statement of activities that are not in the fund statements	70,811
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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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,997,526
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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.	(42,901)
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The net revenue of certain activities of the Internal Service Funds are reported with governmental activities	247,822
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Change in net position of governmental activities	<u>\$ 4,734,273</u>
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The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2015**

**Business-type Activities - Enterprise Funds**

	<b>Water Fund</b>	<b>Waste Water Fund</b>	<b>Power Fund</b>	<b>Storm Water Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities - Internal Service Funds</b>
<b><u>ASSETS</u></b>							
Current assets:							
Cash and cash equivalents	\$ 2,213,985	\$ 3,762,241	\$ 10,266,543	\$ 1,489,595	\$ 1,095,837	\$ 18,828,201	\$ 1,935,506
Investments	1,917,225	-	3,834,451	-	299,507	6,051,183	-
Accounts receivable (net)	616,901	375,254	3,205,350	143,293	120,295	4,461,093	-
Notes receivable	-	-	-	-	32,496	32,496	-
Due from other funds	84,422	-	-	-	-	84,422	-
Inventory	-	-	2,315,456	-	69,607	2,385,063	59,685
Prepaid items	-	-	6,324	-	-	6,324	180
Total current assets	4,832,533	4,137,495	19,628,124	1,632,888	1,617,742	31,848,782	1,995,371
Noncurrent assets:							
Restricted cash	22	260,816	449	337,770	-	599,057	-
Notes receivable	-	-	-	-	419,588	419,588	-
Investment in joint venture	-	3,342,326	-	-	-	3,342,326	-
Capital assets:							
Land	2,155,313	455,921	1,691,650	2,344,849	326,336	6,974,069	-
Construction in progress	1,862,274	62,757	86,743	770,664	-	2,782,438	-
Buildings	933,326	949,132	3,549,963	-	873,119	6,305,540	-
Infrastructure	28,211,257	12,303,529	76,150,843	35,812,619	3,734,149	156,212,397	-
Machinery and equipment	2,986,591	1,087,710	13,052,254	1,156,040	1,038,215	19,320,810	157,809
Intangibles	-	-	3,759,027	-	-	3,759,027	-
Accumulated depreciation and amortization	(15,986,268)	(7,034,112)	(62,210,220)	(25,173,173)	(4,935,518)	(115,339,291)	(107,978)
Total noncurrent assets	20,162,515	11,428,079	36,080,709	15,248,769	1,455,889	84,375,961	49,831
Total assets	24,995,048	15,565,574	55,708,833	16,881,657	3,073,631	116,224,743	2,045,202
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>							
Deferred pension costs	85,558	38,866	333,337	33,244	41,670	532,675	26,651
Total deferred outflows of resources	85,558	38,866	333,337	33,244	41,670	532,675	26,651

The accompanying notes are an integral part of this statement.

	<b>Business-type Activities - Enterprise Funds</b>						<b>Governmental Activities - Internal Service Funds</b>
	<b>Water Fund</b>	<b>Waste Water Fund</b>	<b>Power Fund</b>	<b>Storm Water Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	
<b><u>LIABILITIES</u></b>							
Current liabilities:							
Accounts payable	284,872	99,070	3,290,043	777,764	97,321	4,549,070	86,706
Accrued liabilities	43,774	19,525	259,505	18,397	119,998	461,199	264,419
Due to other funds	-	-	-	-	84,422	84,422	-
Accrued interest payable	19,662	36,316	28,777	26,406	-	111,161	-
Compensated absences	146,670	51,433	459,476	55,911	60,933	774,423	22,195
Notes payable	-	-	-	-	32,496	32,496	-
Bonds payable	306,682	293,318	1,250,000	215,000	-	2,065,000	-
Total current liabilities	801,660	499,662	5,287,801	1,093,478	395,170	8,077,771	373,320
Noncurrent liabilities:							
Deposits	11,750	-	1,788,476	-	-	1,800,226	-
Compensated absences	79,515	27,885	249,099	30,310	33,035	419,844	8,870
Net OPEB payable	77,692	-	199,469	-	-	277,161	-
Net pension payable	360,401	163,717	1,404,138	140,034	175,529	2,243,819	112,266
Notes payable	-	-	-	-	419,588	419,588	-
Bonds payable	2,583,899	2,744,511	7,058,055	2,456,228	-	14,842,693	-
Total noncurrent liabilities	3,113,257	2,936,113	10,699,237	2,626,572	628,152	20,003,331	121,136
Total liabilities	3,914,917	3,435,775	15,987,038	3,720,050	1,023,322	28,081,102	494,456
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Deferred pension gains	80,413	36,529	313,295	31,245	39,165	500,647	25,049
Total deferred inflows of resources	80,413	36,529	313,295	31,245	39,165	500,647	25,049
<b><u>NET POSITION</u></b>							
Net investment in capital assets	17,271,912	4,787,108	27,772,205	12,239,771	1,036,301	63,107,297	49,831
Restricted for capital	-	91,428	-	302,274	-	393,702	-
Restricted for debt service	22	169,388	449	35,496	-	205,355	-
Unrestricted	3,813,342	7,084,212	11,969,183	586,065	1,016,513	24,469,315	1,502,517
Total net position	\$ 21,085,276	\$ 12,132,136	\$ 39,741,837	\$ 13,163,606	\$ 2,052,814	\$ 88,175,669	\$ 1,552,348

The accompanying notes are an integral part of this statement.



**MURRAY CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Business-type Activities - Enterprise Funds**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>	
	<b>Water Fund</b>	<b>Waste Water Fund</b>	<b>Power Fund</b>	<b>Storm Water Fund</b>	<b>Non-Major Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b><u>OPERATING REVENUES</u></b>							
Charges for services	\$ 5,016,282	\$ 4,359,611	\$ 34,277,743	\$ 1,605,664	\$ 2,849,644	\$ 48,108,944	\$ 1,390,581
Connection and servicing fees	14,053	8,086	217,982	-	-	240,121	-
Other	2,089	2,382	2,180,335	1,784	329	2,186,919	-
Total operating revenues	5,032,424	4,370,079	36,676,060	1,607,448	2,849,973	50,535,984	1,390,581
<b><u>OPERATING EXPENSES</u></b>							
Wages and benefits	1,445,343	635,408	5,211,706	592,566	826,094	8,711,117	506,536
Administrative fees	630,736	392,235	1,634,016	93,809	112,051	2,862,847	1,250
Depreciation and amortization	1,022,073	465,107	3,045,512	1,215,378	169,307	5,917,377	4,492
Operations and maintenance	1,201,860	1,663,804	22,340,626	480,956	1,581,295	27,268,541	631,518
Total operating expenses	4,300,012	3,156,554	32,231,860	2,382,709	2,688,747	44,759,882	1,143,796
Operating income (loss)	732,412	1,213,525	4,444,200	(775,261)	161,226	5,776,102	246,785
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>							
Investment income	38,030	17,766	235,216	11,437	5,663	308,112	7,914
Interest and fiscal charges	(99,186)	(91,677)	(381,061)	(69,327)	(3,127)	(644,378)	-
Impact fees	212,541	230,180	148,073	9,375	-	600,169	-
Equity in income of joint venture	-	(306,366)	-	-	-	(306,366)	-
Gain/(loss) on disposal of assets	2,325	13,607	34,076	(558)	900	50,350	-
Total nonoperating revenues (expenses)	153,710	(136,490)	36,304	(49,073)	3,436	7,887	7,914
Income (loss) before contributions and transfers	886,122	1,077,035	4,480,504	(824,334)	164,662	5,783,989	254,699
Capital contributions	71,057	80,719	17,700	8,038	-	177,514	-
Transfers in	-	15,843	15,843	15,000	-	46,686	-
Transfers out	(528,770)	(374,603)	(3,036,677)	(154,015)	(125,847)	(4,219,912)	(6,877)
Change in net position	428,409	798,994	1,477,370	(955,311)	38,815	1,788,277	247,822
Total net position, beginning	21,048,269	11,510,943	39,789,394	14,270,997	2,204,628	88,824,231	1,426,450
Prior period adjustment	(391,402)	(177,801)	(1,524,927)	(152,080)	(190,629)	(2,436,839)	(121,924)
Total net position - ending	\$ 21,085,276	\$ 12,132,136	\$ 39,741,837	\$ 13,163,606	\$ 2,052,814	\$ 88,175,669	\$ 1,552,348

The accompanying notes are an integral part of this statement.

**MURRAY CITY**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

**Business-type Activities - Enterprise Funds**

	Business-type Activities - Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Water Fund	Waste Water Fund	Power Fund	Storm Water Fund	Non-Major Enterprise Funds		
<b>Cash flows from operating activities</b>							
Receipts from customers and users	\$ 5,174,829	\$ 4,323,309	\$36,502,927	\$ 1,606,500	\$ 2,845,805	\$ 50,453,370	\$ 1,391,112
Payments to suppliers of goods and services	(1,704,342)	(1,547,410)	(21,858,434)	(21,840)	(1,506,806)	(26,638,832)	(594,677)
Payments to employees for services	(1,446,384)	(671,827)	(5,299,895)	(579,509)	(876,825)	(8,874,440)	(529,024)
Payment for interfund services	(630,736)	(392,235)	(1,634,016)	(93,809)	(112,051)	(2,862,847)	(1,250)
Investments in joint venture	-	(471,357)	-	-	-	(471,357)	-
Net cash provided (used) by operating activities	1,393,367	1,240,480	7,710,582	911,342	350,123	11,605,894	266,161
<b>Cash flows from noncapital financing activities</b>							
Transfers from other funds	-	15,843	15,843	15,000	-	46,686	-
Transfers to other funds	(528,770)	(374,603)	(3,036,677)	(154,015)	(125,847)	(4,219,912)	(6,877)
Changes to interfund receivables and payables	40,673	-	-	-	(40,673)	-	-
Net cash provided (used) by noncapital financing activities	(488,097)	(358,760)	(3,020,834)	(139,015)	(166,520)	(4,173,226)	(6,877)
<b>Cash flows from capital and related financing activities</b>							
Proceeds from sale of capital assets	46,084	13,607	34,076	39,500	900	134,167	-
Purchases of capital assets	(2,776,677)	(73,684)	(825,400)	(1,788,694)	(140,429)	(5,604,884)	(6,675)
Impact fees	212,541	230,180	148,073	9,375	-	600,169	-
Principal paid on debt	(21,971)	368,867	(1,220,510)	(215,366)	-	(1,088,980)	-
Interest and fiscal charges paid on capital debt	(99,448)	(84,671)	(386,061)	(71,077)	(3,127)	(644,384)	-
Net cash provided (used) by capital and related financing activities	(2,639,471)	454,299	(2,249,822)	(2,026,262)	(142,656)	(6,603,912)	(6,675)
<b>Cash flows from investing activities</b>							
Sale (purchase) of investments	80,114	-	160,226	-	(299,507)	(59,167)	-
Investment income	38,030	17,766	235,216	11,437	5,663	308,112	7,914
Net cash provided by investing activities	118,144	17,766	395,442	11,437	(293,844)	248,945	7,914
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,616,057)	1,353,785	2,835,368	(1,242,498)	(252,897)	1,077,701	260,523
<b>Cash and cash equivalents - beginning of year</b>	3,830,064	2,669,272	7,431,624	3,069,863	1,348,734	18,349,557	1,674,983
<b>Cash and cash equivalents - end of year</b>	\$ 2,214,007	\$ 4,023,057	\$10,266,992	\$ 1,827,365	\$ 1,095,837	\$ 19,427,258	\$ 1,935,506
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>							
Operating income (loss)	\$ 732,412	\$ 1,213,525	\$ 4,444,200	\$ (775,261)	\$ 161,226	\$ 5,776,102	\$ 246,785
Adjustments to reconcile operating income to net cash provided by:							
Depreciation and amortization	1,022,073	465,107	3,045,512	1,215,378	169,307	5,917,377	4,492
Investments in joint ventures	-	(471,357)	-	-	-	(471,357)	-
(Increase) decrease in receivables	142,405	64,380	(173,133)	(948)	(4,168)	28,536	531
(Increase) decrease in inventory and prepaid items	-	-	6,046	-	14,899	20,945	10,683
(Increase) decrease in liabilities	(503,523)	(31,175)	387,957	472,173	8,859	334,291	3,670
<b>Net cash provided by operating activities</b>	\$ 1,393,367	\$ 1,240,480	\$ 7,710,582	\$ 911,342	\$ 350,123	\$ 11,605,894	\$ 266,161
<b>Noncash investing, capital and financing activities</b>							
Capital contributions - developers	\$ 71,057	\$ 80,719	\$ 17,700	\$ 8,038	\$ -	\$ 177,514	\$ -

The accompanying notes are an integral part of this statement.

# MURRAY CITY

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The basic financial statements of Murray City (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) 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 for governmental entities.

Murray City was incorporated January 3, 1903. 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 if the City appoints a voting majority of that organizations board or there is a potential 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 (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. During fiscal year 2014, all remaining assets of the MBA were transferred to the General Fund, and the MBA was place into dormancy. Separate financial statements are not issued for the MBA.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the 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 mainly on fees and charges for support.

## MURRAY CITY NOTES TO THE FINANCIAL STATEMENTS

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, and proprietary funds. Major governmental funds and enterprise funds are reported as separate columns in the 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 another 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. The City's policy for revenues to be considered available is if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

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 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 60 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.

## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

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, capital improvements for governmental activities, and sale of governmental assets.
- The Redevelopment Agency accounts for activities of the Central Business District, East Vine, Cherry Street, Fireclay, and Smelter Site redevelopment project areas.

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 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 internal service funds: Central Garage and Retained Risk. Internal service funds are used by the City to account for the self-insurance activities of the various funds and for the costs of maintaining City owned vehicles and equipment.

The effects of interfund activity have been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for 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 nonoperating revenues and expenses.

# MURRAY CITY

## NOTES TO THE FINANCIAL STATEMENTS

### 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 approximately 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

Activities 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 sales receivables for June 30, 2015 were estimated based on an average of June and July revenues less year end system receivables. These amounts were included in operating revenues and accounts receivable at year end. Receivables on the financial statements are shown net of allowance for uncollectible accounts. The allowance adjustment is estimated annually based on historical trends and professional judgment.

### 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 weighted average cost method. 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.

### Restricted Cash

Restricted cash is comprised of cash restricted for future debt service payments and unexpended portions of bonds issued for capital construction.

### Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at estimated fair 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.

Land – Site preparation and site improvements (other than buildings) that ready land for use. The costs associated with improvements to land are added to the cost of the land. All acquisitions of land are capitalized. Land is an inexhaustible asset and does not depreciate over time.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Buildings – A structure that: is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. This class also includes all building improvements. This class of assets has a purchase cost or cost of construction of \$12,000 or greater.

Infrastructure – Long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. These assets are often linear, continuous, or part of a system (power system, water system, waste water system, storm water system, parks system, sidewalk system, road system). This class also includes all improvements that add value to land, but do not have an indefinite useful life. This class of assets has a purchase cost or cost of construction of \$12,000 or greater.

Machinery and equipment – Items in this class are vehicles, information technology, and similar moveable items. This class of assets has a purchase cost of \$5,000 or greater.

Construction in progress – Costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service (at which time the asset would be reclassified into the appropriate major class).

Buildings, infrastructure, machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	10 to 30 years
Infrastructure	25 to 50 years
Machinery and equipment	3 to 15 years

In past financial reports, assets that were reported as improvements will now be reported as infrastructure.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Property taxes levied for calendar year 2015 are the only items that are reported under this category. These amounts are deferred and recognized as an inflow of resources until a future period.

Customer Deposits

Enterprise fund customer deposits are required by the City for 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.

## MURRAY CITY NOTES TO THE FINANCIAL STATEMENTS

### Compensated Absences

For governmental funds, the amount of vested or accumulated vacation leave, sick pay, and comp time that are not expected to be liquidated with available financial resources are reported as liabilities in the government-wide statement of net position 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, sick pay 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 termination or retirement. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

### Pensions

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

### Long-Term Obligations

In the government-wide financial statements and proprietary 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 position. Bond premiums and discounts 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, when incurred. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Murray City adopted GASB 65 which requires issuance costs to be reported as debt service expense or expenditure in the period incurred.

### Fund Equity

GASB Statement No. 54 outlines reporting categories for fund balance in governmental funds. The category definitions are as follows:

- Nonspendable – Some of the resources reported in a governmental fund cannot be spent because they are not in spendable form. Other resources reported in governmental funds are in spendable form, but still cannot be spent because they are legally or contractually required to be maintained intact.
- Restricted – Some constraints on the use of resources are externally enforceable. Most often, such restrictions are imposed by parties outside the government (creditors, grantors, contributors, and laws or regulations of other governments). Such restrictions also may result from constitutional provisions or enabling legislations.
- Committed – A government at its highest level of decision-making authority may formally place a constraint on the use of its own resources (for example, dedicated revenues) that remain legally binding unless removed in the same manner.



**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

- Assigned – Governments frequently desire to set aside ( earmark) resources for particular purposes. This requires the Mayor to propose the resources to be set aside and Council to ratify this action subsequent to the end of the fiscal period.
- Unassigned – All other resources that are not required to be reported in one of the other four fund balance categories. This category is only used in the general fund.

The City adopted into ordinance these fund balance definitions and policies on November 19, 2013.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City’s policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The City has not adopted a formal policy on minimum fund balance. However, state statute requires the City to maintain a minimum fund balance in the general fund of at least 5 percent of total revenues.

Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from those estimates.

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.

NOTE 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 Position**

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

Capital related items:

When capital assets (buildings, infrastructure, and machinery 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 position includes those capital assets among the assets of the City as a whole.

Cost of capital assets net	\$ 68,924,057
Investment in joint venture	1,804,243
Total difference	\$ 70,728,300

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 position. Balances at June 30, 2015 were:

Sales tax revenue bonds	\$ 7,571,000
Bond issuance premium	79,673
Capital leases	275,065
Interest payable on long-term debt	45,398
Net OPEB payable	257,530
Net pension liability	7,063,803
Compensated absences	<u>2,881,416</u>
Total difference	<u><u>\$ 18,173,885</u></u>

Deferred pension gains and deferred pension costs are not associated with the use of current financial resources and are not reported in the fund statements.

Deferred pension gains	\$ (1,576,095)
Deferred pension costs	1,676,923
	<u><u>\$ 100,828</u></u>

**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 position 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	\$ 6,608,020
Trade-ins	28,000
Capital contributions	213,282
Depreciation expense	<u>(3,927,137)</u>
Net difference, as reported	<u><u>\$ 2,922,165</u></u>

# MURRAY CITY

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 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. Other budget openings occur throughout the year as deemed necessary with public hearing and council approval.

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, Capital Projects Fund, and all Special Revenue Funds (Library Fund, Redevelopment Agency Fund, and Community Development Block Grant Fund) were prepared on the modified-accrual method of accounting and legally adopted by the Municipal Council.

Encumbrances (commitments related to unpaid purchase orders or contracts for goods or services) are used only as an internal management control device during the year. All outstanding encumbrances lapse at year end. However, some encumbered amounts are re-authorized 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 budget for governmental funds.

#### Tax Revenues

Property taxes are collected by the Salt Lake County Treasurer and remitted to the City. Taxes are levied and are due on November 1<sup>st</sup> and delinquent after November 30<sup>th</sup>. Delinquent taxes become property liens. An accrual for the current year's property tax levy for 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 30<sup>th</sup> and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business within the City including telephone, cable television, natural gas, and power 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 30<sup>th</sup>.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4 – 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 the Money Management Council Rules with regard to deposits and investments.

As of June 30, 2015, the City’s demand deposits and cash on hand totaled \$4,501,437.

As of June 30, 2015, the City has investments in the Utah Public Treasurer’s Investment Fund (PTIF) of \$35,017,677. The PTIF is authorized and regulated by the Money Management Act. Deposits in the PTIF are not insured nor guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF values investments at fair value at June 30 and December 30 each year in accordance with GASB 31. As of year end, the fair value of the City’s investments in the PTIF was \$35,191,380. However, the PTIF reports to participants on an amortized cost basis, which approximates the fair value at year end.

The following are the City’s cash and cash equivalents and investments as of June 30, 2015:

Deposits and Investment Maturities (in Years)			
Description	Amortized Cost Basis		Quality Ratings
	Less Than 1	1-5	
Cash and cash equivalents			
Public Treasurer's Investment Fund	\$ 35,017,677	\$ -	Unrated
Zions bank deposits	3,925,702	-	Unrated
Total cash and cash equivalents	38,943,379	-	
Fair Value			
Investments			
Money Market Mutual Fund	12,053	-	AAA
U.S. Agencies	-	6,656,717	AA+
Corporate notes	2,300,342	1,434,376	BBB+ to AA-
U.S. Treasuries	-	1,451,474	AA+
Municipal Agencies	-	249,628	AA
Total investments	\$ 2,312,395	\$ 9,792,195	

The City has acquired the services of Moreton Asset Management, LLC; an investment advisor approved by the Utah State Treasurer. This entity invests City money in compliance with the Utah Money Management Act. At year end, the City adjusted investments to fair value which resulted in a loss of \$40,122.

As of year end, the City had 5.82% and 5.73% invested in Morgan Stanley and Bank of America respectively.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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, 2015, \$4,251,437 of the City's \$4,501,437 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 (PTIF) is pooled with many other state and local entities, and is managed by the Utah State Treasurer. The PTIF fund has no investment rating. Money invested by Moreton Asset Management, LLC is held in a City bank account to address custodial risk.

Interest Rate Risk

This risk occurs when changes in interest rates 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. Investments within the Public Treasurer's Investment Fund have a weighted average maturity of less than 90 days. In addition, a portion of the money invested by Moreton Asset Management, LLC have variable interest rates.

Credit Risk

This 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 investment grade or higher by Standard & Poor's or Moody's. The City invests in the Utah Public Treasurer's Investment Fund and qualified corporate debt securities during the year. The PTIF is not registered with the SEC as an investment company and is unrated.

Concentration of Credit Risk

City policy requires diversification and limits the amount that may be invested in the same company. Not more than 10 percent 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. Moreton Asset Management, LLC is an approved investment advisor with the Utah Public Treasurer and complies with the Money Management Act.

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

Cash and cash equivalents	\$ 38,943,379
Investments	12,104,590
Restricted cash	<u>615,524</u>
	<u>\$ 51,663,493</u>

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 – RECEIVABLES**

The City's receivables as of year-end are as follows:

	General	Capital Projects	Redevelopment Agency	Other Governmental Funds	Water	Waste Water	Power	Storm Water	Nonmajor Funds	Total
Property taxes	\$ 6,130,829	\$ -	\$ 511,674	\$ 1,491,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,134,180
Accounts receivable	1,026,482	311	-	-	623,027	383,133	3,319,346	146,504	122,599	5,621,402
Notes receivable	-	-	-	-	-	-	-	-	452,084	452,084
Intergovernmental	2,940,666	-	-	-	-	-	-	-	-	2,940,666
Gross receivables	10,097,977	311	511,674	1,491,677	623,027	383,133	3,319,346	146,504	574,683	17,148,332
Less: allowance for uncollectibles	(504,153)	-	-	-	(6,126)	(7,879)	(113,996)	(3,211)	(2,304)	(637,669)
Net total receivables	\$ 9,593,824	\$ 311	\$ 511,674	\$ 1,491,677	\$ 616,901	\$ 375,254	\$ 3,205,350	\$ 143,293	\$ 572,379	\$ 16,510,663

**NOTE 6 – CAPITAL ASSETS**

Capital asset governmental activity for the year ended June 30, 2015 was as follows:

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 14,484,896	\$ 302,072	\$ -	\$ 14,786,968
Construction in progress	458,016	5,259,596	(4,833,765)	883,847
Total capital assets, not being depreciated	14,942,912	5,561,668	(4,833,765)	15,670,815
Capital assets, being depreciated:				
Buildings	32,267,601	37,005	-	32,304,606
Infrastructure	76,195,011	4,954,538	-	81,149,549
Machinery and equipment	13,626,574	1,136,531	(211,541)	14,551,564
Total capital assets being depreciated	122,089,186	6,128,074	(211,541)	128,005,719
Less accumulated depreciation for:				
Buildings	(13,448,640)	(907,499)	-	(14,356,139)
Infrastructure	(47,841,972)	(2,119,944)	-	(49,961,916)
Machinery and equipment	(9,728,668)	(904,186)	198,432	(10,434,422)
Total accumulated depreciation	(71,019,280)	(3,931,629)	198,432	(74,752,477)
Total capital assets, being depreciated, (net)	51,069,906	2,196,445	(13,109)	53,253,242
Net governmental capital assets	\$ 66,012,818	\$ 7,758,113	\$ (4,846,874)	\$ 68,924,057

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Capital asset business-type activity for the year ended June 30, 2015 was as follows:

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets, not being depreciated:				
Land	\$ 6,974,069	\$ -	\$ -	\$ 6,974,069
Construction in progress	2,674,538	4,510,041	(4,402,141)	2,782,438
Total capital assets, not being depreciated	<u>9,648,607</u>	<u>4,510,041</u>	<u>(4,402,141)</u>	<u>9,756,507</u>
Capital assets, being depreciated:				
Buildings	6,097,838	207,702	-	6,305,540
Infrastructure	152,226,389	4,571,771	(585,763)	156,212,397
Machinery and equipment	18,702,788	895,023	(277,001)	19,320,810
Intangibles	3,759,027	-	-	3,759,027
Total capital assets, being depreciated	<u>180,786,042</u>	<u>5,674,496</u>	<u>(862,764)</u>	<u>185,597,774</u>
Less accumulated depreciation for:				
Buildings	(4,828,988)	(101,122)	-	(4,930,110)
Infrastructure	(92,026,636)	(4,603,754)	585,763	(96,044,627)
Machinery and equipment	(11,043,710)	(1,135,950)	193,184	(11,986,476)
Intangibles	(2,301,527)	(76,551)	-	(2,378,078)
Total accumulated depreciation and amortization	<u>(110,200,861)</u>	<u>(5,917,377)</u>	<u>778,947</u>	<u>(115,339,291)</u>
Total capital assets, depreciated (net)	<u>70,585,181</u>	<u>(242,881)</u>	<u>(83,817)</u>	<u>70,258,483</u>
Net business-type capital assets	<u>\$ 80,233,788</u>	<u>\$ 4,267,160</u>	<u>\$ (4,485,958)</u>	<u>\$ 80,014,990</u>

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

Governmental activities:	
General government	\$ 389,766
Public safety	723,747
Highways and public improvements	1,941,720
Parks, recreation, and culture	<u>876,396</u>
Total depreciation expense - governmental activities	<u>\$ 3,931,629</u>
Business-type activities:	
Water	\$ 1,022,073
Waste Water	465,107
Storm Water	1,215,378
Power	3,045,512
Murray Parkway Recreation	163,846
Solid Waste	<u>5,461</u>
Total depreciation expense - business-type activities	<u>\$ 5,917,377</u>

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2015, interfund balances due to or from other funds was as follows:

Receivable Fund	Payable Fund	Amount
Water	Murray Parkway Recreation	84,422
		\$ 84,422

Interfund loans are generally for working capital requirements and are expected to be repaid within the next few fiscal years. In fiscal year 2012 the Murray Parkway Recreation Fund received a loan from the Water fund for \$205,245 for the purchase of golf carts. The loan is for five years at 2.5 percent interest. In addition to the interfund loans 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, 2015 were as follows:

Fund Transferring Out	Fund Receiving Transfer	Amount
Water	General	\$ 464,459
Waste Water	General	318,041
Storm Water	General	112,636
Power	General	2,840,497
Solid Waste	General	96,932
Redevelopment Agency	General	833,251
General	Cemetery Perpetual Care	34,000
Library	Capital Projects	9,050
Water	Capital Projects	59,311
Waste Water	Capital Projects	51,562
Power	Capital Projects	196,180
Murray Parkway Recreation	Capital Projects	6,940
Solid Waste	Capital Projects	21,975
Storm Water	Capital Projects	41,379
Central Garage	Capital Projects	2,311
Retained Risk	Capital Projects	4,566
Cemetery Perpetual Care	Capital Projects	400,000
General	Capital Projects	2,748,119
Redevelopment Agency	Capital Projects	13,442
Redevelopment Agency	Power	15,843
Redevelopment Agency	Waste Water	15,843
Water	Storm Water	5,000
Waste Water	Storm Water	5,000
Capital Projects	Storm Water	5,000
		\$ 8,301,337

The City commonly budgets transfers to various funds to finance capital and operating costs. The City also uses an operational transfer from the enterprise funds to the general fund; this amount will not be repaid and is considered a return on investment.



## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### NOTE 8 – INVESTMENTS IN JOINT VENTURES

The City is a participant in several joint ventures 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 8.41 percent 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, 2014, is reported in the government-wide statement of net position. 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 City's ownership in the Association is calculated from the tipping fees for the preceding ten fiscal years. Tipping fees are paid from the Solid Waste Fund and were \$185,221 for fiscal year 2015. 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.

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 7.3 percent 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, 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 operations, maintenance, administration expenses, and debt service amounted to \$1,217,797 in 2015. The Waste Water Fund made a net contribution of \$167,655 to the Facility in 2015 and recorded a (\$306,366) loss in joint venture resulting in a net decrease in its investment in the Facility of (\$138,711).

During 2005, the Facility issued \$35,000,000 of revenue bonds. The City's share of the total outstanding obligation at December 31, 2014 is \$2,241,297. 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.

## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### NOTE 9 – 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 Cooperation Act. UAMPS' membership consists of 35 municipalities, one joint action agency, one electric service district, two public utility districts, two water conservancy districts, two co-ops, one municipal utility district, and one nonprofit corporation.

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."

UAMPS' purpose includes planning, financing, developing, acquiring, constructing, improving, operating, and maintaining projects. In addition, UAMPS acquires ownership interests and capacity rights, for 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 ten 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 megawatts 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, 2015 is \$1,380,950, reported as an intangible asset.

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 UAMPS.

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 155 North 400 West Suite 480, Salt Lake City, UT 84103, or from the Utah State Auditor's website at <http://auditor.utah.gov/accountability/financial-reports-of-local-governments/>.

## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### 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 for the annual budget. The Center determines the 911 assessments for the telephone users within the members' jurisdictions.

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.

#### Drug Enforcement Administration - 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 co-operative 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, Finance Department 5025 South State Street, Murray, UT 84157-0520.

#### Utah Infrastructure Agency (UIA)

On June 7, 2010, the City joined 8 other cities in an interlocal cooperative to purchase, lease, construct or equip facilities that are designed to provide telecommunication services within the respective cities. This agreement was amended and restated on November 1, 2010. The purpose of the agreement is to work in conjunction with Utah Telecommunications Open Infrastructure Agency (UTOPIA) to complete a wholesale fiber optic network for the residences and businesses in each city (see note 13 on UTOPIA pledge and loan agreement).

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10 – 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>Capital Asset</u>	<u>Original Principal</u>	<u>Interest Rates</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>
IBM Server	\$ 95,795	2.480%	\$ 95,795	54,284
Asphalt Grinder	\$ 420,000	1.230%	\$ 414,080	75,915

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

	<u>June 30,</u>	<u>Totals</u>
	2016	\$ 111,249
	2017	90,261
	2018	<u>80,014</u>
Total minimum lease payments		281,524
Less: interest portion		<u>(6,459)</u>
Present value of minimum lease payments		275,065
Amount due within one year		<u>(107,781)</u>
Amount due after one year		<u>\$ 167,284</u>

NOTE 11 – LONG-TERM DEBT

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds. During fiscal year 2012 the City authorized the Waste Water Fund to issue bonds in the amount of \$2,626,000, but as of June 30, 2015 only \$1,516,000 was issued.

The City issued \$1,343,000 in Sales Tax Revenue Bonds in fiscal year 2014 for purchase of land for the Redevelopment Agency. This bond issue will be repaid by the Redevelopment Agency Fund.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Revenue bonds outstanding at June 30, 2015 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount
Electric Series 2006	\$ 9,700,000	\$15,000 to \$1,500,000	4.00% to 5.00%	6/1/2021	\$ 8,185,000
Water/Sewer Series 2012	5,070,000	\$60,000 to 600,000	2.575%	10/1/2023	4,880,000
Sewer Series 2012	2,626,000	\$102,000 to 165,000	2.5%	10/1/2032	1,310,000
Storm Water 2013	3,000,000	\$110,000 to 215,000	2.00% to 4.00%	2/1/2033	2,580,000
Sales Tax Series 2007	9,990,000	\$560,000 to \$875,000	3.75% to 5.000%	12/1/2020	4,095,000
Sales Tax Series 2009A	4,580,000	\$275,000 to \$405,000	3.00% to 4.40%	4/1/2023	2,395,000
Sales Tax Series 2014	1,343,000	\$262,000 to \$276,000	1.32%	4/1/2019	1,081,000
	<u>\$ 36,309,000</u>				<u>\$ 24,526,000</u>

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year(s)	Principal	Interest	Totals
2016	\$ 3,255,000	\$ 819,808	\$ 4,074,808
2017	3,185,000	692,414	3,877,414
2018	3,323,000	582,408	3,905,408
2019	3,410,000	470,215	3,880,215
2020	3,227,000	352,913	3,579,913
2021 - 2025	6,795,000	560,986	7,355,986
2026 - 2030	821,000	142,875	963,875
2031 - 2035	510,000	30,900	540,900
	<u>\$ 24,526,000</u>	<u>\$ 3,652,519</u>	<u>\$ 28,178,519</u>

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Changes in Long-Term Liabilities

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
Sales tax	\$ 9,028,000	\$ -	\$(1,457,000)	\$ 7,571,000	\$ 1,190,000
Premium	97,495	-	(17,822)	79,673	-
Total bonds payable	9,125,495	-	(1,474,822)	7,650,673	1,190,000
Capital leases	382,770	-	(107,705)	275,065	107,781
Compensated absences	2,703,161	2,096,668	(1,887,348)	2,912,481	2,080,863
Net OPEB payable	347,308	-	(89,778)	257,530	-
Governmental activities, long-term liabilities	<u>\$ 12,558,734</u>	<u>\$ 2,096,668</u>	<u>\$(3,559,653)</u>	<u>\$ 11,095,749</u>	<u>\$ 3,378,644</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds payable	\$ 18,048,000	\$ 486,000	\$(1,579,000)	\$ 16,955,000	\$ 2,065,000
Deferred loss	(291,486)	-	29,896	(261,590)	-
Premium	240,159	-	(25,876)	214,283	-
Total bonds payable	17,996,673	486,000.00	(1,574,980)	16,907,693	2,065,000
Compensated absences	1,132,542	742,680	(680,955)	1,194,267	774,423
Net OPEB payable	311,410	-	(34,249)	277,161	-
Business-type activities, long-term liabilities	<u>\$ 19,440,625</u>	<u>\$ 1,228,680</u>	<u>\$(2,290,184)</u>	<u>\$ 18,379,121</u>	<u>\$ 2,839,423</u>

NOTE 12 – 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.

## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### NOTE 13 – CONTINGENT LIABILITIES AND COMMITMENTS

##### 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 materially 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 12 months) and/or failure to perform under the agreement on the part of each of the California participants.

The future of the IPA power plant, after the original contract expires in 2027, has been finalized. Because of California air emission law changes, which outlaw any coal fired power generation to cross California state lines, the future of the coal fired plant has been altered. The California municipal utilities consume up to 95% of the generation from the plant and so keeping those cities in the entitlement mix was imperative. Therefore, the IPA Board and staff proposed a change of fuel from coal to natural gas prior to the agreement expiration, a move that has keep all of the current shareholders in the mix. All 36 owners have signed the agreement to allowing IPA to study, engineer and actively begin modification of the plant.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

Commitments

The City has active construction commitments with water line, cemetery, and storm drain projects as of June 30, 2015. At year end, the City’s commitments with contractors are as follows:

<u>Project Type</u>	<u>Spent-to-Date</u>	<u>Remaining commitment</u>
Water construction projects	274,942	100,606
Cemetery construction projects	387,095	166,741
Storm drain construction	845,066	17,644

Utah Telecommunication Open Infrastructure Agency (UTOPIA)

The City entered into a Pledge and Loan Agreement with 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 leases use of the fiber optic system to retail vendors of telephone, video, and internet 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. Sales and use tax revenues have been pledged towards the payment of the City’s share of the debt service reserve fund requirement if withdrawals were made by the Trustee to make bond payments; 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.

In June 2008, the City entered into an Amended and Restated Pledge and Loan Agreement as part of a restructuring of UTOPIA debt. The City pledged sales and use tax revenue towards its share of any debt service fund shortfall.

In January 2010, the Trustees of the UTOPIA bond funds notified the City that part of UTOPIA’s Debt Service Reserve Fund was used to make the required bond payments. The City has received similar notices each month since this original notice. The City understands that these withdrawals will continue for an undetermined period of time and that applicable monthly replenishment payments will be required of the City for its share of the amounts withdrawn from the debt service reserve fund since January 2011.

According to the Amended and Restated Pledge and Loan Agreement, the amounts withdrawn from the City’s share of the Debt Service Reserve fund becomes a loan to UTOPIA. It is currently unclear as to when UTOPIA will be in a position to repay the loan.

In December 2011, UTOPIA completed a second amended and restated pledge and loan agreement with its member cities. This change occurred so that UTOPIA could refund the Series 2008 Bonds. This reduced UTOPIA’s market risk and administrative costs. This also drew down the restricted money that had been set aside for UTOPIA’s Series 2004 Debt Service Reserve Fund. This amendment also helps assure that money will be available to make timely debt service payments since the member cities pay directly into the Debt Service fund and are no longer paying into the Debt Service Reserve fund. The maximum amount committed by the City for year ended June 30, 2015 was \$1,647,518, with a 2 percent increase per year through 2040. The total debt service payments paid by the City as of June 30, 2015 is \$8,450,918. The amount paid by the City is a loan to UTOPIA, but as the likely hood of it being re-paid in the near future is remote the City has decided to disclose this amount rather than record this loan on its financial statements. UTOPIA’s total bonded debt as of June 30, 2015 is \$184,803,065 of which the City is responsible for 12.30 percent or \$22,730,777.



## **MURRAY CITY**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### Utah Infrastructure Agency (UIA)

On May 1, 2011, the City entered into a “Communication Service Contract” with UIA to provide connections to a fiber optic network for the residences and businesses of the City. The agreement obligates the City to financially support UIA if UIA revenues are insufficient to pay operational and debt payments. The City has obligated up to \$690,241 of its annual franchise tax revenue for this support. UIA’s total bonded debt as of June 30, 2015 is \$38,375,000 of which the City is responsible for 13.40 percent or \$5,142,250. Also, the City paid operational expenses to UIA in fiscal year 2015 of \$141,666.

The service contract also provides that the City will bill and collect connection service fees from the end users located in the City on behalf of UIA. The City is entitled to 5 percent of the fee for administrative costs and the remaining 95 percent is due to UIA. The City becomes a signatory party to the end user agreement, along with UIA and the end user. The City is responsible for collection of the user fees stipulated in the agreement should the end user default.

#### NOTE 14 – 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, 2015, 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 million.

#### NOTE 15 – REDEVELOPMENT AGENCY

In connection with the activities of the Redevelopment Agency (RDA), incremental tax revenues totaling \$2,776,692 was generated. Of this amount, the RDA was required to pay \$400,000 to the Murray School District. There is no outstanding debt of the RDA at June 30, 2015; however, the RDA has agreed to make payments on the Series 2009A, 2009B, and 2014 sales tax bonds.

During the year ended June 30, 2015, funds expended by the RDA were limited to the categories of debt service and administration costs. Administrative costs totaled \$1,534,019, low income housing \$225,498, and debt service payments totaled \$1,069,135 for the year.

#### NOTE 16 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

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

## MURRAY CITY NOTES TO THE FINANCIAL STATEMENTS

- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Fire fighters System) are multiple employer, cost sharing, public employees, retirement systems.

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

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

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

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### Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\*with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

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**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
<b>Contributory System</b>			
11 - Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 - Local Governmental Division Tier 2	N/A	N/A	14.830%
<b>Noncontributory System</b>			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
<b>Public Safety Retirement System</b>			
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 - Other Division A Contributory Tier 2	N/A	N/A	22.550%
<b>Firefighters System</b>			
31 - Division A Tier 1	N/A	15.050%	3.820%
132 - Division B Tier 2	N/A	N/A	10.800%

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

At December 31, 2014, we reported a net pension asset of \$707,580 and a net pension liability of \$9,469,409.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	1.3977324%	\$ -	\$ 6,051,669
Contributory System	1.2881602%	-	371,561
Public Safety Retirement System	2.3828708%	-	2,996,658
Firefighters System	11.8165586%	674,298	-
Tier 2 Public Employees System	0.2312225%	7,007	-
Tier 2 Public Safety and Firefighter System	1.7761219%	26,275	-
<b>Total Net Pension Asset / Liability</b>		<b>\$ 707,580</b>	<b>\$ 9,419,888</b>

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014. For the year ended December 31, 2014, we recognized pension expense of \$2,686,052. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 852	\$ 670,721
Changes in assumptions	-	1,431,070
Net difference between projected and actual earnings on pension plan investments	286,757	-
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,948,640	-
Total	\$ 2,236,249	\$ 2,101,791

\$1,958,884 was reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2015	\$ (467,296)
2016	(422,101)
2017	(403,641)
2018	(282,393)
2019	(78,270)
Thereafter	(160,481)

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

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

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

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

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008- December 31, 2013.

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

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

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
<b>Proportionate share of</b>			
Net pension (asset)/liability	\$ 25,515,099	\$ 8,712,308	\$ (5,120,354)

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

The City also offers a defined contribution retirement pension plan that covers the elected and appointed City officials that are permitted by state law to withdraw from the Utah State Retirement System. Contributions to the plan are based on the same rates of contributions that were being paid to the Utah State Retirement System defined benefit plans. For fiscal year 2015, the employer contributions were \$82,197.

**NOTE 17 – OTHER POSTEMPLOYMENT BENEFITS**

For employees who retired prior to September 30, 2011, the City provided post-retirement health care benefits (OPEB) in accordance with City policy. Currently there are 29 retirees who qualified. The City pays 50 percent of the retirees' health care insurance premiums for the first 18 months with the remaining 50 percent paid by the retirees on a pay-as-you-go basis. After 18 months, the City pays 20 to 30 percent of the premium, depending on the retiree's years of service. This postemployment 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 \$76,316 in premiums for retirees during the fiscal year ended June 30, 2015. For governmental funds, most of the costs are paid by the general fund.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

From October 1, 2011 to March 31, 2013, retirees could stay on the City health insurance plan at their own expense until age sixty-five. On April 1, 2013, the City discontinued its OPEB plan and will no longer have new retirees on its health insurance plan except for the 18 month COBRA period. This change greatly decreased the OPEB liability.

The City does not prepare separate financial statements for the OPEB plan. The single-employer plan is administered by the City. Policy for the City's OPEB plan is set and amended by the Mayor.

The following table shows the components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 287,293
Adjustments to annual required contribution	(210,977)
Contributions made	<u>(76,316)</u>
Increase in net OPEB obligation	-
Net OPEB obligation beginning of year	<u>658,718</u>
Net OPEB obligation end of year	<u><u>\$ 534,691</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Year Ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2013	\$ 356,484	37.3%	\$ 1,043,263
June 30, 2014	336,467	29.0%	658,718
June 30, 2015	287,293	26.6%	534,691

The City used an alternative measurement method to estimate the OPEB liability. The method uses the retiree premiums from June 2015 to project out the future liability with an 8 percent growth rate. This grow rate is comparable to the City's historical insurance rate increases. With no future plan additions, the only changes in the liability occur when retirees discontinue, change coverage, or reach age 65.

**MURRAY CITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

NOTE 19 – FUND BALANCE

Financial statement fund balance category details are as follows:

<b>Fund</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Redevelopment Agency Fund</b>	<b>Other Governmental funds</b>	<b>Total</b>
<b>Nonspendable</b>					
Prepays	\$ 148,246	\$ -	\$ -	\$ -	\$ 148,246
Library prepaids	-	-	-	18,809	18,809
Library endowment	-	-	-	15,891	15,891
<b>Restricted</b>					
Beer tax	8,888	-	-	-	8,888
Class C	233,961	-	-	-	233,961
Historic smelter	15,500	-	-	-	15,500
Escrow account	-	-	-	-	-
State allowance	-	649,702	-	-	649,702
Redevelopment	-	-	1,848,061	-	1,848,061
Debt Service	-	-	192	-	192
Library	-	-	-	361,780	361,780
Low income housing	-	-	514,854	-	514,854
<b>Committed</b>					
Cemetery perpetual care	-	-	-	1,045,535	1,045,535
<b>Assigned</b>					
Capital projects	-	11,281,703	-	-	11,281,703
<b>Unassigned</b>					
	8,624,302	-	-	-	8,624,302
<b>Total</b>	<u>\$ 9,030,897</u>	<u>\$ 11,931,405</u>	<u>\$ 2,363,107</u>	<u>\$ 1,442,015</u>	<u>\$ 24,767,424</u>



## REQUIRED SUPPLEMENTARY INFORMATION

**MURRAY CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET TO ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b><u>REVENUES</u></b>				
Sales taxes	\$ 12,943,703	\$ 13,652,203	\$ 14,180,592	\$ 528,389
Property taxes	6,618,221	6,618,221	6,655,654	37,433
Franchise taxes	4,842,000	4,842,000	4,723,793	(118,207)
Licenses and permits	1,125,250	1,125,250	1,529,791	404,541
Intergovernmental	1,609,284	1,792,011	1,894,133	102,122
Charges for services	2,694,000	2,713,963	2,942,671	228,708
Fines and forfeitures	1,818,000	1,818,000	1,756,643	(61,357)
Emergency 911 Fees	-	423,000	448,508	25,508
Miscellaneous	191,500	191,500	296,851	105,351
Investment income	60,000	60,000	68,585	8,585
Total revenues	<u>31,901,958</u>	<u>33,236,148</u>	<u>34,497,221</u>	<u>1,261,073</u>
<b><u>EXPENDITURES</u></b>				
General government:				
Legislative	346,767	211,877	199,925	11,952
Justice court	1,597,360	1,613,447	1,534,322	79,125
Mayor	529,055	324,866	306,846	18,020
Finance	536,044	346,194	329,037	17,157
Legal	461,696	284,791	281,550	3,241
Nondepartmental	435,416	807,082	698,955	108,127
Personnel	312,777	228,627	214,171	14,456
Administrative and development Services	5,232,746	2,931,152	2,647,955	283,197
Total general government	<u>9,451,861</u>	<u>6,748,036</u>	<u>6,212,761</u>	<u>535,275</u>
Public safety:				
Police department	10,439,944	10,682,759	10,215,300	467,459
Fire department	7,090,972	7,107,338	6,737,314	370,024
Emergency 911 Service	-	423,000	448,508	(25,508)
Total public safety	<u>17,530,916</u>	<u>18,213,097</u>	<u>17,401,122</u>	<u>811,975</u>
Highways and public improvements				
Engineering	684,195	684,195	672,357	11,838
Streets and highways	3,090,815	3,254,505	2,852,383	402,122
Shops and garages	103,600	103,600	107,617	(4,017)
Total highways and public improvements	<u>3,878,610</u>	<u>4,042,300</u>	<u>3,632,357</u>	<u>409,943</u>
Parks, recreation, and culture				
Parks and recreation	5,377,321	5,420,321	5,230,783	189,538
Cemetery	395,908	395,908	364,862	31,046
Total parks, recreation, and culture	<u>5,773,229</u>	<u>5,816,229</u>	<u>5,595,645</u>	<u>220,584</u>
Debt service:				
Principal	1,278,566	1,278,566	1,278,566	-
Interest	308,061	308,061	307,807	254
Pledge payment - UTOPIA debt service	1,647,520	1,647,520	1,647,518	2
Total debt service	<u>3,234,147</u>	<u>3,234,147</u>	<u>3,233,891</u>	<u>256</u>
Total expenditures	<u>39,868,763</u>	<u>38,053,809</u>	<u>36,075,776</u>	<u>1,978,033</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	4,665,816	4,665,816	4,665,816	-
Transfers out	(34,000)	(2,782,119)	(2,782,119)	-
Net other financing sources (uses)	<u>4,631,816</u>	<u>1,883,697</u>	<u>1,883,697</u>	<u>-</u>
Net change in fund balance	(3,334,989)	(2,933,964)	305,142	3,239,106
Fund balance at beginning of year	8,725,755	8,725,755	8,725,755	-
Fund balance at end of year	<u>\$ 5,390,766</u>	<u>\$ 5,791,791</u>	<u>\$ 9,030,897</u>	<u>\$ 3,239,106</u>

**MURRAY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**REDEVELOPMENT AGENCY FUND – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<b>Actual</b> <b>Amounts</b>	<b>Variance with</b> <b>Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Property taxes	\$ 3,074,312	\$ 3,074,312	\$ 2,776,692	\$ (297,620)
Miscellaneous	-	-	15,228	15,228
Investment income	9,500	9,500	13,946	4,446
Total revenues	<u>3,083,812</u>	<u>3,083,812</u>	<u>2,821,094</u>	<u>(262,718)</u>
<b><u>EXPENDITURES</u></b>				
Highways and public improvements	1,887,345	2,137,345	1,666,489	470,856
Debt service:				
Principal	262,000	262,000	262,000	-
Interest and fiscal charges	22,040	22,040	21,784	256
Total expenditures	<u>2,171,385</u>	<u>2,421,385</u>	<u>1,950,273</u>	<u>471,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>912,427</u>	<u>662,427</u>	<u>870,821</u>	<u>208,394</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfer out	<u>(1,064,937)</u>	<u>(1,078,379)</u>	<u>(878,379)</u>	<u>200,000</u>
Total other financing sources (uses)	<u>(1,064,937)</u>	<u>(1,078,379)</u>	<u>(878,379)</u>	<u>200,000</u>
Net change in fund balance	<u>\$ (152,510)</u>	<u>\$ (415,952)</u>	<u>(7,558)</u>	<u>\$ 408,394</u>
Fund balance at beginning of year			<u>2,385,893</u>	
Fund balance at end of year			<u>\$ 2,378,335</u>	

**MURRAY CITY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**LAST 10 FISCAL YEARS\***  
**12/31/2014**

Description	Noncontributory System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)						
Fiscal Year						
2015	1.3977324%	1.2881602%	2.3828708%	11.8165586%	0.2312225%	1.7761219%
Proportionate share of the net pension liability (asset)						
Fiscal Year						
2015	\$ 6,051,669	\$ 371,561	\$ 2,996,658	\$ (674,298)	\$ (7,007)	\$ (26,275)
Covered employee payroll						
Fiscal Year						
2015	\$ 11,942,416	\$ 688,420	\$ 3,620,709	\$ 3,136,424	\$ 1,134,435	\$ 734,851
Proportionate share of the net pension liability (asset) as a percentage of its covered-employees payroll						
Fiscal Year						
2015	50.5%	54.0%	82.8%	-21.5%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability						
Fiscal Year						
2015	89.7%	94.0%	90.5%	103.5%	103.5%	120.5%

\*The 10-year schedule will need to be built prospectively

**MURRAY CITY**  
**SCHEDULE OF CONTRIBUTIONS**  
**UTAH RETIREMENT SYSTEMS**  
**LAST 10 FISCAL YEARS\***  
**12/31/2014**

Description	Contributory			Tier 2 Public	Tier 2 Public	
	Noncontributory System	Retirement System	Public Safety System	Firefighters System	Employees System	Safety and Firefighter System
Contractually required contribution	\$ 2,196,844	\$ 95,584	\$ 1,173,695	\$ 105,342	\$ 95,396	\$ 80,031
Contributions in relation to the contractually required contribution	(2,196,844)	(95,584)	(1,173,695)	(105,342)	(95,396)	(80,031)
Contribution deficiency (excess)	-	-	-	-	-	-
Covered employee payroll	\$ 11,942,416	\$ 688,420	\$ 3,620,709	\$ 3,136,424	\$ 1,134,435	\$ 734,851
Contributions as a percentage of covered-employees payroll**	18.30%	13.88%	32.42%	3.36%	8.41%	10.89%

\*Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.

\*\*Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

**MURRAY CITY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2014**

NOTE 1 – DEFINED CONTRIBUTION SYSTEM

Changes of Assumptions

If there were any changes to actuarial assumptions, they would be reported in this area.

**Other Information that is not required as part of RSI**

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay period January 1 – December 31.

**Defined Contribution System**

12/31/2014

	Employee Paid Contributions	Employer Paid Contributions
	<u>                    </u>	<u>                    </u>
401(k) Plan	\$ 473,194	\$ 785,528
457 Plan	253,514	-
Roth IRA Plan	-	-
Traditional IRA Plan	-	-
HRA Plan	-	-

## SUPPLEMENTARY INFORMATION

**MURRAY CITY**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Permanent</u>	
	<u>Library</u>	<u>Cemetery</u>	<u>Total</u>
	<u>Fund</u>	<u>Perpetual Care</u>	<u>Nonmajor</u>
		<u>Fund</u>	<u>Governmental</u>
			<u>Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 85,328	\$ 1,045,535	\$ 1,130,863
Investments	301,731	-	301,731
Receivables:			
Property taxes	1,491,677	-	1,491,677
Prepaid items	18,809	-	18,809
Restricted cash	15,891	-	15,891
Total assets	<u>1,913,436</u>	<u>1,045,535</u>	<u>2,958,971</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	20,004	-	20,004
Accrued liabilities	26,055	-	26,055
Total liabilities	<u>46,059</u>	<u>-</u>	<u>46,059</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows-property taxes	1,470,897	-	1,470,897
Total deferred inflows of resources	<u>1,470,897</u>	<u>-</u>	<u>1,470,897</u>
<b><u>FUND BALANCE</u></b>			
Nonspendable	34,700	-	34,700
Restricted	361,780	-	361,780
Committed	-	1,045,535	1,045,535
Total fund balances	<u>396,480</u>	<u>1,045,535</u>	<u>1,442,015</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,913,436</u>	<u>\$ 1,045,535</u>	<u>\$ 2,958,971</u>



**MURRAY CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total</u>
	<u>Library</u>	<u>Cemetery</u>	<u>Nonmajor</u>
	<u>Fund</u>	<u>Perpetual Care</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<b><u>REVENUES</u></b>			
Property taxes	\$ 1,619,652	\$ -	\$ 1,619,652
Intergovernmental	50,719	-	50,719
Charges for services	-	1,250	1,250
Fines and forfeitures	53,019	-	53,019
Investment income	4,898	6,326	11,224
Miscellaneous	8,255	-	8,255
Total revenues	<u>1,736,543</u>	<u>7,576</u>	<u>1,744,119</u>
<b><u>EXPENDITURES</u></b>			
Parks, recreation, and culture	<u>1,668,570</u>	-	<u>1,668,570</u>
Total expenditures	<u>1,668,570</u>	-	<u>1,668,570</u>
Excess of revenues over (under) expenditures	<u>67,973</u>	<u>7,576</u>	<u>75,549</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	-	34,000	34,000
Transfers out	<u>(9,050)</u>	<u>(400,000)</u>	<u>(409,050)</u>
Total other financing uses	<u>(9,050)</u>	<u>(366,000)</u>	<u>(375,050)</u>
Net change in fund balance	58,923	(358,424)	(299,501)
Fund balance, beginning of year	<u>337,557</u>	<u>1,403,959</u>	<u>1,741,516</u>
Fund balance, end of year	<u>\$ 396,480</u>	<u>\$ 1,045,535</u>	<u>\$ 1,442,015</u>

**MURRAY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**LIBRARY FUND – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b><u>REVENUES</u></b>				
Property taxes	\$ 1,619,738	\$ 1,619,738	\$ 1,619,652	\$ (86)
Intergovernmental	12,000	50,300	50,719	419
Fines and forfeitures	45,000	45,000	53,019	8,019
Investment income	6,131	6,131	4,898	(1,233)
Miscellaneous	6,500	6,500	8,255	1,755
Total revenues	<u>1,689,369</u>	<u>1,727,669</u>	<u>1,736,543</u>	<u>8,874</u>
<b><u>EXPENDITURES</u></b>				
Parks, recreation, and culture	1,689,369	1,727,669	1,668,570	59,099
Total expenditures	<u>1,689,369</u>	<u>1,727,669</u>	<u>1,668,570</u>	<u>59,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>67,973</u>	<u>67,973</u>
<b><u>OTHER FINANCING USES</u></b>				
Transfer out	-	(9,050)	(9,050)	-
Total other financing uses	-	(9,050)	(9,050)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,050)</u>	<u>58,923</u>	<u>\$ 67,973</u>
Fund balance at beginning of year			<u>337,557</u>	
Fund balance at end of year			<u>\$ 396,480</u>	

**MURRAY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 50,000	\$ 61,119	\$ -	\$ (61,119)
Total revenues	<u>50,000</u>	<u>61,119</u>	<u>-</u>	<u>(61,119)</u>
<b><u>EXPENDITURES</u></b>				
Highways and public improvements	<u>50,000</u>	<u>61,119</u>	<u>-</u>	<u>61,119</u>
Total expenditures	<u>50,000</u>	<u>61,119</u>	<u>-</u>	<u>61,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ -</u>	

**MURRAY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**CAPITAL PROJECTS – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 959,847	\$ 959,847	\$ -
Investment income	-	-	69,376	69,376
Miscellaneous income	-	15,000	28,797	13,797
Total revenues	-	974,847	1,058,020	83,173
<b><u>EXPENDITURES</u></b>				
General government	269,602	1,202,192	773,572	428,620
Public safety	876,163	891,163	633,794	257,369
Highways and public improvements	924,392	4,961,995	3,986,901	975,094
Parks, recreation, and culture	645,000	1,045,000	648,768	396,232
Debt service				
Principal	24,139	24,139	24,139	-
Interest and fiscal charges	1,050	1,050	1,043	7
Total expenditures	2,740,346	8,125,539	6,068,217	2,057,322
Excess (deficiency) of revenues over (under) expenditures	(2,740,346)	(7,150,692)	(5,010,197)	2,140,495
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	200,000	3,754,835	3,554,835	(200,000)
Sale of capital assets	-	-	16,357	16,357
Total other financing sources (uses)	195,000	3,749,835	3,566,192	(183,643)
Net change in fund balance	<u>\$ (2,545,346)</u>	<u>\$ (3,400,857)</u>	<u>(1,444,005)</u>	<u>\$ 1,956,852</u>
Fund balance at beginning of year			<u>13,375,410</u>	
Fund balance at end of year			<u>\$ 11,931,405</u>	

**MURRAY CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**CEMETERY PERPETUAL CARE FUND – BUDGET TO ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES</u></b>				
Perpetual care fees	\$ -	\$ -	\$ 1,250	\$ 1,250
Investment income	8,000	8,000	6,326	(1,674)
Total revenues	8,000	8,000	7,576	(424)
<b><u>EXPENDITURES</u></b>				
Parks, recreation, and culture	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	8,000	8,000	7,576	(424)
<b><u>OTHER FINANCING USES</u></b>				
Transfers in	34,000	34,000	34,000	-
Transfers out	-	(400,000)	(400,000)	-
Total other financing uses	34,000	(366,000)	(366,000)	-
Net change in fund balance	\$ 42,000	\$ (358,000)	(358,424)	\$ (424)
Fund balance at beginning of year			1,403,959	
Fund balance at end of year			\$ 1,045,535	

**MURRAY CITY**  
**STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS**  
**JUNE 30, 2015**

	<b>Central Garage Fund</b>	<b>Retained Risk Fund</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and cash equivalents	\$ 192,716	\$ 1,742,790	\$ 1,935,506
Inventory	59,685	-	59,685
Prepaid items	180	-	180
Total current assets	<u>252,581</u>	<u>1,742,790</u>	<u>1,995,371</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	157,809	-	157,809
Less: accumulated depreciation	(107,978)	-	(107,978)
Total noncurrent assets	<u>49,831</u>	<u>-</u>	<u>49,831</u>
Total assets	<u>302,412</u>	<u>1,742,790</u>	<u>2,045,202</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred pension costs	18,415	8,236	26,651
Total deferred outflows of resources	<u>18,415</u>	<u>8,236</u>	<u>26,651</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	75,072	11,634	86,706
Accrued liabilities	7,870	256,549	264,419
Compensated absences	7,093	15,102	22,195
Total current liabilities	<u>90,035</u>	<u>283,285</u>	<u>373,320</u>
Noncurrent liabilities:			
Compensated absences	2,834	6,036	8,870
Net pension payable	77,570	34,696	112,266
Total noncurrent liabilities	<u>80,404</u>	<u>40,732</u>	<u>121,136</u>
Total liabilities	<u>170,439</u>	<u>324,017</u>	<u>494,456</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred pension gains	17,307	7,742	25,049
Total deferred outflows of resources	<u>17,307</u>	<u>7,742</u>	<u>25,049</u>
<b><u>NET POSITION</u></b>			
Invested in capital assets	49,831	-	49,831
Unrestricted	83,250	1,419,267	1,502,517
Total net position	<u>\$ 133,081</u>	<u>\$ 1,419,267</u>	<u>\$ 1,552,348</u>

**MURRAY CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Central Garage Fund</b>	<b>Retained Risk Fund</b>	<b>Total</b>
<b><u>OPERATING REVENUES</u></b>			
Charges for services	\$ 382,755	\$ 1,007,826	\$ 1,390,581
Total operating revenues	382,755	1,007,826	1,390,581
<b><u>OPERATING EXPENSES</u></b>			
Wages and benefits	274,417	232,119	506,536
Administrative fees	750	500	1,250
Depreciation	4,492	-	4,492
Operations and maintenance	41,251	590,267	631,518
Total operating expenses	320,910	822,886	1,143,796
Operating income (loss)	61,845	184,940	246,785
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>			
Investment income	197	7,717	7,914
Total nonoperating revenues (expenses)	197	7,717	7,914
Income (loss) before transfers	62,042	192,657	254,699
Transfer out	(2,311)	(4,566)	(6,877)
Change in net position	59,731	188,091	247,822
Total net position - beginning	157,593	1,268,857	1,426,450
Prior period adjustment	(84,243)	(37,681)	(121,924)
Total net position - ending	\$ 133,081	\$ 1,419,267	\$ 1,552,348

**MURRAY CITY**  
**STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<b>Central Garage Fund</b>	<b>Retained Risk Reserve Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Receipts from customers and users	\$ 383,286	\$ 1,007,826	\$ 1,391,112
Payments to suppliers of goods and services	(3,858)	(590,819)	(594,677)
Payments to employees for services	(304,477)	(224,547)	(529,024)
Payment for interfund services	(750)	(500)	(1,250)
Net cash provided (used) by operating activities	<u>74,201</u>	<u>191,960</u>	<u>266,161</u>
<b>Cash flows from noncapital financing activities</b>			
Transfers to other funds	(2,311)	(4,566)	(6,877)
<b>Net cash used by noncapital financing activities</b>	<u>(2,311)</u>	<u>(4,566)</u>	<u>(6,877)</u>
<b>Cash flows from capital and related financing activities</b>			
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	(6,675)	-	(6,675)
<b>Net cash used by capital activities</b>	<u>(6,675)</u>	<u>-</u>	<u>(6,675)</u>
<b>Cash flows from investing activities</b>			
Investment income	197	7,717	7,914
<b>Net cash provided by investing activities</b>	<u>197</u>	<u>7,717</u>	<u>7,914</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	65,412	195,111	260,523
<b>Cash and cash equivalents, beginning of year</b>	<u>127,304</u>	<u>1,547,679</u>	<u>1,674,983</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 192,716</u>	<u>\$ 1,742,790</u>	<u>\$ 1,935,506</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income (loss)	\$ 61,845	\$ 184,940	\$ 246,785
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	4,492	-	4,492
(Increase) decrease in receivables	531	-	531
(Increase) decrease in inventory and prepaid items	10,683	-	10,683
(Increase) decrease in liabilities	(3,350)	7,020	3,670
<b>Net cash provided (used) by by operating activities</b>	<u>\$ 74,201</u>	<u>\$ 191,960</u>	<u>\$ 266,161</u>



**MURRAY CITY**  
**STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<u>Enterprise Funds</u>			<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	<u>Telecommunication Fund</u>	
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 427,619	\$ 564,928	\$ 103,290	\$ 1,095,837
Investments	299,507	-	-	299,507
Accounts receivable (net)	-	112,863	7,432	120,295
Notes receivable	-	-	32,496	32,496
Inventory	69,607	-	-	69,607
Total current assets	<u>796,733</u>	<u>677,791</u>	<u>143,218</u>	<u>1,617,742</u>
Noncurrent assets:				
Notes receivable	-	-	419,588	419,588
Capital assets:				
Land	326,336	-	-	326,336
Buildings	873,119	-	-	873,119
Improvements other than buildings	3,734,149	-	-	3,734,149
Machinery and equipment	983,602	54,613	-	1,038,215
Accumulated depreciation	(4,926,699)	(8,819)	-	(4,935,518)
Total noncurrent assets	<u>990,507</u>	<u>45,794</u>	<u>419,588</u>	<u>1,455,889</u>
Total assets	<u>1,787,240</u>	<u>723,585</u>	<u>562,806</u>	<u>3,073,631</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred pension costs	39,851	1,819	-	41,670
Total deferred outflows of resources	<u>39,851</u>	<u>1,819</u>	<u>-</u>	<u>41,670</u>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable	14,031	83,290	-	97,321
Accrued liabilities	118,154	1,844	-	119,998
Due to other funds	84,422	-	-	84,422
Compensated absences	59,215	1,718	-	60,933
Notes payable	-	-	32,496	32,496
Total current liabilities	<u>275,822</u>	<u>86,852</u>	<u>32,496</u>	<u>395,170</u>
Noncurrent liabilities:				
Notes payable	-	-	419,588	419,588
Compensated absences	32,103	932	-	33,035
Net pension payable	167,867	7,662	-	175,529
Total noncurrent liabilities	<u>199,970</u>	<u>8,594</u>	<u>419,588</u>	<u>628,152</u>
Total liabilities	<u>475,792</u>	<u>95,446</u>	<u>452,084</u>	<u>1,023,322</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred pension gains	37,455	1,710	-	39,165
Total deferred inflows of resources	<u>37,455</u>	<u>1,710</u>	<u>-</u>	<u>39,165</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	990,507	45,794	-	1,036,301
Unrestricted	323,337	582,454	110,722	1,016,513
Total net position	<u>\$ 1,313,844</u>	<u>\$ 628,248</u>	<u>\$ 110,722</u>	<u>\$ 2,052,814</u>

**MURRAY CITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION –**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Enterprise Funds</u>			<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	<u>Telecommunication Fund</u>	
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 1,393,529	\$ 1,385,085	\$ 71,030	\$ 2,849,644
Other	184	145	-	329
Total operating revenues	<u>1,393,713</u>	<u>1,385,230</u>	<u>71,030</u>	<u>2,849,973</u>
<b><u>OPERATING EXPENSES</u></b>				
Wages and benefits	762,531	63,563	-	826,094
Administrative fees	750	111,301	-	112,051
Depreciation	163,846	5,461	-	169,307
Operations and maintenance	463,330	1,048,946	69,019	1,581,295
Total operating expenses	<u>1,390,457</u>	<u>1,229,271</u>	<u>69,019</u>	<u>2,688,747</u>
Operating income (loss)	<u>3,256</u>	<u>155,959</u>	<u>2,011</u>	<u>161,226</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>				
Investment income	2,483	2,518	662	5,663
Interest and fiscal charges	(3,127)	-	-	(3,127)
Gain/(loss) on disposal of assets	900	-	-	900
Total nonoperating revenues (expenses)	<u>256</u>	<u>2,518</u>	<u>662</u>	<u>3,436</u>
Income before transfers	3,512	158,477	2,673	164,662
Transfers out	(6,940)	(118,907)	-	(125,847)
Change in net position	(3,428)	39,570	2,673	38,815
Total net position - beginning	1,499,580	596,999	108,049	2,204,628
Prior period adjustment	(182,308)	(8,321)	-	(190,629)
Total net position - ending	<u>\$ 1,313,844</u>	<u>\$ 628,248</u>	<u>\$ 110,722</u>	<u>\$ 2,052,814</u>

**MURRAY CITY**  
**STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Enterprise Funds</u>			<u>Total</u>
	<u>Murray Parkway Recreation Fund</u>	<u>Solid Waste Management Fund</u>	<u>Telecommunication Fund</u>	
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 1,393,713	\$ 1,382,458	\$ 69,634	\$ 2,845,805
Payments to suppliers of goods and services	(384,564)	(1,053,223)	(69,019)	(1,506,806)
Payments to employees for services	(811,192)	(65,633)	-	(876,825)
Payment for interfund services	(750)	(111,301)	-	(112,051)
Net cash provided (used) by operating activities	<u>197,207</u>	<u>152,301</u>	<u>615</u>	<u>350,123</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	-	-	-
Transfers to other funds	(6,940)	(118,907)	-	(125,847)
Changes to interfund receivables and payables	(40,673)	-	-	(40,673)
Net cash provided (used) by noncapital financing activities	<u>(47,613)</u>	<u>(118,907)</u>	<u>-</u>	<u>(166,520)</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	900	-	-	900
Purchases of capital assets	(140,429)	-	-	(140,429)
Interest and fiscal charges paid on capital debt	(3,127)	-	-	(3,127)
Net cash provided (used) by capital activities	<u>(142,656)</u>	<u>-</u>	<u>-</u>	<u>(142,656)</u>
<b>Cash flows from investing activities</b>				
Sale (purchase) of investments	(299,507)	-	-	(299,507)
Investment income	2,483	2,518	662	5,663
Net cash provided by investing activities	<u>(297,024)</u>	<u>2,518</u>	<u>662</u>	<u>5,663</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(290,086)</u>	<u>35,912</u>	<u>1,277</u>	<u>(252,897)</u>
<b>Cash and cash equivalents - beginning of year</b>	<u>717,705</u>	<u>529,016</u>	<u>102,013</u>	<u>1,348,734</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 427,619</u>	<u>\$ 564,928</u>	<u>\$ 103,290</u>	<u>\$ 1,095,837</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 3,256	\$ 155,959	\$ 2,011	\$ 161,226
Adjustments to reconcile operating income to net cash provided by:				
Depreciation and amortization	163,846	5,461	-	169,307
(Increase) decrease in receivables	-	(2,772)	(1,396)	(4,168)
(Increase) decrease in inventory and prepaid items	14,899	-	-	14,899
(Increase) decrease in liabilities	15,206	(6,347)	-	8,859
<b>Net cash provided by operating activities</b>	<u>\$ 197,207</u>	<u>\$ 152,301</u>	<u>\$ 615</u>	<u>\$ 350,123</u>

# STATISTICAL SECTION

(Unaudited)

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

## Financial Trends

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

## Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources, the property tax.

## Debt Capacity

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

## Demographic and Economic Information

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

## Operating Information

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

**MURRAY CITY**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 52,275	\$ 52,908	\$ 52,903	\$ 59,490	\$ 58,427	\$ 55,550	\$ 56,770	\$ 57,483	\$ 56,505	\$ 60,998
Restricted	1,900	520	520	6,295	3,432	4,151	2,897	2,364	5,878	3,633
Unrestricted	20,642	18,270	22,141	8,984	10,222	14,273	17,159	20,391	20,496	15,199
<b>Total governmental net position</b>	<b>\$ 74,817</b>	<b>\$ 71,698</b>	<b>\$ 75,564</b>	<b>\$ 74,769</b>	<b>\$ 72,081</b>	<b>\$ 73,974</b>	<b>\$ 76,826</b>	<b>\$ 80,238</b>	<b>\$ 82,879</b>	<b>\$ 79,830</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 42,286	\$ 56,427	\$ 53,269	\$ 53,074	\$ 51,828	\$ 55,429	\$ 55,047	\$ 56,679	\$ 62,237	\$ 63,107
Restricted	314	-	-	1,003	1,000	1,005	-	3,215	2,303	599
Unrestricted	16,911	16,279	18,306	16,660	14,758	16,389	20,611	24,892	24,284	24,469
<b>Total business-type net position</b>	<b>\$ 59,511</b>	<b>\$ 72,706</b>	<b>\$ 71,575</b>	<b>\$ 70,737</b>	<b>\$ 67,586</b>	<b>\$ 72,823</b>	<b>\$ 75,658</b>	<b>\$ 84,786</b>	<b>\$ 88,824</b>	<b>\$ 88,175</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 94,561	\$ 109,335	\$ 106,172	\$ 112,564	\$ 110,255	\$ 110,979	\$ 111,817	\$ 114,162	\$ 118,742	\$ 124,105
Restricted	2,214	520	520	7,298	4,432	5,157	2,897	5,579	8,181	4,232
Unrestricted	37,553	34,549	40,447	25,644	24,980	30,662	37,770	45,283	44,780	39,668
<b>Total primary government net position</b>	<b>\$ 134,328</b>	<b>\$ 144,404</b>	<b>\$ 147,139</b>	<b>\$ 145,506</b>	<b>\$ 139,667</b>	<b>\$ 146,798</b>	<b>\$ 152,484</b>	<b>\$ 165,024</b>	<b>\$ 171,703</b>	<b>\$ 168,005</b>

**MURRAY CITY**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 4,557	\$ 5,090	\$ 5,536	\$ 9,033	\$ 9,821	\$ 10,198	\$ 8,984	\$ 7,406	\$ 8,279	\$ 8,195
Public safety	14,387	15,758	15,990	18,182	18,459	17,790	16,679	16,356	17,996	17,450
Highways and public improvements	8,037	6,349	5,989	7,008	8,034	7,277	7,880	8,666	6,837	6,291
Parks, recreation, and culture	8,025	8,183	7,741	7,265	7,717	7,480	7,068	7,539	7,947	8,030
Debt service - interest and fiscal charges	709	427	489	559	621	548	440	384	336	303
<b>Total governmental expenses</b>	<b>35,715</b>	<b>35,807</b>	<b>35,745</b>	<b>42,047</b>	<b>44,652</b>	<b>43,293</b>	<b>41,051</b>	<b>40,351</b>	<b>41,395</b>	<b>40,269</b>
<b>Business-type activities</b>										
Water	3,663	4,023	3,520	4,223	5,998	4,887	4,085	4,128	4,139	4,399
Waste water	3,404	3,354	2,746	3,563	3,274	2,732	3,255	3,354	3,412	3,555
Power	32,394	33,585	35,397	35,358	32,420	32,432	31,190	30,312	32,412	32,613
Murray parkway	1,398	1,729	1,538	1,574	1,485	1,614	1,697	1,260	1,290	1,394
Telecommunication	-	-	-	-	-	-	33	63	71	69
Solid waste	742	782	711	832	806	942	1,050	1,127	1,189	1,229
Storm water	-	1,463	1,382	1,392	1,421	1,691	1,885	1,918	2,240	2,452
<b>Total business-type activities expenses</b>	<b>41,601</b>	<b>44,936</b>	<b>45,294</b>	<b>46,942</b>	<b>45,404</b>	<b>44,298</b>	<b>43,195</b>	<b>42,162</b>	<b>44,753</b>	<b>45,711</b>
<b>Total primary government expenses</b>	<b>\$ 77,316</b>	<b>\$ 80,743</b>	<b>\$ 81,039</b>	<b>\$ 88,989</b>	<b>\$ 90,056</b>	<b>\$ 87,591</b>	<b>\$ 84,246</b>	<b>\$ 82,513</b>	<b>\$ 86,148</b>	<b>\$ 85,980</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
General government	\$ 3,272	\$ 3,386	\$ 3,616	\$ 5,964	\$ 5,926	\$ 6,149	\$ 3,423	\$ 3,090	\$ 3,338	\$ 3,340
Public safety	338	323	340	867	644	1,500	1,183	900	1,531	1,661
Highways & public improvements	798	1,041	-	97	85	78	99	58	71	63
Parks, recreation, and culture	1,541	1,724	1,742	1,678	1,750	1,925	1,775	1,616	1,695	1,739
Operating grants and contributions	457	555	365	457	406	1,385	4,478	5,085	-	3,306
Capital grants & contributions	1,491	14,893	1,591	1,232	2,179	2,472	2,087	626	4,606	213
<b>Total governmental program revenues</b>	<b>7,897</b>	<b>21,922</b>	<b>7,654</b>	<b>10,295</b>	<b>10,990</b>	<b>13,509</b>	<b>13,045</b>	<b>11,375</b>	<b>11,241</b>	<b>10,322</b>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Water	5,106	5,566	5,594	5,492	4,781	5,989	6,373	5,938	5,497	5,245
Waste water	3,257	3,399	3,448	3,556	3,397	4,072	4,348	4,196	4,371	4,600
Power	29,904	33,379	33,707	35,617	33,187	36,329	37,628	37,990	37,514	36,824
Murray parkway	1,475	1,592	1,542	1,596	1,421	1,347	1,563	1,460	1,320	1,394
Telecommunication	-	-	-	-	-	-	34	67	71	71
Solid waste	807	829	833	819	818	962	1,010	1,212	1,369	1,385
Storm water	278	1,522	1,508	1,467	1,400	1,433	1,403	1,757	1,864	1,617
Capital grants & contributions	-	-	-	-	-	2,860	833	743	38	178
<b>Total business-type program revenues</b>	<b>40,827</b>	<b>46,287</b>	<b>46,632</b>	<b>48,547</b>	<b>45,005</b>	<b>52,992</b>	<b>53,192</b>	<b>53,363</b>	<b>52,044</b>	<b>51,314</b>
<b>Total primary government program revenues</b>	<b>\$ 48,724</b>	<b>\$ 68,209</b>	<b>\$ 54,286</b>	<b>\$ 58,842</b>	<b>\$ 55,995</b>	<b>\$ 66,501</b>	<b>\$ 66,237</b>	<b>\$ 64,738</b>	<b>\$ 63,285</b>	<b>\$ 61,636</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (27,818)	\$ (13,885)	\$ (28,090)	\$ (31,752)	\$ (33,663)	\$ (29,783)	\$ (28,006)	\$ (28,976)	\$ (30,154)	\$ (29,947)
Business-type activities	(774)	1,351	1,337	1,604	(399)	8,694	9,997	11,201	7,291	5,603
<b>Total primary government net expense</b>	<b>\$ (28,592)</b>	<b>\$ (12,534)</b>	<b>\$ (26,753)</b>	<b>\$ (30,148)</b>	<b>\$ (34,062)</b>	<b>\$ (21,089)</b>	<b>\$ (18,009)</b>	<b>\$ (17,775)</b>	<b>\$ (22,863)</b>	<b>\$ (24,344)</b>
<b>General revenues &amp; other changes in net position</b>										
<b>Governmental activities</b>										
<b>Taxes</b>										
Sales taxes	\$ 13,545	\$ 14,097	\$ 13,872	\$ 12,444	\$ 12,293	\$ 12,800	\$ 12,847	\$ 12,916	\$ 13,548	\$ 14,181
Property taxes	8,517	8,784	8,975	8,774	9,700	9,823	10,076	10,299	10,293	11,052
Franchise taxes	4,743	4,619	4,919	5,056	4,931	4,925	4,849	4,993	4,932	4,724
Investment income	727	1,069	943	514	396	310	296	203	120	171
Gain/(loss) on sale & disposal of assets	115	109	165	51	(85)	-	11	94	57	31
Miscellaneous	202	324	269	1,181	735	196	207	277	279	349
Rent, transfers & miscellaneous	1,019	(10,781)	2,813	2,937	3,005	3,622	3,130	3,606	3,565	4,173
<b>Total governmental activities</b>	<b>28,868</b>	<b>18,221</b>	<b>31,956</b>	<b>30,957</b>	<b>30,975</b>	<b>31,676</b>	<b>31,416</b>	<b>32,388</b>	<b>32,794</b>	<b>34,681</b>
<b>Business-type activities</b>										
Interest income	785	831	760	434	215	183	245	287	288	308
Gain/(loss) on sale & disposal of assets	2,558	199	579	60	39	(17)	163	31	25	50
Rent & transfers	(1,019)	10,813	(2,813)	(2,937)	(3,005)	(3,622)	(3,130)	(3,606)	(3,565)	(4,173)
<b>Total business-type activities</b>	<b>2,324</b>	<b>11,843</b>	<b>(1,474)</b>	<b>(2,443)</b>	<b>(2,751)</b>	<b>(3,456)</b>	<b>(2,722)</b>	<b>(3,288)</b>	<b>(3,252)</b>	<b>(3,815)</b>
<b>Total primary government</b>	<b>\$ 31,192</b>	<b>\$ 30,064</b>	<b>\$ 30,482</b>	<b>\$ 28,514</b>	<b>\$ 28,224</b>	<b>\$ 28,220</b>	<b>\$ 28,694</b>	<b>\$ 29,100</b>	<b>\$ 29,542</b>	<b>\$ 30,866</b>
<b>Change in net position</b>										
Governmental activities	\$ 1,049	\$ 4,336	\$ 3,866	\$ (796)	\$ (2,687)	\$ 1,893	\$ 3,410	\$ 3,412	\$ 2,640	\$ 4,734
Business-type activities	1,551	13,194	(136)	(837)	(3,151)	5,238	7,275	7,913	4,039	1,788
<b>Total primary government</b>	<b>\$ 2,600</b>	<b>\$ 17,530</b>	<b>\$ 3,730</b>	<b>\$ (1,633)</b>	<b>\$ (5,838)</b>	<b>\$ 7,131</b>	<b>\$ 10,685</b>	<b>\$ 11,325</b>	<b>\$ 6,679</b>	<b>\$ 6,522</b>

In FY2014 the state auditor has required E911 fees passed to VECC to be recorded as an expense and revenue for Public Safety.

**MURRAY CITY**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	Tax Increment	Sales Tax	Franchise Tax	Transient Room Tax	Total
2006	\$ 6,178,109	\$ 781,187	\$ 13,464,760	\$ 4,742,777	\$ 80,409	\$ 25,247,242
2007	8,113,279	815,330	14,001,006	4,618,367	96,061	27,644,043
2008	8,179,189	795,838	13,941,921	4,918,591	103,260	27,938,799
2009	8,012,195	761,403	12,249,133	5,056,167	102,350	26,181,248
2010	7,900,865	1,799,287	12,517,564	4,931,012	73,421	27,222,149
2011	7,992,332	1,830,905	12,589,925	4,924,741	104,295	27,442,198
2012	8,085,132	1,990,650	12,613,871	4,849,560	85,884	27,625,097
2013	8,061,307	2,237,283	12,821,666	4,993,384	94,359	28,207,999
2014	8,159,505	2,133,581	13,461,012	4,931,685	86,875	28,772,658
2015	8,275,306	2,776,692	14,024,199	4,723,793	156,393	29,956,383

**MURRAY CITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 1,280	\$ 3,065	\$ 3,035	\$ 2,459	\$ 1,490	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,781	8,092	5,962	7,060	7,522	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	235	-	123	148
Restricted	-	-	-	-	-	2,159	1,917	363	163	258
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	10,546	9,150	9,638	8,440	8,624
<b>Total General Fund</b>	<b>\$ 9,061</b>	<b>\$ 11,157</b>	<b>\$ 8,997</b>	<b>\$ 9,519</b>	<b>\$ 9,012</b>	<b>\$ 12,705</b>	<b>\$ 11,302</b>	<b>\$ 10,001</b>	<b>\$ 8,726</b>	<b>\$ 9,030</b>
All other governmental funds										
Reserved	\$ 1,952	\$ 575	\$ 576	\$ 5,077	\$ 3,028	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,572	4,461	4,779	2,447	2,701	-	-	-	-	-
Nonspendable	-	-	-	-	-	20	-	-	16	34
Restricted	-	-	-	-	-	1,472	461	1,481	5,715	3,374
Committed	-	-	-	-	-	1,322	1,316	1,359	1,404	1,046
Assigned	-	-	-	-	-	3,361	6,223	9,897	10,368	11,282
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 3,524</b>	<b>\$ 5,036</b>	<b>\$ 5,355</b>	<b>\$ 7,524</b>	<b>\$ 5,729</b>	<b>\$ 6,175</b>	<b>\$ 8,000</b>	<b>\$ 12,737</b>	<b>\$ 17,503</b>	<b>\$ 15,736</b>

Note: Per GASB Statement No. 54, fund balances have been reclassified beginning fiscal year 2011.



**MURRAY CITY**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED BASIS OF ACCOUNTING)**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes & special assessments	\$ 25,247	\$ 27,644	\$ 27,939	\$ 26,181	\$ 27,222	\$ 27,442	\$ 27,625	\$ 28,208	\$ 28,773	\$ 29,956
Licenses & permits	1,449	1,659	1,629	1,236	1,180	1,439	1,526	1,380	1,400	1,530
Intergovernmental	1,948	2,099	1,956	1,688	2,585	3,423	4,478	5,085	4,417	2,905
Administrative fees	-	-	-	2,989	3,003	2,742	2,994	3,025	-	-
Charges for services	1,985	2,122	2,043	2,597	2,431	3,514	3,057	2,575	2,892	2,944
Fines & forfeitures	2,300	2,477	2,026	1,784	1,791	1,958	1,897	1,710	1,938	1,810
Emergency 911 Fees									424	448
Rents & concessions	1,314	1,297	-	-	-	-	-	-	-	-
Miscellaneous	202	325	269	1,181	734	196	207	278	279	349
Investment Income	727	1,026	905	496	391	306	286	194	113	163
<b>Total revenues</b>	<b>35,172</b>	<b>38,649</b>	<b>36,767</b>	<b>38,152</b>	<b>39,337</b>	<b>41,020</b>	<b>42,070</b>	<b>42,455</b>	<b>40,236</b>	<b>40,105</b>
<b>Expenditures</b>										
General government	5,105	5,407	5,212	7,969	7,991	7,952	9,697	8,561	6,169	6,355
Public safety	14,624	16,166	16,003	19,804	16,927	16,719	15,987	16,424	17,387	17,483
Highways & public improvements	6,340	3,619	3,342	3,467	4,738	4,657	6,204	6,496	6,190	4,536
Parks, recreation and culture	7,161	7,552	6,868	6,847	6,740	6,657	6,325	6,957	5,785	7,238
Capital outlay	231	1,371	8,358	4,342	5,134	1,058	2,883	3,377	3,315	6,608
Principal	1,300	1,340	1,305	1,723	2,066	2,634	1,754	1,524	1,289	1,565
Interest	713	448	515	515	659	589	475	410	353	331
Bond issuance costs	-	159	-	141	-	-	-	-	-	-
Pledge payment - UTOPIA	-	-	-	-	821	1,123	1,661	1,584	1,615	1,647
<b>Total expenditures</b>	<b>35,474</b>	<b>36,062</b>	<b>41,603</b>	<b>44,808</b>	<b>45,076</b>	<b>41,389</b>	<b>44,986</b>	<b>45,333</b>	<b>42,103</b>	<b>45,763</b>
Excess of revenues over (under) expenditures	(302)	2,587	(4,836)	(6,656)	(5,739)	(369)	(2,916)	(2,878)	(1,867)	(5,658)
<b>Other financing sources (uses)</b>										
Proceeds from borrowing	-	10,156	-	6,162	-	-	-	-	1,343	-
Payments to refunding bond escrow	-	(11,619)	-	(1,520)	-	-	-	-	-	-
Capital lease financing	180	-	-	1,557	207	-	-	96	420	-
Transfers in	1,576	5,195	8,809	4,681	4,181	4,824	7,261	10,923	8,471	8,255
Transfers out	(557)	(2,842)	(5,996)	(1,744)	(1,176)	(1,202)	(4,131)	(7,317)	(4,906)	(4,074)
Sales of capital assets	115	130	184	210	224	886	208	1,363	29	16
<b>Total other financing sources (uses)</b>	<b>1,314</b>	<b>1,020</b>	<b>2,997</b>	<b>9,346</b>	<b>3,436</b>	<b>4,508</b>	<b>3,338</b>	<b>5,065</b>	<b>5,357</b>	<b>4,197</b>
<b>Net change in fund balances</b>	<b>\$ 1,012</b>	<b>\$ 3,607</b>	<b>\$ (1,839)</b>	<b>\$ 2,690</b>	<b>\$ (2,303)</b>	<b>\$ 4,139</b>	<b>\$ 422</b>	<b>\$ 2,187</b>	<b>\$ 3,490</b>	<b>\$ (1,461)</b>
<b>Debt service as a % of noncapital expenditures</b>										
	6.06%	5.43%	5.79%	5.85%	7.32%	8.69%	5.59%	4.83%	4.42%	5.09%

UTOPIA Pledge payments are not included in the Debt service ratio, because it is not direct City debt.

In FY2014 the Utah State Auditor started requiring that the governmental activities be reported without administrative fees.

In FY2014 the Utah State Auditor started requiring that E911 fees being passed to VECC be reported as income and expenditures.

**MURRAY CITY**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ending June 30	Total Real Taxable Assessed Value	Estimated Actual Real Taxable Value	Ratio of Total		Murray City Direct Tax Rate	Murray City Library Tax Rate
			Assessed Value to Total Estimated Actual Value			
2006	\$ 2,862,401,216	\$ 3,863,000,000	74.10%		0.001450	0.000490
2007	3,288,381,528	4,420,000,000	74.40%		0.001770	0.000430
2008	3,866,773,720	5,225,000,000	74.01%		0.001520	0.000370
2009	4,098,025,336	6,075,000,000	67.46%		0.001420	0.000350
2010	3,603,823,596	5,388,000,000	66.89%		0.001630	0.000400
2011	3,516,872,832	6,218,000,000	56.56%		0.001740	0.000420
2012	3,352,596,180	6,078,768,680	55.15%		0.001772	0.000431
2013	3,302,745,672	5,989,725,960	55.14%		0.001817	0.000442
2014	3,445,859,945	6,253,259,680	55.11%		0.001782	0.000434
2015	3,594,148,131	6,576,992,580	54.65%		0.001734	0.000422

Source: Salt Lake County Auditor's Office

Note: All property in Salt Lake County is assessed annually. All real 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. Business personal property is self assessed annually and is not included above.

**MURRAY CITY  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rate		Overlapping Rates			
	Total Murray City Direct	Murray City Library	Murray School District	Salt Lake County	Mosquito Abatement District	Central Utah Water Conservation
2006	0.001450	0.000490	0.006530	0.002680	0.000030	0.000400
2007	0.001770	0.000430	0.005950	0.002350	0.000030	0.000400
2008	0.001520	0.000370	0.005090	0.001990	0.000020	0.000300
2009	0.001420	0.000350	0.004790	0.001920	0.000020	0.000290
2010	0.001630	0.000400	0.005520	0.002280	0.000030	0.000400
2011	0.001740	0.000420	0.005930	0.002590	0.000050	0.000420
2012	0.001772	0.000431	0.006201	0.002696	0.000052	0.000436
2013	0.001817	0.000442	0.006481	0.002793	0.000021	0.000455
2014	0.001782	0.000434	0.007003	0.003180	0.000020	0.000446
2015	0.001734	0.000422	0.006846	0.003036	0.000020	0.000422

Overlapping rates are those of local and county governments that apply to property owners within Murray City.

Source: Utah State Tax Commission

**MURRAY CITY  
PRINCIPAL SALES TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2015		2006	
	Rank	Percentage of Total City Sales Taxes	Rank	Percentage of Total City Sales Taxes
Warehouse Store	1	8.37%	1	7.52%
Auto Sales	2	3.27%	3	3.38%
Clothing Store	3	2.54%	4	2.92%
Auto Sales	4	2.45%	6	2.80%
Auto Sales	5	2.43%	9	2.07%
Furniture Store	6	2.25%	2	4.66%
Auto Sales	7	2.24%	7	2.68%
Warehouse Store	8	2.04%	5	2.91%
Auto Sales	9	1.94%	16	1.71%
Electronics Store	10	1.85%		
Auto Sales	11	1.79%		
Auto Sales	12	1.60%	8	2.65%
Department Store	13	1.45%	17	1.59%
Building Products	14	1.36%	14	1.80%
Electronics Store	15	1.31%	10	1.98%
Municipality	16	1.29%	18	1.48%
Auto Sales	17	1.27%		
Electrical Supplies	18	1.19%		
Building Products	19	1.09%		
Food Retailer	20	0.94%		
Telecommunications			11	1.95%
Auto Sales			12	1.89%
Department Store			13	1.81%
Heavy Equipment			15	1.76%
Total		<u>42.67%</u>		<u>47.56%</u>

Percentage based on direct point of sales tax collection of FY2015 \$19,470,913 and FY2006 \$ 16,311,563.

Source: Utah State Tax Commission

**MURRAY CITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

Fiscal Year Ending June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy	
2006	\$ 4,252,740	\$ 4,125,737	97.01%	\$ 127,003	\$ 4,252,740	100.00%	
2007	5,961,277	5,803,417	97.35%	157,860	5,961,277	100.00%	
2008	5,711,000	5,586,752	97.82%	124,248	5,711,000	100.00%	
2009	5,979,944	5,764,695	96.40%	215,249	5,979,944	100.00%	
2010	5,863,420	5,669,616	96.69%	193,804	5,863,420	100.00%	
2011	5,903,086	5,779,782	97.91%	123,304	5,903,086	100.00%	
2012	5,903,253	5,839,394	98.92%	63,859	5,903,253	100.00%	
2013	5,887,409	5,830,924	99.04%	56,485	5,887,409	100.00%	
2014	6,014,202	5,964,588	99.18%	49,614	6,014,202	100.00%	
2015	6,003,221	6,072,274	101.15%	-	6,072,274	101.15%	

Due to new growth, property tax collections can be higher than the amount levied and budgeted.

Source: Salt Lake County Treasurer

**MURRAY CITY**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN 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			
2006	\$ 15,510,000	\$ 721,000	\$ 33,450,000	\$ -	\$ 49,681,000	3.27%	1,121
2007	13,115,000	550,159	32,505,000	508,000	46,678,159	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	531,009	46,562,590	2.80%	1,010
2010	13,305,000	1,448,203	27,765,000	378,419	42,896,622	2.58%	932
2011	11,850,000	269,149	26,130,000	220,313	38,469,462	2.16%	823
2012	10,498,143	-	25,788,754	56,434	36,343,331	1.97%	759
2013	8,975,319	76,612	24,206,461	-	33,258,392	1.68%	689
2014	9,125,495	382,770	17,996,673	-	27,504,938	1.33%	566
2015	7,650,673	275,065	16,907,693	-	24,833,431	1.18%	509

**MURRAY CITY  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2015**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt (2)(3)
Debt repaid with property taxes			
Murray City School District	\$ 44,590,000	100.00%	\$ 44,590,000
Salt Lake County General Obligation Debt	203,300,000	4.823%	9,805,159
Other debt			
Salt Lake County Sales Tax Bonds	123,100,000	4.54%	5,588,740
Salt Lake County Lease Revenue Bonds	70,900,000	4.54%	3,218,860
Salt Lake County Capital Leases	2,900,000	4.54%	131,660
Salt Lake County Special Assessment Bonds	600,000	4.54%	27,240
Salt Lake County Transportation Rev. Bonds	117,000,000	4.54%	5,311,800
Salt Lake County Notes Payable	22,400,000	4.54%	1,016,960
Subtotal, overlapping debt			<u>69,690,419</u>
Murray City direct debt			<u>7,925,738</u>
Total direct and overlapping debt			<u>\$ 77,616,157</u>

Source: Debt outstanding data obtained from Salt Lake Counties 2014 CAFR.

(1) For Debt repaid with property taxes the percentage of overlapping debt applicable to Murray City was estimated using taxable assessed property within Murray City divided by the Counties taxable assessed value. For Other debt the percentage of overlapping debt is Murray City's population divided by Salt Lake Counties Population according to the 2010 Census.

(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.

Note: Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**MURRAY CITY**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(IN THOUSANDS OF DOLLARS)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 309,040	\$ 353,600	\$ 418,000	\$ 486,000	\$ 431,040	\$ 497,440	\$ 486,302	\$ 479,178	\$ 500,261	\$ 526,159
Total net debt applicable to limit	49,681	46,678	43,609	46,563	42,897	38,469	36,343	33,258	27,505	24,833
Legal debt margin	\$ 259,359	\$ 306,922	\$ 374,391	\$ 439,437	\$ 388,143	\$ 458,971	\$ 449,959	\$ 445,920	\$ 472,756	\$ 501,326
Total net debt applicable to the limit as a percentage of debt limit	16.08%	13.20%	10.43%	9.58%	9.95%	7.73%	7.47%	6.94%	5.50%	4.72%

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

Total reasonable fair cash value	<u>\$6,576,993</u>
Debt limit (8% of fair cash value)	526,159
Debt applicable to debt limit	24,833
Legal debt margin	<u>\$ 501,326</u>

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



**MURRAY CITY  
PLEGDED REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

**2004, 2006, 2011 Electric Revenue Bonds**

Fiscal Year	Utility Revenues(1)	Less Utility Expenses(2)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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
2010	33,372,210	27,194,578	6,177,632	1,315,000	1,003,759	2.66
2011	36,527,393	28,380,854	8,146,539	1,360,000	946,684	3.53
2012	37,868,196	27,374,850	10,493,346	1,505,000	763,671	4.63
2013	38,215,546	26,585,169	11,630,377	1,545,000	588,208	5.45
2014	37,749,228	28,785,495	8,963,733	1,200,000	405,319	5.58
2015	37,093,425	29,186,348	7,907,077	1,250,000	345,319	4.96

**2003, 2012 Water and Sewer Revenue Bonds**

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
2010	8,235,529	7,076,036	1,159,493	340,000	309,788	1.78
2011	10,022,697	6,188,768	3,833,929	350,000	299,000	5.91
2012	10,860,873	5,570,615	5,290,258	440,000	160,730	8.81
2013	10,196,682	5,736,136	4,460,546	557,000	178,361	6.07
2014	9,910,178	5,703,286	4,206,892	169,000	149,697	13.20
2015	9,916,952	5,969,386	3,947,566	600,000	152,102	5.25

**2013 Storm Water Revenue Bonds**

2013	1,780,378	672,396	1,107,982	210,000	66,392	4.01
2014	1,890,901	968,255	922,646	210,000	67,575	3.32
2015	1,627,702	1,167,331	460,371	215,000	63,375	1.65

Note: Details regarding 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  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Year	Population(1)	Personal Income	Per Capita Personal Income(2)	Unemployment Rate(3)
2006	44,453	\$ 1,466,193,299	\$ 32,983	4.7%
2007	44,844	1,728,467,186	38,544	2.4%
2008	45,732	1,598,379,132	34,951	3.4%
2009	46,201	1,663,605,608	36,008	5.7%
2010	46,010	1,715,068,760	37,276	6.3%
2011	46,746	1,764,381,024	37,744	7.3%
2012	47,632	1,880,273,200	39,475	5.7%
2013	48,263	1,980,616,994	41,038	4.3%
2014	48,612	2,073,933,756	42,663	3.5%
2015	48,822	2,099,883,042	43,011	3.3%

(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  
PRINCIPAL EMPLOYERS  
AS OF JUNE 30, 2015**

Employer	Industry Type	2015		2006	
		Rank	Employees	Rank	Employees
Intermountain Medical Center	Health Care	1	4463	1	1800
SelectHealth	Health Care	2	1200		
Murray City School District	Public Education	3	862	3	815
Murray City Corporation	City Government	4	802	2	941
IHC Health Services	Health Care	5	757		
3M Health Information Systems	Data Processing Services	6	350	6	377
Costco Wholesale Corp	Retailer	7	349		
Nordstrom, Inc.	Retailer	8	262	7	331
The Cheese Cake Factory	Restaurant	9	255		
Sorenson Bio Science Inc.	Manufacturer	10	218		
The Univeristy of Phoenix	Higher Education			4	503
Securitas Security Services	Security Services			5	400
Workers compensation fund	Insurance			8	324
Dillard's	Department Store			9	259
Sears	Department Store			10	233

Source: Murray City Business Licensing, Murray City School District

**MURRAY CITY**  
**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	Full Time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	66	65	59	59	63	60	61	61	62	63
Police										
Officers	75	78	78	75	77	79	73	74	70	72
Civilians	17	17	17	18	14	12	10	12	11	12
Fire										
Firefighters	50	52	52	59	61	60	58	59	55	59
Civilians	2	2	2	3	2	2	1	1	1	1
Highways & Public Improvements	42	36	35	35	34	34	28	27	27	28
Parks & Recreation	34	34	34	34	33	33	33	33	34	35
Library	10	10	9	9	12	9	11	10	12	11
Community & Economic Development	5	5	4	4	5	5	6	6	7	7
Central Garage	5	4	4	4	4	4	4	4	4	4
Power	54	54	54	55	55	52	46	46	46	46
Water	16	16	16	16	17	16	16	16	17	17
Wastewater	9	9	8	9	9	8	8	8	7	8
Golf Course	9	9	8	8	10	8	7	7	7	7
Storm Water	0	6	6	7	6	7	7	7	7	8
<b>Total Full Time Equivalent Employees</b>	<b>394</b>	<b>397</b>	<b>386</b>	<b>395</b>	<b>402</b>	<b>389</b>	<b>369</b>	<b>371</b>	<b>367</b>	<b>378</b>
Seasonal (Part Time) Employees	543	575	560	579	514	459	477	426	385	424
<b>Total Employees</b>	<b>937</b>	<b>972</b>	<b>946</b>	<b>974</b>	<b>916</b>	<b>848</b>	<b>846</b>	<b>797</b>	<b>752</b>	<b>802</b>

**MURRAY CITY  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Physical arrests	4,260	2,549	2,194	2,588	2,735	2,484	2,436	3,752	2,175	1,899
Traffic citations	11,959	6,935	6,666	8,141	8,057	8,694	6,847	5,508	8,231	5,615
Fire calls	1,261	1,252	1,261	1,496	1,306	1,231	1,622	1,194	1,156	1,260
Medical calls	3,456	3,687	3,962	3,741	3,801	3,781	3,515	4,177	4,117	4,313
Inspections	1,176	1,200	1,261	794	1,309	2,017	1,673	1,448	1,694	1,149
<b>Parks &amp; recreation</b>										
Park center admissions	34,000	33,257	43,272	34,000	46,744	38,451	35,691	29,839	34,839	33,536
Recreation participants	15,320	15,484	16,447	17,779	15,402	14,242	14,219	13,089	13,768	15,777
<b>Heritage Center</b>										
Participants	-	-	-	951	1,625	1,894	1,941	1,871	1,993	1,947
Activity Participation	84,080	82,841	84,169	84,269	85,570	84,485	81,212	76,607	76,330	76,098
<b>Library</b>										
Volumes in collection	85,861	84,236	86,723	90,627	86,892	85,100	77,069	69,734	74,971	78,759
Total volumes borrowed	339,282	365,855	406,842	418,169	524,179	524,487	568,372	572,997	611,633	611,149
Visitors	-	-	-	-	-	-	-	-	357,461	425,507
<b>Water</b>										
Customers	9,456	9,490	9,825	9,890	9,932	9,946	9,946	9,997	10,034	10,088
Annual consumption (in millions of gallons)	2,750	3,865	3,344	3,784	2,519	2,650	2,841	3,018	3,066	2,583
<b>Wastewater</b>										
Customers	8,953	8,966	8,977	9,151	9,181	9,181	9,194	9,406	9,441	9,484
<b>Power</b>										
Customers	16,269	16,500	16,546	16,637	16,671	16,701	16,744	17,356	15,578	17,766
Peak demand (KW)	98,560	98,246	107,110	98,327	97,000	97,490	98,100	101,838	103,478	107,120
Internal generation (MWH)	27,655	53,055	62,038	21,261	23,031	17,546	19,523	9,465	18,096	17,913
Purchased power (MWH)	383,825	361,917	449,567	448,487	412,385	412,943	419,388	426,388	407,148	410,606

- data is unavailable

**MURRAY CITY**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>Function/Program</u>	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Stations	1	1	1	2	2	2	2	2	2	2
Patrol units	38	40	41	42	41	41	40	40	39	42
<b>Public works</b>										
Streets(miles)	143	144	144	144	144	144	147	147	147	147
Streetlights	2489	2584	2505	2610	2574	2584	2608	2639	2670	2669
<b>Parks &amp; recreation</b>										
Acreage	259	259	259	252	252	252	252	252	252	252
Parks	10	10	10	10	10	10	10	10	10	10
Golf courses	2	2	2	2	2	2	2	2	2	2
Recreation centers	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains(miles)	178	179	183	185	185	192	197	197	197	197
<b>Wastewater</b>										
Sanitary sewers(miles)	125	125	124	127	127	127	127	127	127	128
<b>Power</b>										
Generators	4	4	5	5	5	5	5	5	5	5
Substations	4	5	5	6	6	6	6	6	6	6