

MURRAY SCHOOL DISTRICT

**Basic Financial Statements
With Supplementary and Other Information**

Year Ended June 30, 2011

MURRAY CITY SCHOOL DISTRICT

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FINANCIAL SECTION



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Independent Auditor's Report

Board of Education
Murray City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Murray City School District (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Murray City School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis which follows this report and the schedule of funding progress which follows the notes to the basic financial statements are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and other information are presented for purposes of additional

analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Squire & Company, PC

December 7, 2011

Management's Discussion and Analysis

This section of Murray City School District's (District) annual financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2011.

Financial Highlights

- The District's assets exceeded liabilities by \$64.5 million at the close of the most recent year.
- During 2011, the District's expenses were \$2.0 million less than the \$49.4 million generated in taxes and other revenues for governmental activities. This increase in net assets is less than the prior year when expenses were less than revenues by \$4.1 million.
- The District acquired capital assets totaling \$1.6 million during the most recent year.
- The District paid down its long-term debt by \$1.4 million during the most recent year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains supplementary and other information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unpaid employee benefits for vacation and early retirement).

The government-wide financial statements can be found on pages 10 and 11 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund

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

The District maintains seven 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*, the *debt service fund*, and the *capital projects fund*, each of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each governmental fund is provided in the form of *combining and individual statements and schedules* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 12 through 16 of this report.

- **Proprietary funds.** The District maintains one proprietary fund type. The *lifetime insurance internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions; this fund accounts for post-retirement health care insurance services provided to all the other funds of the District. The *lifetime insurance internal service fund* has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 17 through 19 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 20 through 33 of this report.

Supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligations to provide other postemployment benefits to its employees and retirees. Required supplementary information can be found on page 34 of this report.

The combining and individual statements and schedules referred to earlier in connection with governmental funds can be found on pages 35 through 43 of this report.

Other information. Selected financial and tax information is provided as other information, presenting 5-year comparisons. This other information can be found on pages 44 through 49 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$64.5 million at the close of the most recent fiscal year.

MURRAY CITY SCHOOL DISTRICT'S Net Assets

(in millions of dollars)

June 30, 2011 and 2010

	Governmental activities		Total
	2011	2010	change 2011-2010
Current and other assets	\$ 52.5	\$ 50.7	\$ 1.8
Capital assets	55.5	55.4	0.1
Total assets	108.0	106.1	1.9
Other liabilities	24.4	22.8	1.6
Long-term liabilities outstanding	19.1	20.8	(1.7)
Total liabilities	43.5	43.6	(0.1)
Net assets:			
Invested in capital assets, net of related debt	36.8	35.0	1.8
Restricted	14.8	14.3	0.5
Unrestricted	12.9	13.2	(0.3)
Total net assets	\$ 64.5	\$ 62.5	\$ 2.0

- The largest portion of the District's net assets (57.1%) reflects its investment in capital assets (e.g., land, buildings, and equipment net of accumulated depreciation) less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District'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. Net assets invested in capital assets, net of related debt increased by \$1.8 million. The largest portion of this increase is from the purchase of \$1.3 million in land. The purchase was financed with property taxes levied for capital outlay.
- An additional portion of the District's net assets (22.9%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (20.0%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's net assets increased by \$2.0 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

Governmental activities. The key elements of the increase of the District's net assets for the year ended June 30, 2011 are as follows:

MURRAY CITY SCHOOL DISTRICT'S Changes in Net Assets

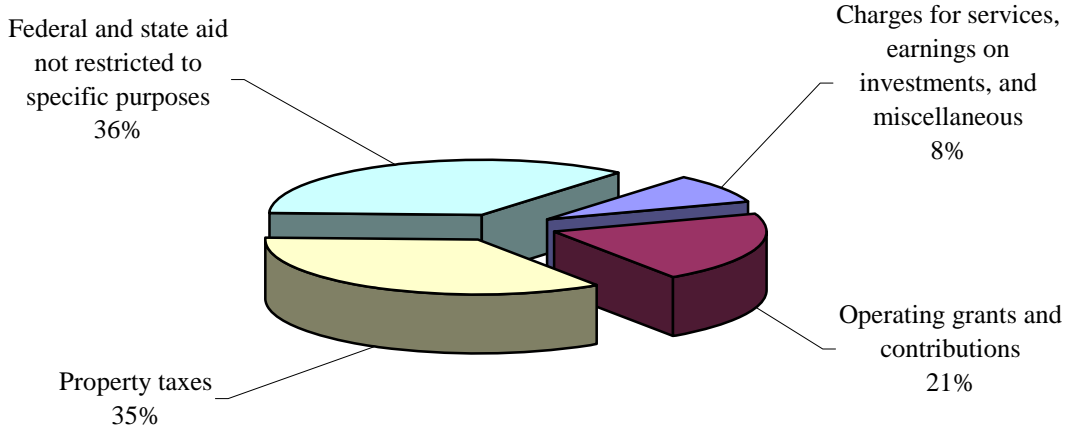
(in millions of dollars)

Years Ended June 30, 2011 and 2010

	Governmental activities		Total change 2011-2010
	2011	2010	
Revenues:			
Program revenues:			
Charges for services	\$ 3.3	\$ 3.0	\$ 0.3
Operating grants and contributions	10.3	10.6	(0.3)
General revenues:			
Property taxes	17.3	17.5	(0.2)
Federal and state aid not restricted to specific purposes	17.6	18.4	(0.8)
Earnings on investments	0.2	0.6	(0.4)
Miscellaneous	0.7	1.0	(0.3)
Total revenues	49.4	51.1	(1.7)
Expenses:			
Instruction	29.9	29.7	0.2
Supporting services:			
Students	1.8	1.7	0.1
Instructional staff	1.6	1.7	(0.1)
General administration	0.8	0.8	-
School administration	2.4	2.5	(0.1)
Central	1.6	1.3	0.3
Operation and maintenance of facilities	4.1	4.0	0.1
Student transportation	0.9	1.1	(0.2)
School lunch services	2.5	2.4	0.1
Community services	0.8	0.8	-
Interest on long-term liabilities	1.0	1.0	-
Total expenses	47.4	47.0	0.4
Change in net assets	2.0	4.1	(2.1)
Net assets - beginning	62.5	58.4	4.1
Net assets - ending	\$ 64.5	\$ 62.5	\$ 2.0

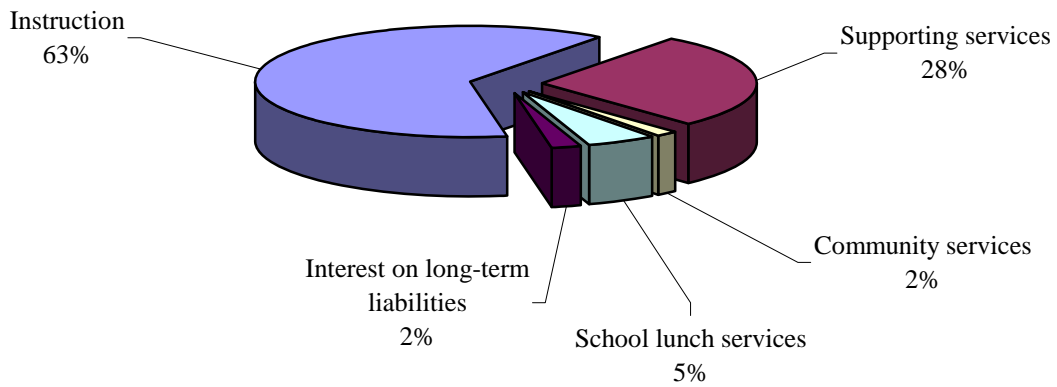
- State aid decreased by \$0.5 million. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. Certain students receive a weighting greater than one. The state guarantees that, if local taxes do not provide money equal to the amount generated by the WPU, it will make up the difference with state funding. The value of the WPU was unchanged during the year ended June 30, 2011.
- Federal aid decreased by \$0.6 million due to the lack of federal stimulus money which was available in prior years and a decrease in one-time federal funding.

**Murray City School District
Revenue by Source - Governmental Activities
Year Ended June 30, 2011**



- Instructional services represent the largest dollar portion of expenses of \$29.9 million primarily for teacher salaries and related benefits.

**Murray City School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2011**



Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$26.3 million, \$0.6 million greater than the previous year. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$38.2 million, a decrease of 1.8% during the current fiscal year. This compares to a 2.7% decrease in 2010. Instruction represents 67.4% of *general fund* expenditures.
- *General fund* salaries totaled \$24.8 million while the associated employee benefits of retirement, social security, and insurance added \$9.3 million to arrive at 89.2% of total *general fund* expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, and unrestricted portions. *Nonspendable* includes inventories that are not expected to be converted to cash. *Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. The unrestricted fund balance is, in turn, subdivided between committed and unassigned portions. *Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Unassigned* balances in the *general fund* are all other available net fund resources. At June 30, 2011, the District's combined governmental fund balance is \$26.3 million (\$0.8 million in nonspendable, \$15.1 million in restricted, \$8.6 million in committed, and \$1.8 million in unassigned fund balances).

General Fund Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1.5 million or 3.9% in total *general fund* expenditures to provide for new programs or increases in existing programs. During the year, final budgeted revenues were higher than original budgetary estimates by \$1.0 million or 2.7% to account for anticipated increases in state and federal funding.

Even with these adjustments, actual expenditures were \$2.6 million less than final budgeted amounts. The most significant positive variance was \$1.3 million in instruction expenditures. Conversely, revenues were \$1.6 million less than the final budgeted amount. Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

Capital Asset and Debt Administration

Capital Assets. The *capital projects fund* is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District.

Capital assets at June 30, 2011 and 2010 are outlined below:

MURRAY CITY SCHOOL DISTRICT'S Capital Assets

(net of accumulated depreciation, in millions of dollars)

June 30, 2011 and 2010

	Governmental activities		Total
	2011	2010	change 2011-2010
Land	\$ 16.0	\$ 14.7	\$ 1.3
Buildings	38.2	39.4	(1.2)
Equipment	1.3	1.3	-
Total capital assets	<u>\$ 55.5</u>	<u>\$ 55.4</u>	<u>\$ 0.1</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration. The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2011 is \$164.5 million. General obligation debt net of deferred amounts on refunding at June 30, 2011 is \$18.9 million, resulting in a legal debt margin of \$145.6 million.

MURRAY CITY SCHOOL DISTRICT'S Outstanding Debt

(net of accumulated amortization, in millions of dollars)

June 30, 2011 and 2010

	Governmental activities		Total
	2011	2010	change 2011-2010
Net general obligation bonds	<u>\$ 18.9</u>	<u>\$ 20.3</u>	<u>\$ (1.4)</u>

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2021.

Additional information on the District's long-term debt can be found in Note 7 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Murray City School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Murray City School District, 147 East 5065 South (Myrtle Avenue), Murray, UT 84107.

BASIC FINANCIAL STATEMENTS

MURRAY CITY SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities
Assets:	
Cash and investments	\$ 31,309,076
Receivables:	
Property taxes	17,179,433
Other local	524,277
State of Utah	186,274
Federal government	2,451,582
Inventories	755,502
Bond issuance costs, net of accumulated amortization	99,364
Capital assets:	
Land	16,067,445
Buildings and equipment, net of accumulated depreciation	39,465,887
Total assets	108,038,840
Liabilities:	
Accounts payable	2,809,853
Accrued interest	355,841
Accrued salaries and benefits	3,126,541
Unearned revenue:	
Property taxes	16,643,263
Other local	58,045
State of Utah	1,365,594
Federal government	23,367
Noncurrent liabilities:	
Due and payable within one year	1,789,677
Due and payable after one year	17,328,671
Total liabilities	43,500,852
Net assets:	
Invested in capital assets, net of related debt	36,775,758
Restricted for:	
Debt service	1,611,641
Capital projects	12,184,787
Community recreation	706,281
School lunch services	318,178
Other purposes	51,739
Unrestricted	12,889,604
Total net assets	\$ 64,537,988

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2011

<u>Activities and Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Assets</u>
				<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
Instruction	\$ 29,903,695	\$ 1,961,947	\$ 7,329,112	\$ (20,612,636)
Supporting services:				
Student	1,763,044	-	440,881	(1,322,163)
Instructional staff	1,554,908	-	280,425	(1,274,483)
General administration	778,709	-	181,340	(597,369)
School administration	2,453,638	-	101	(2,453,537)
Central	1,575,102	-	552	(1,574,550)
Operation and maintenance of facilities	4,119,525	102,741	34,333	(3,982,451)
Student transportation	948,326	35,797	439,819	(472,710)
School lunch services	2,494,372	938,166	1,482,196	(74,010)
Community services	843,688	249,024	102,396	(492,268)
Interest on long-term liabilities	967,181	-	-	(967,181)
Total school district	<u>\$ 47,402,188</u>	<u>\$ 3,287,675</u>	<u>\$ 10,291,155</u>	<u>(33,823,358)</u>
General revenues:				
Property taxes levied for:				
Basic levy (state minimum school program)				4,875,867
Voted leeway (class size reduction and elementary counselors)				5,824,949
Special transportation				381,590
Tort liability				58,706
Reading				384,851
Community recreation				430,511
Debt service				2,622,206
Capital outlay				1,265,443
Ten percent of basic (textbooks, supplies, and equipment)				1,536,143
Total property taxes				<u>17,380,266</u>
Federal and state aid not restricted to specific purposes				17,567,659
Earnings on investments				229,269
Miscellaneous				699,725
Total general revenues				<u>35,876,919</u>
Change in net assets				2,053,561
Net assets - beginning				<u>62,484,427</u>
Net assets - ending				<u>\$ 64,537,988</u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Assets:					
Cash and investments	\$ 12,868,988	\$ 1,826,240	\$ 12,354,101	\$ 2,372,489	\$ 29,421,818
Receivables:					
Property taxes	10,378,714	2,318,849	4,102,412	379,458	17,179,433
Other local	424,896	60,349	29,124	9,908	524,277
State of Utah	75,585	-	-	110,689	186,274
Federal government	2,405,098	-	-	46,484	2,451,582
Inventories	755,502	-	-	-	755,502
Total assets	<u>\$ 26,908,783</u>	<u>\$ 4,205,438</u>	<u>\$ 16,485,637</u>	<u>\$ 2,919,028</u>	<u>\$ 50,518,886</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 2,234,200	\$ -	\$ 245,754	\$ 34,508	\$ 2,514,462
Accrued salaries and benefits	3,083,947	-	-	42,594	3,126,541
Deferred revenue:					
Property taxes	10,375,195	2,318,143	4,102,071	379,342	17,174,751
Other local	23,252	-	-	34,793	58,045
State of Utah	1,365,594	-	-	-	1,365,594
Federal government	10,146	-	-	13,221	23,367
Total liabilities	<u>17,092,334</u>	<u>2,318,143</u>	<u>4,347,825</u>	<u>504,458</u>	<u>24,262,760</u>
Fund balances:					
Nonspendable:					
Inventories	755,502	-	-	-	755,502
Restricted for:					
Debt service	-	1,887,295	-	-	1,887,295
Capital projects	-	-	12,137,812	-	12,137,812
Community recreation	-	-	-	318,178	318,178
School lunch services	-	-	-	693,116	693,116
Other purposes	51,739	-	-	-	51,739
Committed to:					
Economic stabilization	2,000,000	-	-	-	2,000,000
Employee and retiree benefits	5,238,358	-	-	-	5,238,358
Foundation programs	-	-	-	664,710	664,710
Student activities	-	-	-	738,566	738,566
Unassigned	1,770,850	-	-	-	1,770,850
Total fund balances	<u>9,816,449</u>	<u>1,887,295</u>	<u>12,137,812</u>	<u>2,414,570</u>	<u>26,256,126</u>
Total liabilities and fund balances	<u>\$ 26,908,783</u>	<u>\$ 4,205,438</u>	<u>\$ 16,485,637</u>	<u>\$ 2,919,028</u>	<u>\$ 50,518,886</u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Total fund balances for governmental funds \$ 26,256,126

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

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 16,067,445	
Buildings, net of \$19,720,865 accumulated depreciation	38,187,149	
Equipment, net of \$2,669,912 accumulated depreciation	<u>1,278,738</u>	55,533,332

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 531,488

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is: (355,841)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$195,089 and accumulated amortization is \$95,725. 99,364

Internal service funds are used by management to charge the costs of post-retirement health care benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are: 1,562,149

Long-term liabilities that pertain to governmental funds, including general obligation bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities--both current and long-term--are reported in the statement of net assets. Balances at year-end are:

General obligation bonds payable	(19,435,000)	
Unamortized deferred amounts on refunding	578,062	
Compensated absences payable	(53,624)	
Early retirement benefits payable	<u>(178,068)</u>	(19,088,630)

Total net assets of governmental activities \$ 64,537,988

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2011

	<u>Major Funds</u>			<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		
Revenues:					
Local sources:					
Property taxes	\$ 11,210,164	\$ 2,412,651	\$ 3,228,134	\$ 392,610	\$ 17,243,559
Earnings on investments	106,823	6,588	65,946	39,541	218,898
School lunch sales	-	-	-	922,421	922,421
Other local sources	882,628	-	34,068	2,071,862	2,988,558
State sources	22,390,362	-	13,218	570,874	22,974,454
Federal sources	3,594,712	-	36,000	1,253,648	4,884,360
Total revenues	<u>38,184,689</u>	<u>2,419,239</u>	<u>3,377,366</u>	<u>5,250,956</u>	<u>49,232,250</u>
Expenditures:					
Current:					
Instruction	25,739,288	-	392,707	2,040,240	28,172,235
Supporting services:					
Students	1,754,484	-	8,560	-	1,763,044
Instructional staff	1,554,908	-	-	-	1,554,908
General administration	767,752	-	235	-	767,987
School administration	2,408,644	-	-	107	2,408,751
Central	1,156,905	-	393,529	-	1,550,434
Operation and maintenance of facilities	3,921,035	-	48,059	13,936	3,983,030
Student transportation	801,746	-	48,247	-	849,993
School lunch services	-	-	-	2,415,080	2,415,080
Community services	112,400	-	-	731,288	843,688
Capital outlay	-	-	1,887,914	-	1,887,914
Debt service:					
Principal retirement	-	1,545,000	-	-	1,545,000
Interest and fiscal charges	-	933,316	-	-	933,316
Total expenditures	<u>38,217,162</u>	<u>2,478,316</u>	<u>2,779,251</u>	<u>5,200,651</u>	<u>48,675,380</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(32,473)	(59,077)	598,115	50,305	556,870
Fund balances - beginning	<u>9,848,922</u>	<u>1,946,372</u>	<u>11,539,697</u>	<u>2,364,265</u>	<u>25,699,256</u>
Fund balances - ending	<u>\$ 9,816,449</u>	<u>\$ 1,887,295</u>	<u>\$ 12,137,812</u>	<u>\$ 2,414,570</u>	<u>\$ 26,256,126</u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2011

Net change in fund balances-total governmental funds \$ 556,870

The change in net assets reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for land and equipment and \$100,000 for buildings and related improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and other capital transactions in the current period.

Capital outlays	\$ 1,575,070	
Loss on disposal of equipment	(16,685)	
Depreciation expense	<u>(1,380,734)</u>	177,651

The governmental funds report the issuance of bonds as other financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Repayment of bond principal	1,545,000	
Interest expense - general obligation bonds	29,774	
Amortization of bond issuance costs	(10,940)	
Amortization of deferred amounts on refunding	<u>(63,639)</u>	1,500,195

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. Deferred property taxes increased this year. 136,707

In the statement of activities, certain operating expenses - compensated absences (vacations) and termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences payable increased by \$4,031 and early retirement benefits payable decreased by \$182,052. 178,021

An internal service fund is used by the District to charge the costs of post-retirement health care benefit services to individual funds. The net change in net assets of the internal service fund is reported with governmental activities. (495,883)

Change in net assets of governmental activities \$ 2,053,561

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Taxes	\$ 12,351,187	\$ 12,346,782	\$ 11,210,164	\$ (1,136,618)
Earnings on investments	415,128	410,128	106,823	(303,305)
Other	650,694	738,261	882,628	144,367
State sources	23,026,256	23,690,166	22,390,362	(1,299,804)
Federal sources	2,278,536	2,565,452	3,594,712	1,029,260
Total revenues	<u>38,721,801</u>	<u>39,750,789</u>	<u>38,184,689</u>	<u>(1,566,100)</u>
Expenditures:				
Current:				
Instruction	26,359,274	27,065,119	25,739,288	1,325,831
Supporting services:				
Student	1,782,838	1,882,740	1,754,484	128,256
Instructional staff	1,801,248	1,889,090	1,554,908	334,182
General administration	779,866	803,676	767,752	35,924
School administration	2,525,607	2,544,807	2,408,644	136,163
Central	1,246,826	1,284,093	1,156,905	127,188
Operation and maintenance of facilities	3,919,325	4,195,317	3,921,035	274,282
Student transportation	782,517	843,520	801,746	41,774
Community services	93,988	300,676	112,400	188,276
Total expenditures	<u>39,291,489</u>	<u>40,809,038</u>	<u>38,217,162</u>	<u>2,591,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(569,688)</u>	<u>(1,058,249)</u>	<u>(32,473)</u>	<u>1,025,776</u>
Other financing sources (uses):				
Transfers in	95,023	102,444	-	(102,444)
Transfers out	-	(40,000)	-	40,000
Total other financing sources (uses)	<u>95,023</u>	<u>62,444</u>	<u>-</u>	<u>(62,444)</u>
Net change in fund balances	(474,665)	(995,805)	(32,473)	963,332
Fund balances - beginning	<u>9,848,922</u>	<u>9,848,922</u>	<u>9,848,922</u>	<u>-</u>
Fund balances - ending	<u>\$ 9,374,257</u>	<u>\$ 8,853,117</u>	<u>\$ 9,816,449</u>	<u>\$ 963,332</u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Fund Net Assets
Proprietary Fund
June 30, 2011

	Governmental Activities - Internal Service Fund
	<u> </u>
Assets:	
Cash and investments	\$ 1,887,258
Liabilities:	
District retirement benefit	295,391
Net OPEB obligation	<u>29,718</u>
Total liabilities	<u>325,109</u>
Net assets, unrestricted	<u><u>\$ 1,562,149</u></u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
Year Ended June 30, 2011

	<u>Governmental Activities - Internal Service Fund</u>
Revenues:	
Earnings on investments	\$ 10,371
Charges for services	76,421
Total revenues	<u>86,792</u>
Expenses:	
Supporting services:	
Health care benefits	438,407
Benefit payouts	144,268
Total expenses	<u>582,675</u>
Net loss / change in net assets	<u>(495,883)</u>
Net assets - beginning	<u>2,058,032</u>
Net assets - ending	<u><u>\$ 1,562,149</u></u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund
Year Ended June 30, 2011

	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:	
Insurance premiums received from users	\$ 76,421
Cash paid to insurance provider	(382,094)
Cash paid to retirees	(144,268)
Net cash used by operating activities	<u>(449,941)</u>
Cash flows from investing activities:	
Interest received on investments	<u>10,371</u>
Decrease in cash and cash equivalents	(439,570)
Cash and cash equivalents - beginning	<u>2,326,828</u>
Cash and cash equivalents - ending	<u><u>\$ 1,887,258</u></u>
Displayed on statement of fund net assets as <i>cash and investments</i>	
Supplemental information:	
The proprietary fund type had no noncash investing, noncapital financing, or capital and related financing activities.	
A reconciliation of net loss to cash flows used by operating activities:	
Net loss	\$ (495,883)
Interest received on investments	(10,371)
Increase in accounts and benefits payable	74,519
Decrease in net OPEB obligation	(18,206)
Cash flows used by operating activities	<u><u>\$ (449,941)</u></u>

The notes to the financial statements are an integral part of this statement.

MURRAY CITY SCHOOL DISTRICT
Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting entity – The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its blended component unit, Murray Education Foundation (Foundation), for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is, in substance, part of the District’s operations.

The Murray Education Foundation, a blended component unit reported as a special revenue fund of the District, is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation’s board is approved by the Board of Education. The Foundation exclusively services the District. The District makes all personnel decisions and pays all operating costs for the Foundation.

Government-wide and fund financial statements – The *government-wide financial statements* (the statement of net assets and the statement of activities) display information about the primary government (the District) and its blended component unit. These statements include the financial activities of the overall District. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for “shared” capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District’s funds, including its blended component unit. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal service.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund type:

- The *lifetime insurance internal service fund* (a proprietary fund) is an insurance pool used to accumulate premiums charged to other funds of the District and used to pay District retirement benefits (see Note 5) and post-retirement health care benefits for eligible employees retiring on or after June 30, 1988 (see Note 8).

Measurement focus, basis of accounting, and financial statement presentation – The *government-wide and proprietary fund financial statements* are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general obligation bonds, early retirement and post-retirement healthcare benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt is reported as an other financing source.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Budgetary Data – The District operated within the budget requirements for school districts as specified by state law and as interpreted by the Utah State Superintendent of Public Instruction. Budgets are presented on the modified accrual basis of accounting for all governmental funds except the *Murray Education Foundation special revenue fund*. All annual appropriations lapse at fiscal year-end with the exception of contractual obligations. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by the District's patrons.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2011, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Deposits and Investments – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. Investments of the District, as well as for its component unit, are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

Cash and Cash Equivalents – The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurers' Investment Fund (PTIF).

Inventories – Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are recorded as revenue when received. Inventories reported in the governmental funds are equally offset by a nonspendable portion of fund balance, indicating they are not expected to be converted to cash.

Capital Assets – Capital assets, which include land, buildings, and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land and equipment and \$100,000 for buildings. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or significantly extend the asset’s life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Portable classrooms	20
Maintenance equipment	10
Vocational education equipment	10
Buses	10
Musical instruments	10
Furniture	10
Communications equipment	10
Food service equipment	10
Office equipment	7
Athletic equipment	7
Vehicles	7
Computer equipment	5

Compensated Absences – Under terms of association agreements, employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated vacation days. No reimbursement or accrual is made for unused sick leave.

All vacation pay plus related payroll taxes are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations – In the government-wide financial statements and internal service fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance and refunding costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance and refunding costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as an expenditure.

Fund Balance Classifications – Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

placed on a government's fund balances more transparent. Implementation of the new statement had no effect on the total fund balance amounts.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, then assigned, and then unassigned.

Fund balance classifications are summarized as follows:

- Nonspendable – This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories are classified as nonspendable.
- Restricted – This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
 - a) Unspent tax revenues for specific purposes (capital projects, debt service, and community recreation).
 - b) Remaining fund balances in the *school lunch fund*.
- Committed – This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the Board of Education. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Education has approved to commit fund balance amounts for the following purposes:
 - a) As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to five percent of *general fund* budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees."
 - b) The District has committed *general fund* resources for compensated absences and retirement benefits for employees and early retirement and health care benefits for eligible retirees.
 - c) The District has committed other governmental fund resources to support District activities at schools including athletics, textbooks, field trips, music programs, book fairs, and school plays.
 - d) The District has committed other governmental fund resources to the Murray Education Foundation to be used for fund raising, operations, schools, and other purposes.

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

- Assigned – This category includes fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the business administrator.
- Unassigned – Residual balances in the *general fund* are classified as unassigned.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources. Of the unrestricted resources, committed resources will be used first, followed by assigned resources, and then unassigned resources.

2. DEPOSITS AND INVESTMENTS

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow Murray Education Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

The District’s investments are with the PTIF and in corporate bonds through a broker. The Foundation has deposits separate from the District and invests private funds through a broker.

MURRAY CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

A reconciliation of cash and investments at June 30, 2011, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 721,805
Carrying amount of investments	<u>30,587,271</u>
Total deposits and investments	<u><u>\$ 31,309,076</u></u>
Cash and investments-governmental funds, balance sheet	\$ 29,421,818
Cash and investments-internal service funds, statement of fund net assets	<u>1,887,258</u>
Total cash and investments	<u><u>\$ 31,309,076</u></u>

Deposits – At June 30, 2011, the District and Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Murray City School District	\$ 622,227	\$ 908,943	\$ 908,943
Murray Education Foundation	<u>99,578</u>	<u>99,578</u>	<u>99,578</u>
	<u><u>\$ 721,805</u></u>	<u><u>\$ 1,008,521</u></u>	<u><u>\$ 1,008,521</u></u>

- Custodial credit risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2011, the District’s bank deposits were uncollateralized nor is it required by law.

Investments – At June 30, 2011, the District and Foundation have the following investments summarized by investment type and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	5-10	More Than 10
Murray City School District:					
Utah Public Treasurers'					
Investment Fund (PTIF)	\$ 15,687,552	\$ 15,687,552	\$ -	\$ -	\$ -
Corporate bonds	14,882,028	10,870,451	4,011,577	-	-
Murray Education Foundation:					
Government bonds	<u>17,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,691</u>
Total investments	<u><u>\$ 30,587,271</u></u>	<u><u>\$ 26,558,003</u></u>	<u><u>\$ 4,011,577</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,691</u></u>

- Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years. The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.

- **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices. As of June 30, 2011, the District's investments in corporate and government bonds were rated at A or higher by Moody's Investor Service. The PTIF is not rated.
- **Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5% of all funds are invested in any one issuer and no more than 25% of all funds are invested in a particular industry. Also, for the Foundation's investments in private funds, no more than 75% may be invested in equity securities and no more than 5% in collateralized mortgage obligations.
- **Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties. The Act requires the Foundation's public treasurer to have custody of all securities purchased or held or deposit these securities with a bank or trust company to be held in safekeeping by that custodian. The District's investments held in a brokerage account are covered by Securities Investor Protection Corporation up to \$500,000.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Salt Lake County (the County) treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2.5% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 31 of the following year, these delinquent taxes, including penalties, are subject to an interest charge; the interest period is from January 1 until date paid.

Motor vehicles are subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the County to each taxing entity

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

As of June 30, 2011, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2011 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 14,735,553	\$ 1,331,892	\$ -	\$ 16,067,445
Capital assets, being depreciated:				
Buildings	57,908,014	-	-	57,908,014
Equipment	<u>3,852,015</u>	<u>243,178</u>	<u>(146,543)</u>	<u>3,948,650</u>
Total capital assets, being depreciated	61,760,029	243,178	(146,543)	61,856,664
Accumulated depreciation for:				
Buildings	(18,587,959)	(1,132,906)	-	(19,720,865)
Equipment	<u>(2,551,942)</u>	<u>(247,828)</u>	<u>129,858</u>	<u>(2,669,912)</u>
Total accumulated depreciation	<u>(21,139,901)</u>	<u>(1,380,734)</u>	<u>129,858</u>	<u>(22,390,777)</u>
Total capital assets being depreciated, net	<u>40,620,128</u>	<u>(1,137,556)</u>	<u>(16,685)</u>	<u>39,465,887</u>
Governmental activities capital assets, net	<u>\$ 55,355,681</u>	<u>\$ 194,336</u>	<u>\$ (16,685)</u>	<u>\$ 55,533,332</u>

For the year ended June 30, 2011, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 986,337
Supporting services:	
District administration	10,722
School administration	44,887
Operation and maintenance of facilities	136,495
Student transportation	98,333
Central	24,668
School lunch services	<u>79,292</u>
Total depreciation expense, governmental activities	<u>\$ 1,380,734</u>

5. RETIREMENT PLANS

Defined Benefit Plans – The District contributes to the State and School Contributory Retirement System and State and the School Noncontributory Retirement System (collectively, the Systems) which are cost-

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

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sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 16.83% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 16.32% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2011, 2010, and 2009, are \$8,188, \$10,269, and \$21,673, respectively, and employee contributions were \$243, \$697, and \$1,471, respectively. The District's contributions to the State and School Noncontributory Retirement System for the years ended June 30, 2011, 2010, and 2009, are \$3,705,594, \$3,247,514, and \$3,287,952, respectively. The contributions were equal to the required contributions for each year.

Defined Contribution Plans – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Noncontributory Retirement System have a contribution of 2.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2011, 2010, and 2009, are \$710,086, \$826,765, and \$780,205, respectively; the employee contributions for the years ended June 30, 2011, 2010, and 2009, are \$640,725, \$703,270, and \$774,518, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$113,780, \$99,483, and \$111,493, for the years ended June 30, 2011, 2010, and 2009, respectively. The assets of the plan are administered and held by URS.

Early Retirement Benefits – The District provides an early retirement incentive program. Eligibility is restricted to those teachers and administrators with a minimum of ten years of service in the District who have reached the age of 62. Also, those who retire before the age of 62 and have 15 years with the District and a minimum of 25 years in education qualify for these benefits. Those qualifying under this plan, who choose to retire early, may receive benefits for up to three consecutive years. Benefits are determined by taking 50% each year of the difference between step three, lane one of the existing salary schedule and the basic contract amount which educators would have been paid had they continued their assignment for those

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

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retiring at age 62, 63, and 64, respectively. The District made \$192,797 in direct payments to retirees under this option for the year ended June 30, 2011.

District Retirement Benefit – During the year ended June 30, 2004, the District established a program which provides current employees who complete 25 years of service and are eligible (certified and administrative employees hired before July 1, 1992 and classified employees hired before September 1, 1988) a one-time payment of \$15,091, plus interest from June 30, 2004, in lieu of receiving post-retirement health care benefits (see Note 8). The present value of amounts payable for benefits in future periods as of June 30, 2011 is estimated at \$1.0 million; 61 employees are eligible to receive these benefits. Amounts paid annually have approximated the average annual cost of the benefit. Amounts payable at June 30, 2011 totaled \$295,391. The District retirement benefit is serviced by the lifetime insurance internal service fund.

6. RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to the Fund. The Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage from coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

The Utah Local Governments Trust covers all District employees for workers' compensation. Unemployment insurance is covered by the District on a pay-as-you-go basis; settled claims for the past three years have been insignificant.

MURRAY CITY SCHOOL DISTRICT
Notes to Basic Financial Statements
Continued

7. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds payable	\$ 20,980,000	\$ -	\$ (1,545,000)	\$ 19,435,000	\$ 1,620,000
Deferred amounts on refunding	<u>(641,701)</u>	<u>-</u>	<u>63,639</u>	<u>(578,062)</u>	<u>-</u>
Total bonds payable, net	20,338,299	-	(1,481,361)	18,856,938	1,620,000
Compensated absences payable	49,593	140,110	(136,079)	53,624	53,624
Early retirement benefits payable	360,120	10,745	(192,797)	178,068	116,053
Net OPEB obligation	<u>47,924</u>	<u>358,398</u>	<u>(376,604)</u>	<u>29,718</u>	<u>-</u>
Total governmental activity long-term liabilities	<u>\$ 20,795,936</u>	<u>\$ 509,253</u>	<u>\$ (2,186,841)</u>	<u>\$ 19,118,348</u>	<u>\$ 1,789,677</u>

Payments on the general obligation bonds are made by the *debt service fund* from property taxes levied for debt service and earnings on investments. Compensated absences and early retirement benefits will be paid primarily from the *general fund*.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,620,000	\$ 816,679	\$ 2,436,679
2013	1,690,000	750,449	2,440,449
2014	1,750,000	677,969	2,427,969
2015	1,825,000	588,594	2,413,594
2016	1,925,000	494,844	2,419,844
2017-2021	<u>10,625,000</u>	<u>1,147,078</u>	<u>11,772,078</u>
Total	<u>\$ 19,435,000</u>	<u>\$ 4,475,613</u>	<u>\$ 23,910,613</u>

General Obligation Bonds – General obligation school building bonds payable at June 30, 2011, with their outstanding balance are comprised of the following individual issues:

\$19,500,000 general obligation school building bonds, issued April 15, 2001, maturing August 1, 2020, interest from 4.5% and 5.25%	\$ 1,020,000
\$19,140,000 general obligation refunding bonds, issued October 15, 2002, maturing August 1, 2020, interest from 3.0% to 4.4%	<u>18,415,000</u>
	<u>\$ 19,435,000</u>

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2011, is about \$164.5 million. Net general obligation debt at June 30, 2011 is \$18.9 million, resulting in a legal debt margin of about \$145.6 million.

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description – The District provides a life-time Medicare supplement insurance benefit for eligible retirees (contract employees age 65 or older, who have completed at least 15 years of service with the District, retired under the provisions of the Utah Retirement System, and retired prior to July 1, 2006) and their dependents through a health insurance plan offered through Educators Mutual. There are currently 124 retirees receiving benefit coverage. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report.

Funding Policy – The District currently pays for postemployment benefits on a “pay-as-you-go” basis. These financial statements assume that “pay-as-you-go” funding will continue.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the employer’s annual required contribution (ARC), an amount actuarially determined in accordance with current accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the year ended June 30, 2011, the District’s annual OPEB cost (expense) is \$358,398.

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

Annual required contribution	\$ 359,246
Interest on net OPEB obligation	1,917
Adjustment to annual required contribution	<u>(2,765)</u>
Annual OPEB cost (expense)	358,398
Contributions made	<u>(376,604)</u>
Decrease in net OPEB obligation	(18,206)
Net OPEB obligation - Beginning	<u>47,924</u>
Net OPEB obligation - Ending	<u>\$ 29,718</u>

The District’s percentage of annual OPEB cost contributed to the Plan is 105% for the year ended June 30, 2011.

Funded Status and Funding Progress – The funded status of the plan as of June 30, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 6,225,584
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	6,225,584
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	-
UAAL as a percentage of covered payroll	0%

MURRAY CITY SCHOOL DISTRICT

Notes to Basic Financial Statements

Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the basic financial statements, presents the results of OPEB valuations as of July 1, 2010 and 2008 and looking forward, the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.3% initially, reduced by decrements to an ultimate rate of 4.7% after fifty-one years. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the District has not advanced its obligation. The UAAL is being amortized as a level dollar amount over an open twenty-eight year period.

9. LITIGATION

There are certain lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the District.

10. GRANTS

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the *general fund* or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be insignificant.

REQUIRED SUPPLEMENTARY INFORMATION

MURRAY CITY SCHOOL DISTRICT
Required Supplementary Information

Schedule of Funding Progress
Other Postemployment Benefits

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Ratio Funded (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2010	\$ -	\$ 6,225,584	\$ 6,225,584	0.0%	\$ -	0.0%
July 1, 2008	-	5,423,709	5,423,709	0.0%	-	0.0%

Effective July 1, 2008, the District implemented GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Accordingly, the actuarial valuation dated July 1, 2008 is the first valuation to be reported. The District has elected to establish additional resources for the unfunded actuarial accrued liability (UAAL) by accumulating net assets in its lifetime insurance *internal service fund* and by committing a portion of the fund balance in the *general fund* rather than making contributions to a pension trust fund. Doing so does not qualify as "funding" as defined by the GASB.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Taxes	\$ 12,346,782	\$ 11,210,164	\$ (1,136,618)	\$ 10,565,553
Earnings on investments	410,128	106,823	(303,305)	427,111
Other	738,261	882,628	144,367	1,110,007
State sources	23,690,166	22,390,362	(1,299,804)	22,892,573
Federal sources	2,565,452	3,594,712	1,029,260	4,296,485
Total revenues	<u>39,750,789</u>	<u>38,184,689</u>	<u>(1,566,100)</u>	<u>39,291,729</u>
Expenditures:				
Current:				
Salaries	26,233,016	24,761,810	1,471,206	24,545,725
Employee benefits	10,005,596	9,308,095	697,501	9,389,686
Purchased services	1,550,450	1,240,820	309,630	1,540,248
Supplies	2,608,982	2,415,447	193,535	2,683,004
Property	365,169	454,041	(88,872)	737,426
Other objects	45,825	36,949	8,876	22,420
Total expenditures	<u>40,809,038</u>	<u>38,217,162</u>	<u>2,591,876</u>	<u>38,918,509</u>
Excess (deficiency) of revenues over (under) expenditures	(1,058,249)	(32,473)	1,025,776	373,220
Other financing sources (uses):				
Transfers in	102,444	-	(102,444)	92,535
Transfers out	(40,000)	-	40,000	-
Total other financing sources (uses)	<u>62,444</u>	<u>-</u>	<u>(62,444)</u>	<u>92,535</u>
Net change in fund balances	(995,805)	(32,473)	963,332	465,755
Fund balances - beginning	<u>9,848,922</u>	<u>9,848,922</u>	<u>-</u>	<u>9,383,167</u>
Fund balances - ending	<u><u>\$ 8,853,117</u></u>	<u><u>\$ 9,816,449</u></u>	<u><u>\$ 963,332</u></u>	<u><u>\$ 9,848,922</u></u>

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property tax	\$ 2,447,615	\$ 2,412,651	\$ (34,964)	\$ 2,309,057
Earnings on investments	-	6,588	6,588	9,108
Total revenues	<u>2,447,615</u>	<u>2,419,239</u>	<u>(28,376)</u>	<u>2,318,165</u>
Expenditures:				
Principal retirement	1,545,000	1,545,000	-	1,480,000
Interest and fiscal charges	1,874,832	933,316	941,516	962,216
Total expenditures	<u>3,419,832</u>	<u>2,478,316</u>	<u>941,516</u>	<u>2,442,216</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	<u>(972,217)</u>	<u>(59,077)</u>	<u>913,140</u>	<u>(124,051)</u>
Fund balances - beginning	<u>1,946,372</u>	<u>1,946,372</u>	<u>-</u>	<u>2,070,423</u>
Fund balances - ending	<u><u>\$ 974,155</u></u>	<u><u>\$ 1,887,295</u></u>	<u><u>\$ 913,140</u></u>	<u><u>\$ 1,946,372</u></u>

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Taxes	\$ 3,109,913	\$ 3,228,134	\$ 118,221	\$ 4,260,862
Earnings on investments	100,000	65,946	(34,054)	120,119
Other	40,000	34,068	(5,932)	12,395
State sources	20,510	13,218	(7,292)	-
Federal sources	-	36,000	36,000	88,000
Total revenues	<u>3,270,423</u>	<u>3,377,366</u>	<u>106,943</u>	<u>4,481,376</u>
Expenditures:				
Current:				
Purchased services	711,688	298,061	413,627	179,591
Supplies	216,284	133,837	82,447	280,285
Land and improvements	6,716,769	1,567,463	5,149,306	936,770
Equipment	1,028,452	779,890	248,562	561,710
Total expenditures	<u>8,673,193</u>	<u>2,779,251</u>	<u>5,893,942</u>	<u>1,958,356</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(5,402,770)	598,115	6,000,885	2,523,020
Fund balances - beginning	<u>11,539,697</u>	<u>11,539,697</u>	<u>-</u>	<u>9,016,677</u>
Fund balances - ending	<u><u>\$ 6,136,927</u></u>	<u><u>\$ 12,137,812</u></u>	<u><u>\$ 6,000,885</u></u>	<u><u>\$ 11,539,697</u></u>

MURRAY CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Special Revenue				Total Nonmajor Governmental Funds
	Non K-12 Programs	School Lunch	Murray Education Foundation	Student Activities	
Assets:					
Cash and investments	\$ 330,210	\$ 639,003	\$ 664,710	\$ 738,566	\$ 2,372,489
Receivables:					
Property taxes	379,458	-	-	-	379,458
Other local	9,908	-	-	-	9,908
State of Utah	-	110,689	-	-	110,689
Federal government	37,293	9,191	-	-	46,484
Total assets	<u>\$ 756,869</u>	<u>\$ 758,883</u>	<u>\$ 664,710</u>	<u>\$ 738,566</u>	<u>\$ 2,919,028</u>
Liabilities:					
Accounts payable	\$ 17,457	\$ 17,051	\$ -	\$ -	\$ 34,508
Accrued salaries and benefits	28,671	13,923	-	-	42,594
Deferred revenue:					
Property taxes	379,342	-	-	-	379,342
Other local	-	34,793	-	-	34,793
Federal government	13,221	-	-	-	13,221
Total liabilities	<u>438,691</u>	<u>65,767</u>	<u>-</u>	<u>-</u>	<u>504,458</u>
Fund balances:					
Restricted for:					
Community recreation	318,178	-	-	-	318,178
School lunch services	-	693,116	-	-	693,116
Committed to:					
Foundation programs	-	-	664,710	-	664,710
Student activities	-	-	-	738,566	738,566
Total fund balances	<u>318,178</u>	<u>693,116</u>	<u>664,710</u>	<u>738,566</u>	<u>2,414,570</u>
Total liabilities and fund balances	<u>\$ 756,869</u>	<u>\$ 758,883</u>	<u>\$ 664,710</u>	<u>\$ 738,566</u>	<u>\$ 2,919,028</u>

MURRAY CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011

	<u>Special Revenue</u>				Total Nonmajor Governmental Funds
	<u>Non K-12 Programs</u>	<u>School Lunch</u>	<u>Murray Education Foundation</u>	<u>Student Activities</u>	
Revenues:					
Local sources:					
Property tax	\$ 392,610	\$ -	\$ -	\$ -	\$ 392,610
Student fees	98,905	-	-	-	98,905
Lunch sales	-	922,421	-	-	922,421
Earnings on investments	14,556	2,962	18,827	3,196	39,541
Other local revenues	219,332	12,783	140,499	1,600,343	1,972,957
State sources	248,245	322,629	-	-	570,874
Federal sources	94,081	1,159,567	-	-	1,253,648
Total revenues	<u>1,067,729</u>	<u>2,420,362</u>	<u>159,326</u>	<u>1,603,539</u>	<u>5,250,956</u>
Expenditures:					
Current:					
Instruction	342,431	-	96,679	1,601,130	2,040,240
Supporting services:					
School administration	107	-	-	-	107
Operation and maintenance of facilities	13,936	-	-	-	13,936
Community services	731,288	-	-	-	731,288
School lunch services	-	2,415,080	-	-	2,415,080
Total expenditures	<u>1,087,762</u>	<u>2,415,080</u>	<u>96,679</u>	<u>1,601,130</u>	<u>5,200,651</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(20,033)	5,282	62,647	2,409	50,305
Fund balances - beginning	<u>338,211</u>	<u>687,834</u>	<u>602,063</u>	<u>736,157</u>	<u>2,364,265</u>
Fund balances - ending	<u>\$ 318,178</u>	<u>\$ 693,116</u>	<u>\$ 664,710</u>	<u>\$ 738,566</u>	<u>\$ 2,414,570</u>

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Non K-12 Programs
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Taxes	\$ 401,993	\$ 392,610	\$ (9,383)	\$ 388,619
Tuition	302,963	98,905	(204,058)	68,886
Earnings on investments	575	14,556	13,981	291
Other local revenue	55,300	219,332	164,032	232,614
State sources	202,665	248,245	45,580	284,479
Federal sources	41,930	94,081	52,151	74,165
Total revenues	<u>1,005,426</u>	<u>1,067,729</u>	<u>62,303</u>	<u>1,049,054</u>
Expenditures:				
Salaries	729,552	661,554	67,998	717,070
Employee benefits	217,909	186,365	31,544	184,233
Purchased services	66,855	79,877	(13,022)	111,081
Supplies	34,803	57,525	(22,722)	50,444
Property	1,394	4,069	(2,675)	3,311
Other objects	82,318	98,372	(16,054)	49,274
Total expenditures	<u>1,132,831</u>	<u>1,087,762</u>	<u>45,069</u>	<u>1,115,413</u>
Excess (deficiency) of revenues over (under) expenditures	(127,405)	(20,033)	107,372	(66,359)
Other financing sources (uses):				
Transfer in	40,000	-	(40,000)	-
Transfer out	(49,909)	-	49,909	(40,000)
Total other financing sources (uses)	<u>(9,909)</u>	<u>-</u>	<u>9,909</u>	<u>(40,000)</u>
Net change in fund balances	(137,314)	(20,033)	117,281	(106,359)
Fund balances - beginning	<u>338,211</u>	<u>338,211</u>	<u>-</u>	<u>444,570</u>
Fund balances - ending	<u>\$ 200,897</u>	<u>\$ 318,178</u>	<u>\$ 117,281</u>	<u>\$ 338,211</u>

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
School Lunch
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Lunch sales	\$ 1,020,000	\$ 922,421	\$ (97,579)	\$ 955,533
Earnings on investments	3,000	2,962	(38)	3,788
Other local revenue	16,500	12,783	(3,717)	13,034
State sources	265,000	322,629	57,629	304,988
Federal sources	1,005,000	1,159,567	154,567	1,111,088
Total revenues	<u>2,309,500</u>	<u>2,420,362</u>	<u>110,862</u>	<u>2,388,431</u>
Expenditures:				
Salaries	821,872	799,028	22,844	758,333
Benefits	284,829	254,395	30,434	229,125
Purchased services	50,729	23,681	27,048	33,932
Supplies	1,188,193	1,265,780	(77,587)	1,288,463
Property	239,300	19,542	219,758	2,347
Other objects	-	52,654	(52,654)	166
Total expenditures	<u>2,584,923</u>	<u>2,415,080</u>	<u>169,843</u>	<u>2,312,366</u>
Excess (deficiency) of revenues over (under) expenditures	(275,423)	5,282	280,705	76,065
Other financing sources (uses):				
Transfer out	(52,535)	-	52,535	(52,535)
Net change in fund balances	(327,958)	5,282	333,240	23,530
Fund balances - beginning	<u>687,834</u>	<u>687,834</u>	<u>-</u>	<u>664,304</u>
Fund balances - ending	<u>\$ 359,876</u>	<u>\$ 693,116</u>	<u>\$ 333,240</u>	<u>\$ 687,834</u>

MURRAY CITY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Murray Education Foundation
Nonmajor Special Revenue Fund
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues:		
Local sources:		
Contributions	\$ 140,499	\$ 81,843
Earnings on investments	18,827	5,137
Total revenues	<u>159,326</u>	<u>86,980</u>
Expenditures:		
Current:		
Instruction	<u>96,679</u>	<u>59,243</u>
Net change in fund balances	62,647	27,737
Fund balances - beginning	<u>602,063</u>	<u>574,326</u>
Fund balances - ending	<u><u>\$ 664,710</u></u>	<u><u>\$ 602,063</u></u>

MURRAY CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Student Activities
Nonmajor Special Revenue Fund
Year Ended June 30, 2011
With Comparative Totals for 2010

	2011			2010
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ -	\$ 3,196	\$ 3,196	\$ 4,219
Other local revenue	1,500,000	1,600,343	100,343	1,168,385
Total revenues	<u>1,500,000</u>	<u>1,603,539</u>	<u>103,539</u>	<u>1,172,604</u>
Expenditures:				
Purchased services	427,000	579,361	(152,361)	259,715
Supplies	1,343,740	723,459	620,281	684,188
Property	70,000	55,580	14,420	74,921
Other objects	150,000	242,730	(92,730)	162,556
Total expenditures	<u>1,990,740</u>	<u>1,601,130</u>	<u>389,610</u>	<u>1,181,380</u>
Net change in fund balances	(490,740)	2,409	493,149	(8,776)
Fund balances - beginning	<u>736,157</u>	<u>736,157</u>	<u>-</u>	<u>744,933</u>
Fund balances - ending	<u><u>\$ 245,417</u></u>	<u><u>\$ 738,566</u></u>	<u><u>\$ 493,149</u></u>	<u><u>\$ 736,157</u></u>

OTHER INFORMATION
(Unaudited)

MURRAY CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF NET ASSETS
GOVERNMENTAL ACTIVITIES (Accrual Basis of Accounting)
June 30, 2011 through 2007

	2011	2010	2009	2008	2007
Assets:					
Cash and investments	\$ 31,309,076	\$ 32,213,086	\$ 31,109,069	\$ 33,423,062	\$ 30,523,505
Receivables:					
Property taxes	17,179,433	16,582,363	15,429,459	15,883,300	15,540,709
Other local	525,213	2,251	27,897	89,998	20,772
State of Utah	186,274	296,815	84,126	108,850	106,269
Federal government	2,450,646	809,611	152,566	274,815	109,329
Prepaid expenses	-	-	-	465	167,849
Inventories	755,502	714,683	965,684	585,858	133,992
Bond issuance costs, net of accumulated amortization	99,364	110,304	121,244	132,184	143,124
Net OPEB asset	-	-	65,021	-	-
Capital assets:					
Land	16,067,445	14,735,553	13,835,247	8,560,138	5,405,725
Buildings and equipment, net of accumulated depreciation	39,465,887	40,620,128	41,618,605	42,559,911	43,828,285
Total assets	<u>108,038,840</u>	<u>106,084,794</u>	<u>103,408,918</u>	<u>101,618,581</u>	<u>95,979,559</u>
Liabilities:					
Accounts payable	2,809,853	1,793,369	2,060,096	2,108,381	2,115,290
Accrued interest	355,841	385,615	414,640	442,277	467,892
Accrued salaries and benefits	3,126,541	2,902,635	3,139,614	2,819,487	2,607,107
Unearned revenue:					
Property taxes	16,643,263	16,182,042	14,992,518	15,666,697	15,380,489
Other local	58,045	36,900	48,602	42,631	43,030
State of Utah	1,365,594	1,490,672	1,900,296	1,977,924	1,477,119
Federal government	23,367	13,198	14,805	40,265	168,547
Noncurrent liabilities:					
Due and payable within one year	1,789,677	1,800,936	1,875,168	1,893,839	1,814,195
Due and payable after one year	17,328,671	18,995,000	20,597,492	21,987,783	23,385,117
Total liabilities	<u>43,500,852</u>	<u>43,600,367</u>	<u>45,043,231</u>	<u>46,979,284</u>	<u>47,458,786</u>
Net assets:					
Invested in capital assets, net of related debt	36,775,758	35,017,382	33,699,193	28,014,030	24,836,631
Restricted for:					
Debt service	1,611,641	1,613,452	1,707,853	1,662,445	1,659,352
Capital projects	12,184,787	11,567,268	9,044,795	11,826,139	11,417,030
Community recreation	706,281	696,688	674,157	457,157	344,968
School lunch services	318,178	338,211	444,570	401,986	420,551
Other purposes	51,739	71,085	71,085	71,085	45,549
Unrestricted	12,889,604	13,180,341	12,724,034	12,206,455	9,796,692
Total net assets	<u>\$ 64,537,988</u>	<u>\$ 62,484,427</u>	<u>\$ 58,365,687</u>	<u>\$ 54,639,297</u>	<u>\$ 48,520,773</u>

Source: Property Tax Division, Utah State Tax Commission

MURRAY CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF ACTIVITIES
GOVERNMENTAL ACTIVITIES (Accrual Basis of Accounting)
Years Ended June 30, 2011 through 2007

	2011	2010	2009	2008	2007
Expenses:					
Instruction	\$ 29,903,695	\$ 29,669,641	\$ 30,860,487	\$ 29,159,778	\$ 24,616,976
Supporting services:					
Student	1,763,044	1,679,543	1,864,053	2,039,192	2,016,162
Instructional staff	1,554,908	1,685,470	1,685,054	1,655,525	1,658,395
General administration	778,709	788,927	792,223	776,094	737,034
School administration	2,453,638	2,458,705	2,608,464	2,469,975	2,354,390
Central	1,575,102	1,339,474	1,399,858	1,386,348	1,227,917
Operation and maintenance of facilities	4,119,525	4,042,899	4,337,791	4,287,420	4,213,740
Student transportation	948,326	1,060,380	1,062,998	910,694	844,170
School lunch services	2,494,372	2,392,552	2,135,143	2,194,020	2,166,913
Community services	843,688	847,603	1,009,160	1,157,823	1,233,040
Interest on long-term liabilities	967,181	996,831	1,063,383	1,126,144	1,186,334
Total school district	<u>47,402,188</u>	<u>46,962,025</u>	<u>48,818,614</u>	<u>47,163,013</u>	<u>42,255,071</u>
Program Revenues:					
Instruction	9,291,059	9,005,983	7,368,271	6,207,792	5,438,641
Supporting services:					
Student	440,881	293,355	276,883	349,009	331,694
Instructional staff	280,425	625,542	1,094,202	1,157,279	1,150,233
General administration	181,340	151,292	188,582	169,180	156,016
School administration	101	99	149	140	528
Central	552	-	-	-	-
Operation and maintenance of facilities	137,074	80,545	95,727	78,013	94,919
Student transportation	475,616	695,394	560,294	698,623	469,792
School lunch services	2,420,362	2,388,431	2,305,576	2,258,013	2,183,428
Community services	351,420	310,020	408,675	792,201	713,098
Total program revenues	<u>13,578,830</u>	<u>13,550,661</u>	<u>12,298,359</u>	<u>11,710,250</u>	<u>10,538,349</u>
Net (expense) revenue	(33,823,358)	(33,411,364)	(36,520,255)	(35,452,763)	(31,716,722)
General revenues:					
Property taxes	17,380,266	17,534,838	17,965,104	17,853,276	17,351,837
Federal and state aid not restricted to specific purposes	17,567,659	18,419,978	19,650,920	19,105,113	16,536,852
Earnings on investments	229,269	585,780	643,322	1,417,623	1,443,584
Gain on the sale of capital assets	-	-	-	716,749	-
Miscellaneous	699,725	989,508	1,987,299	1,793,351	873,471
Total general revenues	<u>35,876,919</u>	<u>37,530,104</u>	<u>40,246,645</u>	<u>40,886,112</u>	<u>36,205,744</u>
Change in net assets	2,053,561	4,118,740	3,726,390	5,433,349	4,489,022
Community recreation	<u>62,484,427</u>	<u>58,365,687</u>	<u>54,639,297</u>	<u>49,205,948</u>	<u>44,031,751</u>
School lunch services	<u>\$ 64,537,988</u>	<u>\$ 62,484,427</u>	<u>\$ 58,365,687</u>	<u>\$ 54,639,297</u>	<u>\$ 48,520,773</u>

Effective July 1, 2007, the student activities fund was changed from an agency fund to a special revenue fund; \$685,174 was added to the beginning net assets for the 2008 year. Fund revenue is primarily charges for services (student fees) and expenses are primarily instruction. Prior years (2007) do not include the student activity fund.

**MURRAY CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEETS**
June 30, 2011 through 2007

	2011	2010	2009	2008	2007
Assets:					
Cash and investments	\$ 12,868,988	\$ 13,862,899	\$ 15,064,492	\$ 14,790,913	\$ 13,096,986
Accounts receivable:					
Property taxes	10,378,714	9,897,878	9,345,788	9,801,681	9,464,343
Other local	425,832	-	15,400	10,855	10,095
State of Utah	75,585	252,829	8,500	30,698	31,204
Federal government	2,404,162	766,461	117,928	263,859	73,404
Deposits	-	-	-	-	-
Inventories	755,502	671,425	884,592	562,217	107,000
Prepaid expenditures	-	-	-	465	139,315
Total assets	<u>\$ 26,908,783</u>	<u>\$ 25,451,492</u>	<u>\$ 25,436,700</u>	<u>\$ 25,460,688</u>	<u>\$ 22,922,347</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 2,234,200	\$ 1,335,735	\$ 1,729,761	\$ 2,038,599	\$ 2,013,267
Accrued salaries and benefits	3,083,947	2,869,666	3,094,253	2,775,159	2,563,858
Deferred revenues:					
Property taxes	10,375,195	9,897,533	9,313,111	9,799,456	9,445,951
Other local	23,252	-	13,286	4,118	-
State of Utah	1,365,594	1,486,438	1,888,317	1,959,864	1,457,184
Federal government	10,146	13,198	14,805	40,265	133,907
Total liabilities	17,092,334	15,602,570	16,053,533	16,617,461	15,614,167
Fund balances:					
Nonspendable:					
Inventories and prepaid expenditures	755,502	671,425	884,592	562,682	246,315
Restricted for:					
Other purposes	51,739	71,085	71,085	71,085	45,549
Committed to:					
Economic stabilization	2,000,000	2,000,000	2,000,000	1,900,000	1,700,000
Employee and retiree benefits	5,238,358	5,238,358	4,738,358	4,488,358	3,638,358
Unassigned	1,770,850	1,868,054	1,689,132	1,821,102	1,677,958
Total fund balances	9,816,449	9,848,922	9,383,167	8,843,227	7,308,180
Total liabilities and fund balances	<u>\$ 26,908,783</u>	<u>\$ 25,451,492</u>	<u>\$ 25,436,700</u>	<u>\$ 25,460,688</u>	<u>\$ 22,922,347</u>

Note: The District implemented GASB Statements No. 54 in 2011. Fund balance categories for all years have been restated to reflect the new statement commitments had been approved in those years.

**MURRAY CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

Years Ended June 30, 2011 through 2007 with Anticipated Budget for 2012

	Anticipated Budget					
	2012	2011	2010	2009	2008	2007
Revenues:						
Taxes	\$ 12,310,182	\$ 11,210,164	\$ 10,565,553	\$ 10,985,512	\$ 10,604,750	\$ 10,572,395
Earnings on investments	410,128	106,823	427,111	296,723	621,698	619,398
Other local revenue	1,048,296	882,628	1,110,007	506,717	526,146	734,235
State sources	23,358,817	22,390,362	22,892,573	24,002,765	24,859,503	21,350,786
Federal sources	3,108,887	3,594,712	4,296,485	4,366,277	2,268,280	2,329,010
Total revenues	40,236,310	38,184,689	39,291,729	40,157,994	38,880,377	35,605,824
Expenditures:						
Current:						
Instruction	27,234,241	25,739,288	26,379,638	26,977,099	25,443,876	22,583,873
Support services:						
Student	1,886,653	1,754,484	1,679,372	1,861,176	2,036,930	2,013,666
Instructional staff	1,891,588	1,554,908	1,673,826	1,685,054	1,654,280	1,648,363
General administration	817,414	767,752	778,205	781,058	757,560	706,059
School administration	2,565,617	2,408,644	2,413,114	2,562,823	2,424,349	2,300,617
Central	1,336,659	1,156,905	1,161,726	1,207,548	1,152,696	1,105,544
Operation and maintenance of facilities	3,667,048	3,921,035	3,623,088	3,894,992	4,124,944	3,762,266
Student transportation	847,049	801,746	807,164	879,736	824,219	747,011
Capital outlay	-	-	295,920	-	-	232,308
Community services	475,695	112,400	106,456	109,288	123,018	108,597
Total expenditures	40,721,964	38,217,162	38,918,509	39,958,774	38,541,872	35,208,304
Excess (deficiency) of revenues over (under) expenditures	(485,654)	(32,473)	373,220	199,220	338,505	397,520
Other financing sources (uses):						
Transfers	-	-	92,535	340,720	1,196,542	1,096,844
Change in fund balances	(485,654)	(32,473)	465,755	539,940	1,535,047	1,494,364
Fund balances - beginning	9,816,449	9,848,922	9,383,167	8,843,227	7,308,180	5,813,816
Fund balances - ending	\$ 9,330,795	\$ 9,816,449	\$ 9,848,922	\$ 9,383,167	\$ 8,843,227	\$ 7,308,180

Source: Property Tax Division, Utah State Tax Commission

MURRAY CITY SCHOOL DISTRICT
HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY

Tax (Calendar) Years 2010 through 2006

	2010		2009	2008	2007	2006
	Taxable Value	% of TV	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission-Centrally Assessed	\$ 49,154,777	1.6 %	\$ 50,234,013	\$ 55,905,182	\$ 50,224,678	\$ 52,420,666
Set by County Assessor-Locally Assessed						
Real property:						
Primary residential	1,274,080,389	40.9	1,317,338,230	1,467,239,633	1,415,340,316	1,170,030,426
Other residential	26,337,730	0.8	25,856,220	32,424,660	24,450,130	15,849,860
Commercial and industrial	1,361,584,890	43.7	1,414,620,920	1,671,257,040	1,462,264,050	1,267,909,670
Agriculture buildings	111,330	0.0	115,840	93,260	153,270	131,910
Farmland assessment act (FAA)	-	0.0	-	-	-	5,960
Unimproved non FAA	6,370	0.0	6,270	6,140	6,090	2,342,700
Total real property	2,662,120,709	85.4	2,757,937,480	3,171,020,733	2,902,213,856	2,456,270,526
Personal property:						
Primary mobile homes	5,934,862	0.2	6,292,843	6,264,956	5,854,905	4,861,388
Secondary mobile homes	113,476	0.0	187,944	127,313	100,005	219,808
Other business personal	203,678,035	6.5	218,478,278	212,140,224	192,839,884	173,964,189
Total personal property	209,726,373	6.7	224,959,065	218,532,493	198,794,794	179,045,385
Fee in lieu property	194,568,126	6.2	191,659,827	204,055,787	196,137,274	190,809,139
Total locally assessed	3,066,415,208	98.4	3,174,556,372	3,593,609,013	3,297,145,924	2,826,125,050
Total taxable value (TV)	\$ 3,115,569,985	100.0 %	\$ 3,224,790,385	\$ 3,649,514,195	\$ 3,347,370,602	\$ 2,878,545,716
Total taxable value (less fee in lieu)	\$ 2,921,001,859		\$ 3,033,130,558	\$ 3,445,458,408	\$ 3,151,233,328	\$ 2,687,736,577

Source: Property Tax Division, Utah State Tax Commission

MURRAY CITY SCHOOL DISTRICT

TAX RATES AND COLLECTIONS

Years Ended June 30, 2011 through 2007 with Anticipated Budget for 2012

	Anticipated Budget											
	2012		2011		2010		2009		2008		2007	
	Tax Rate	Budget	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections
General Fund:												
Basic levy	0.001591	\$ 4,759,283	0.001495	\$ 4,339,744	0.001433	\$ 4,439,223	0.001250	\$ 4,520,724	0.001311	\$ 4,480,711	0.001515	\$ 4,360,439
Voted leeway	0.001815	5,429,352	0.001786	5,184,470	0.001660	5,142,435	0.001512	5,468,267	0.001515	5,177,938	0.001810	5,209,501
Reading program	0.000120	358,965	0.000118	342,535	0.000110	340,764	0.000100	361,658	0.000105	358,867	0.000123	354,016
Special transportation	0.000119	355,974	0.000117	339,632	0.000099	306,687	0.000085	307,409	0.000091	311,018	0.000108	310,843
Tort liability	0.000018	53,845	0.000471	1,367,237	0.000000	-	0.000000	-	0.000000	-	0.000000	-
10% of basic levy	0.000479	1,432,870	0.000018	52,251	0.000017	52,663	0.000014	50,632	0.000015	51,267	0.000023	66,198
Total general fund	0.004142	12,390,289	0.004005	11,625,869	0.003319	10,281,772	0.002961	10,708,690	0.003037	10,379,801	0.003579	10,300,997
Non K-12 Programs Fund:												
Community recreation	0.000134	400,845	0.000132	383,175	0.000123	381,036	0.000123	444,839	0.000140	478,489	0.000168	483,534
Debt Service Fund:												
Debt service	0.000819	2,449,939	0.000804	2,333,882	0.000732	2,267,628	0.000650	2,350,776	0.000674	2,303,584	0.000827	2,380,253
Capital Projects Fund:												
Capital outlay	0.000506	1,513,638	0.000388	1,126,302	0.000327	1,012,998	0.000709	2,564,155	0.000844	2,884,607	0.000965	2,777,441
Capital outlay equalized	0.000600	1,593,470	0.000600	1,237,693	0.000600	1,900,997	0.000000	-	0.000000	-	0.000000	-
10% of basic levy	0.000000	-	0.000000	-	0.000383	1,186,478	0.000351	1,269,419	0.000394	1,346,606	0.000473	1,361,378
Total capital projects fund	0.001106	3,107,108	0.000988	2,363,995	0.001310	4,100,473	0.001060	3,833,574	0.001238	4,231,213	0.001438	4,138,819
Total tax rate / collections	0.006201	\$ 18,348,182	0.005929	\$ 16,706,921	0.005484	\$ 17,030,909	0.004794	\$ 17,337,880	0.005089	\$ 17,393,088	0.006012	\$ 17,303,602

Note: Tax rates are levied for the calendar year. This schedule reports collections for fiscal years ended June 30. For example, calendar year 2010 tax rates are for the District's fiscal year ended June 30, 2011. Collections are allocated using current tax rates. Collections will differ from tax revenue reported in the financial statements depending on the basis of accounting and allocation methods used.