

MURRAY CITY SCHOOL DISTRICT

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

Year Ended June 30, 2020

MURRAY CITY SCHOOL DISTRICT

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FINANCIAL SECTION



Independent Auditor's Report

Board of Education
Murray City School District

Report on the Basic Financial Statements

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, 2020, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the basic financial statements referred to above 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the District's total OPEB and related ratios, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund 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 statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Squin & Company, PC

Orem, Utah
November 10, 2020

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, 2020.

Financial Highlights

- The District's total net position was \$70.6 million at the close of the most recent year, the largest portion of which is invested in capital assets.
- During the year, expenses were \$0.6 million less than the \$67.3 million generated in taxes and other revenues for governmental activities.
- Student enrollment decreased by 77 students to a total of 6,425 students for fiscal year 2020. The value of the State's Weighted Pupil Unit (WPU) increased by \$137 or 4.0%. Total state aid increased by \$0.2 million.

Overview of the Financial Statements

The discussion and analysis provided here are 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 position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District, with the remainder being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements of the District are reported as *governmental activities*. The District's basic services are included here, such as instruction, various supporting services, food services, community services, and interest on long-term liabilities. Property taxes and state and federal grants finance most of these activities.

The government-wide financial statements include not only the District itself but also the Murray Education Foundation (Foundation), a legally separate entity for which the District is financially accountable. The Foundation functions for all practical purposes as an activity of the District, and therefore has been included as an integral part of the District.

The government-wide financial statements can be found on pages 12 and 13 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 eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund*, the *debt service fund*, and the *capital projects fund*, each of which are considered to be major funds. Data from the other five 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* section of 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 14 through 18 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 retirement benefits and post-retirement health care benefits 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 19 through 21 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 22 through 44 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 pension and other postemployment benefits to its employees and retirees. Required supplementary information can be found on pages 46 through 49 of this report.

The combining and individual statements and schedules referred to earlier in connection with governmental funds can be found on pages 50 through 59 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 60 through 65 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70.6 million at the close of the most recent fiscal year.

MURRAY CITY SCHOOL DISTRICT'S Net Position

(in millions of dollars)

June 30, 2020 and 2019

	<u>Governmental activities</u>		Total change
	<u>2020</u>	<u>2019</u>	<u>2020-2019</u>
Current and other assets	\$ 79.9	\$ 74.7	\$ 5.2
Capital assets	<u>90.4</u>	<u>93.5</u>	<u>(3.1)</u>
Total assets	<u>170.3</u>	<u>168.2</u>	<u>2.1</u>
Deferred outflows of resources	<u>6.5</u>	<u>12.6</u>	<u>(6.1)</u>
Current and other liabilities	9.6	7.6	2.0
Long-term liabilities outstanding	<u>62.7</u>	<u>76.0</u>	<u>(13.3)</u>
Total liabilities	<u>72.3</u>	<u>83.6</u>	<u>(11.3)</u>
Deferred inflows of resources	<u>33.9</u>	<u>27.2</u>	<u>6.7</u>
Net position:			
Net investment in capital assets	51.5	51.6	(0.1)
Restricted	21.4	19.9	1.5
Unrestricted	<u>(2.3)</u>	<u>(1.5)</u>	<u>(0.8)</u>
Total net position	<u>\$ 70.6</u>	<u>\$ 70.0</u>	<u>\$ 0.6</u>

The key elements of the District's net position at June 30, 2020 are as follows:

- The largest portion of the District's net position (\$51.5 million) 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.

- An additional portion of the District’s net position (\$21.4 million) 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 net position (a deficit of \$2.3 million) is unrestricted. This balance is net of the District’s proportionate share of the unfunded obligation of the defined benefit pension plans administered by the Utah Retirement Systems.
- The District’s net position increased by \$0.6 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

MURRAY CITY SCHOOL DISTRICT'S Changes in Net Position

(in millions of dollars)

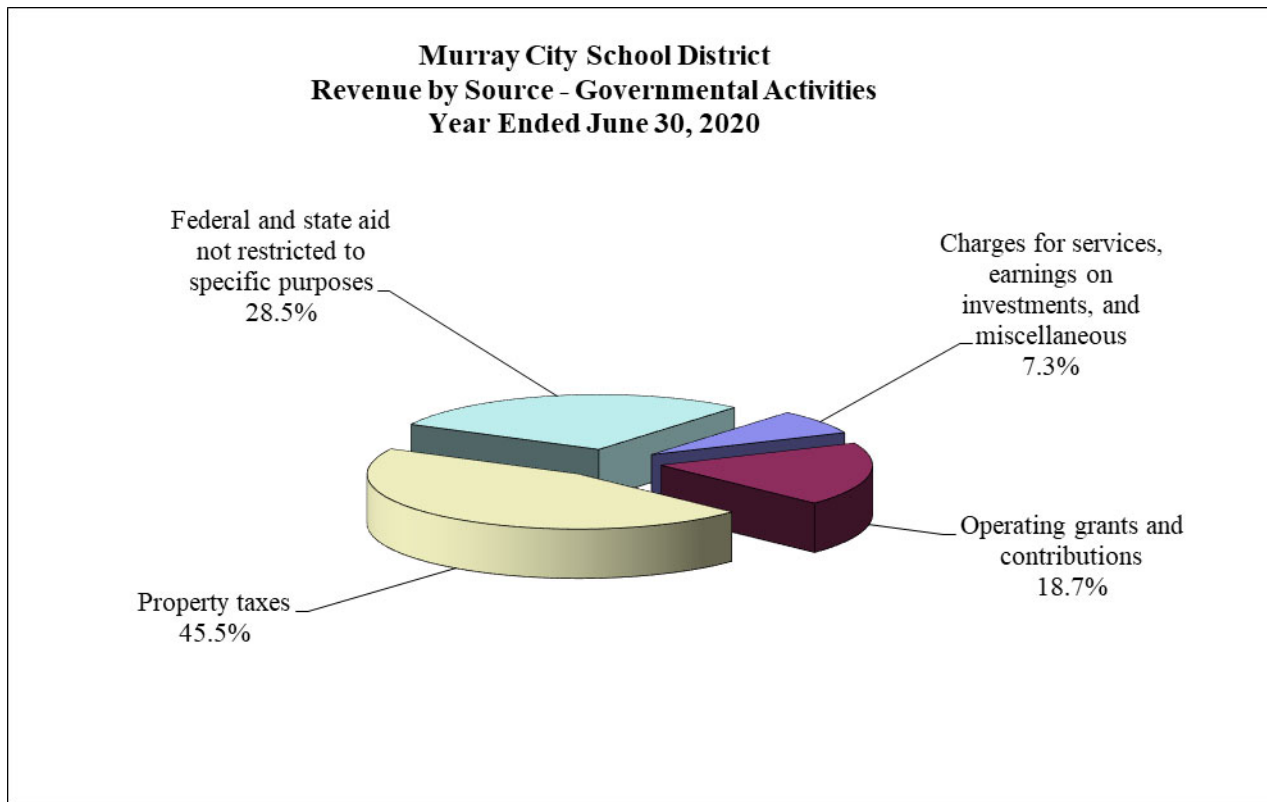
Years Ended June 30, 2020 and 2019

	Governmental activities		Total
	2020	2019	change 2020-2019
Revenues:			
Program revenues:			
Charges for services	\$ 2.3	\$ 2.8	\$ (0.5)
Operating grants and contributions	12.6	12.0	0.6
General revenues:			
Property taxes	30.6	26.2	4.4
Federal and state aid not restricted to specific purposes	19.2	19.4	(0.2)
Earnings on investments	0.9	1.3	(0.4)
Miscellaneous	1.7	4.5	(2.8)
Total revenues	<u>67.3</u>	<u>66.2</u>	<u>1.1</u>
Expenses:			
Instruction	40.3	36.1	4.2
Supporting services:			
Students	3.0	2.6	0.4
Instructional staff	2.2	2.3	(0.1)
General administration	1.4	1.3	0.1
School administration	3.5	3.3	0.2
Central	2.4	2.1	0.3
Operation and maintenance of facilities	5.5	5.3	0.2
Student transportation	1.1	1.4	(0.3)
School lunch services	2.9	3.1	(0.2)
Community services	3.3	3.0	0.3
Interest on long-term liabilities	1.1	1.2	(0.1)
Total expenses	<u>66.7</u>	<u>61.7</u>	<u>5.0</u>
Change in net position	0.6	4.5	(3.9)
Net position - beginning	<u>70.0</u>	<u>65.5</u>	<u>4.5</u>
Net position - ending	<u>\$ 70.6</u>	<u>\$ 70.0</u>	<u>\$ 0.6</u>

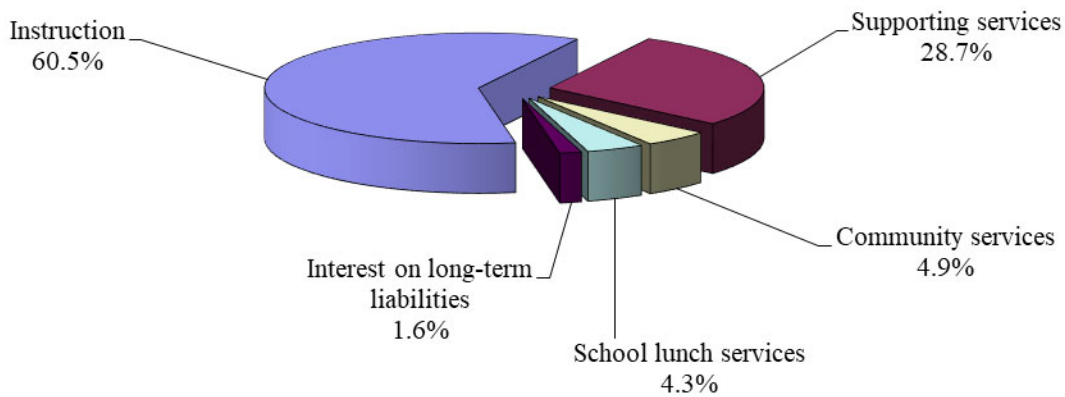
Governmental Activities

The key elements of the increase in the District’s net position for the year ended June 30, 2020 are as follows:

- State aid increased by \$0.2 million compared to the prior year. 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 increased by 4.0% during the year ended June 30, 2020 (\$3,532 during 2020 as compared to \$3,395 in 2019).
- Property taxes increased \$4.4 million. This increase was a result of the combination of an increase in taxable value of property and an increase in overall tax rate.
- Instruction represents the largest dollar portion of expenses of \$40.3 million primarily for teacher salaries and related benefits.



**Murray City School District
Expenses by Function - Governmental Activities
Year Ended June 30, 2020**



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 \$41.9 million, \$2.8 million more than the previous year primarily due to an increase in the fund balance of the *capital projects fund* and the *general fund*. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$52.4 million, an increase of 8.2% during the current fiscal year. This compares to a 2.3% increase in 2019. Instruction represents 66.1% of *general fund* expenditures.
- *General fund* salaries totaled \$34.8 million while the associated employee benefits of retirement, social security, and insurance added \$13.8 million to arrive at 92.9% of total *general fund* expenditures. This compares to 88.7% in 2019.

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, 2020, the District’s combined governmental fund balance is \$41.9 million (\$0.8 million in nonspendable, \$21.8 million in restricted, \$8.0 million in committed, and \$11.3 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 \$2.6 million or 4.9% in total *general fund* revenues to account for anticipated increases primarily in state grants. Final budgeted expenditures were more than the original budgetary estimates by \$2.4 million or 4.6%. The increase primarily reflects higher expenditures in instruction than anticipated.

Actual expenditures were \$2.4 million less than final budgeted amounts. The most significant positive variances were \$1.9 million in instruction. Revenues were \$0.9 million less than the final budgeted amount primarily due to negative variances in revenue from state sources.

Capital Asset and Debt Administration

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$90.4 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, and equipment. The total decrease in capital assets for the current year was \$3.1 million or 3.3% primarily due to depreciation of capital assets. Capital assets at June 30, 2020 and 2019 are outlined below:

MURRAY CITY SCHOOL DISTRICT'S Capital Assets
 (net of accumulated depreciation, in millions of dollars)
 June 30, 2020 and 2019

	Governmental activities		Total change
	2020	2019	2020-2019
Land	\$ 17.7	\$ 17.7	\$ -
Buildings	71.0	74.0	(3.0)
Equipment	1.7	1.8	(0.1)
Total capital assets	<u>\$ 90.4</u>	<u>\$ 93.5</u>	<u>\$ (3.1)</u>

Additional information on the District’s capital assets can be found in Note 5 to the basic financial statements.

Debt Administration

At June 30, 2020, the District had total bonded debt outstanding of \$39.2 million (net of unamortized amounts for bond issuance premiums). Payment is backed by the full faith and credit of the District as well as the State of Utah under provisions of The Guaranty Act. The District's total debt decreased by \$3.0 million. This decrease was a result of principal payments on bonds outstanding.

MURRAY CITY SCHOOL DISTRICT'S Outstanding Debt (net of accumulated amortization, in millions of dollars) June 30, 2020 and 2019

	Governmental activities		Total change
	2020	2019	2020-2019
Net general obligation bonds	\$ 34.0	\$ 36.5	\$ (2.5)
Lease revenue bonds payable	5.2	5.7	(0.5)
Total outstanding debt	<u>\$ 39.2</u>	<u>\$ 42.2</u>	<u>\$ (3.0)</u>

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2020 is \$253.0 million. Net general obligation debt at June 30, 2020 is \$34.0 million, resulting in a legal debt margin of \$219.0 million.

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 2033.

Additional information on the District's long-term debt can be found in Note 8 to the basic financial statements.

Enrollment

We anticipate student membership to remain relatively constant for the foreseeable future. The following enrollment information is based on the annual October 1 count:

MURRAY CITY SCHOOL DISTRICT'S Enrollment **October 1 Count**

<u>School Year</u>	<u>Enrollment</u>	<u>Change</u>
2020-21	6,097	(5.11)%
2019-20	6,425	(1.18)%
2018-19	6,502	0.12 %
2017-18	6,494	1.22 %
2016-17	6,416	2.43 %

The District's enrollment for the 2019-2020 school year decreased by 77 students to a total of 6,425 students.

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, 5102 South Commerce Drive, Murray, UT 84107.

Basic Financial Statements

MURRAY CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities
Assets:	
Cash and investments	\$ 50,717,418
Receivables:	
Property taxes	27,407,605
Other local	39,580
State of Utah	601,041
Federal government	382,783
Inventories	789,136
Capital assets:	
Land	17,741,806
Buildings and equipment, net of accumulated depreciation	72,683,625
Total assets	<u>170,362,994</u>
 Deferred outflows of resources:	
Deferred charge on refunding	294,926
Related to pensions	5,786,703
Related to OPEB	405,036
Total deferred outflows of resources	<u>6,486,665</u>
 Liabilities:	
Accounts payable	744,835
Accrued interest	451,090
Accrued salaries and benefits	7,076,915
Unearned revenue:	
Other local	128,390
State of Utah	1,151,245
Federal government	56,972
Noncurrent liabilities:	
Due and payable within one year	3,316,596
Due and payable after one year	59,362,219
Total liabilities	<u>72,288,262</u>
 Deferred inflows of resources:	
Property taxes levied for future year	27,144,100
Related to pensions	6,326,545
Related to OPEB	474,015
Total deferred inflows of resources	<u>33,944,660</u>
 Net position:	
Net investment in capital assets	51,483,806
Restricted for:	
Debt service	2,757,676
Capital projects	18,234,373
School lunch services	453,337
Unrestricted	(2,312,455)
Total net position	<u>\$ 70,616,737</u>

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

MURRAY CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2020

Activities and Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
Governmental activities:				
Instruction	\$ 40,427,289	\$ 1,276,302	\$ 8,170,283	\$ (30,980,704)
Supporting services:				
Students	2,950,419	-	854,842	(2,095,577)
Instructional staff	2,180,630	-	663,057	(1,517,573)
General administration	1,423,238	-	282,014	(1,141,224)
School administration	3,524,087	-	1,164	(3,522,923)
Central	2,415,602	-	744	(2,414,858)
Operation and maintenance of facilities	5,469,397	27,340	19,277	(5,422,780)
Student transportation	1,051,925	12,270	408,606	(631,049)
School lunch services	2,938,780	622,934	2,124,128	(191,718)
Community services	3,333,791	377,354	72,816	(2,883,621)
Interest on long-term liabilities	1,113,795	-	-	(1,113,795)
Total school district	<u>\$ 66,828,953</u>	<u>\$ 2,316,200</u>	<u>\$ 12,596,931</u>	<u>(51,915,822)</u>
General revenues:				
Property taxes levied for:				
Basic				7,486,267
Voted local				7,635,001
Board local				6,625,414
Debt service				3,826,515
Capital local				2,762,843
Pass-through taxes				2,266,586
Total property taxes				30,602,626
Federal and state aid not restricted to specific purposes				19,232,780
Earnings on investments				942,149
Miscellaneous				1,707,545
Total general revenues				52,485,100
Change in net position				569,278
Net position - beginning				70,047,459
Net position - ending				<u>\$ 70,616,737</u>

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

MURRAY CITY SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Assets:					
Cash and investments	\$ 25,121,970	\$ 3,179,683	\$ 18,241,116	\$ 2,664,650	\$ 49,207,419
Receivables:					
Property taxes	19,289,245	3,308,806	2,414,076	2,395,478	27,407,605
Other local	946	-	-	38,634	39,580
State of Utah	504,573	-	-	96,468	601,041
Federal government	216,115	-	-	166,668	382,783
Inventories	789,136	-	-	-	789,136
Total assets	<u>\$ 45,921,985</u>	<u>\$ 6,488,489</u>	<u>\$ 20,655,192</u>	<u>\$ 5,361,898</u>	<u>\$ 78,427,564</u>
Liabilities:					
Accounts payable	\$ 435,558	\$ -	\$ 28,147	\$ 101,658	\$ 565,363
Accrued salaries and benefits	7,025,302	-	-	51,613	7,076,915
Unearned revenue:					
Other local	50,021	-	-	78,369	128,390
State of Utah	1,141,356	-	-	9,889	1,151,245
Federal government	1,186	-	-	55,786	56,972
Total liabilities	<u>8,653,423</u>	<u>-</u>	<u>28,147</u>	<u>297,315</u>	<u>8,978,885</u>
Deferred inflows of resources:					
Unavailable property taxes	308,956	52,985	38,661	39,896	440,498
Property taxes levied for future year	19,116,123	3,279,723	2,392,672	2,355,582	27,144,100
Total deferred inflows of resources	<u>19,425,079</u>	<u>3,332,708</u>	<u>2,431,333</u>	<u>2,395,478</u>	<u>27,584,598</u>
Fund balances:					
Nonspendable:					
Inventories	789,136	-	-	-	789,136
Restricted for:					
Debt service	-	3,155,781	-	-	3,155,781
Capital projects	-	-	18,195,712	-	18,195,712
School lunch services	-	-	-	453,337	453,337
Committed to:					
Economic stabilization	2,000,000	-	-	-	2,000,000
Employee and retiree benefits	3,724,526	-	-	-	3,724,526
Community recreation	-	-	-	25,197	25,197
Foundation programs	-	-	-	1,175,963	1,175,963
Student activities	-	-	-	1,014,608	1,014,608
Unassigned	11,329,821	-	-	-	11,329,821
Total fund balances	<u>17,843,483</u>	<u>3,155,781</u>	<u>18,195,712</u>	<u>2,669,105</u>	<u>41,864,081</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,921,985</u>	<u>\$ 6,488,489</u>	<u>\$ 20,655,192</u>	<u>\$ 5,361,898</u>	<u>\$ 78,427,564</u>

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

MURRAY CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

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

Total fund balances for governmental funds \$ 41,864,081

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

Land	\$ 17,741,806	
Buildings, net of \$31,217,149 accumulated depreciation	70,978,081	
Equipment, net of \$4,165,687 accumulated depreciation	<u>1,705,544</u>	90,425,431

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 inflows of resources in the funds.

Unavailable property taxes 440,498

Long-term liabilities that pertain to governmental funds, including 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 position. Balances at year-end are:

General obligation bonds payable	(31,825,000)	
Unamortized bond issuance premiums	(2,192,551)	
Unamortized deferred amounts on refunding	294,926	
Lease revenue bonds payable	(5,219,000)	
Accrued interest	(451,090)	
Compensated absences payable	(167,366)	
Net pension liability	(19,185,162)	
Deferred outflows of resources related to pensions	5,786,703	
Deferred inflows of resources related to pensions	(6,326,545)	
Early retirement benefits payable	<u>(600,554)</u>	(59,885,639)

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 position. Internal service fund net position at year end is:

(2,227,634)

Total net position of governmental activities

\$ 70,616,737

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

MURRAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2020

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
Revenues:					
Local sources:					
Property taxes	\$ 22,174,252	\$ 3,430,449	\$ 2,758,829	\$ 2,266,586	\$ 30,630,116
Earnings on investments	366,544	80,764	425,470	28,177	900,955
School lunch sales	-	-	-	601,732	601,732
Other local sources	2,005,757	-	-	1,416,256	3,422,013
State of Utah	27,240,775	-	6,598	800,002	28,047,375
Federal government	2,111,815	-	-	1,670,521	3,782,336
Total revenues	<u>53,899,143</u>	<u>3,511,213</u>	<u>3,190,897</u>	<u>6,783,274</u>	<u>67,384,527</u>
Expenditures:					
Current:					
Instruction	34,633,281	-	547,967	1,613,377	36,794,625
Supporting services:					
Students	2,830,113	-	1,023	-	2,831,136
Instructional staff	2,107,114	-	-	-	2,107,114
General administration	1,162,880	-	-	-	1,162,880
School administration	3,276,028	-	-	-	3,276,028
Central	1,815,658	-	461,064	-	2,276,722
Operation and maintenance of facilities	5,060,926	-	26,760	3,922	5,091,608
Student transportation	871,614	-	-	-	871,614
School lunch services	-	-	-	2,720,316	2,720,316
Community services	652,534	-	-	2,653,871	3,306,405
Capital outlay	-	-	86,961	-	86,961
Debt service:					
Principal retirement	-	2,350,000	456,000	-	2,806,000
Interest and other charges	-	1,161,012	137,515	-	1,298,527
Total expenditures	<u>52,410,148</u>	<u>3,511,012</u>	<u>1,717,290</u>	<u>6,991,486</u>	<u>64,629,936</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	1,488,995	201	1,473,607	(208,212)	2,754,591
Fund balances - beginning	<u>16,354,488</u>	<u>3,155,580</u>	<u>16,722,105</u>	<u>2,877,317</u>	<u>39,109,490</u>
Fund balances - ending	<u>\$ 17,843,483</u>	<u>\$ 3,155,781</u>	<u>\$ 18,195,712</u>	<u>\$ 2,669,105</u>	<u>\$ 41,864,081</u>

The accompanying notes are an integral part of this financial 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, 2020

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

Net change in fund balances-total governmental funds \$ 2,754,591

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. The net effect of transactions involving capital assets increased net position in the current period.

Capital outlays	\$ 329,669	
Loss on disposal of capital assets	(107,219)	
Depreciation expense	<u>(3,299,305)</u>	(3,076,855)

The issuance of bonds provides current financial resources to governmental funds, while the repayment of the principal of bonds consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	2,806,000	
Interest expense - general obligation bonds	49,030	
Amortization of bond premium	173,097	
Amortization of deferred amounts on refunding	<u>(37,395)</u>	2,990,732

Property taxes are recognized when levied (when claim to resources is established) rather than when available. The portion not available soon enough to pay for the current periods expenditures is recognized as a deferred inflow of resources in the funds. (27,490)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds; long-term employee benefit obligations are reported as expenditures in the governmental funds when paid.

Compensated absences	(22,561)	
Early retirement benefits	(55,495)	
Pension expense	<u>(1,995,999)</u>	(2,074,055)

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 position of the internal service fund is reported with governmental activities. 2,355

Change in net position of governmental activities \$ 569,278

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

MURRAY CITY SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

General Fund

Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Local sources:				
Property taxes	\$ 21,220,129	\$ 21,847,779	\$ 22,174,252	\$ 326,473
Earnings on investments	480,397	355,397	366,544	11,147
Other local sources	1,639,799	1,990,160	2,005,757	15,597
State sources	26,620,833	28,147,109	27,240,775	(906,334)
Federal sources	2,236,990	2,409,296	2,111,815	(297,481)
Total revenues	<u>52,198,148</u>	<u>54,749,741</u>	<u>53,899,143</u>	<u>(850,598)</u>
Expenditures:				
Current:				
Instruction	34,940,093	36,490,904	34,633,281	1,857,623
Supporting services:				
Student	2,523,415	2,699,451	2,830,113	(130,662)
Instructional staff	2,098,543	2,339,483	2,107,114	232,369
General administration	1,291,412	1,382,127	1,162,880	219,247
School administration	3,453,864	3,458,732	3,276,028	182,704
Central	1,822,073	1,790,790	1,815,658	(24,868)
Operation and maintenance of facilities	4,525,818	5,150,701	5,060,926	89,775
Student transportation	1,034,804	1,011,355	871,614	139,741
Community services	692,477	469,755	652,534	(182,779)
Capital outlay	626	-	-	-
Total expenditures	<u>52,383,125</u>	<u>54,793,298</u>	<u>52,410,148</u>	<u>2,383,150</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(184,977)	(43,557)	1,488,995	1,532,552
Fund balances - beginning	<u>16,354,488</u>	<u>16,354,488</u>	<u>16,354,488</u>	<u>-</u>
Fund balances - ending	<u>\$ 16,169,511</u>	<u>\$ 16,310,931</u>	<u>\$ 17,843,483</u>	<u>\$ 1,532,552</u>

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

MURRAY CITY SCHOOL DISTRICT
Statement of Fund Net Position
Proprietary Fund
June 30, 2020

	Governmental Activities - Internal Service Fund
Assets:	
Cash and investments	\$ 1,509,999
Total assets	<u>1,509,999</u>
Deferred outflows of resources:	
Related to OPEB	<u>405,036</u>
Liabilities:	
District retirement benefit	179,472
OPEB liability	<u>3,489,182</u>
Total liabilities	<u>3,668,654</u>
Deferred inflows of resources:	
Related to OPEB	<u>474,015</u>
Net position, unrestricted	<u><u>\$ (2,227,634)</u></u>

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

MURRAY CITY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
Revenues:	
Charges for services	\$ 115,386
Expenses:	
Supporting services:	
Benefits expense	154,225
Operating loss	(38,839)
Nonoperating revenue:	
Earnings on investments	41,194
Change in net position	2,355
Net position - beginning	<u>(2,229,989)</u>
Net position - ending	<u><u>\$ (2,227,634)</u></u>

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

MURRAY CITY SCHOOL DISTRICT
Statement of Fund Cash Flows
Proprietary Fund
Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Insurance premiums received from users	\$ 115,386
Cash paid to retirees	<u>(416,759)</u>
Net cash used by operating activities	<u>(301,373)</u>
Cash flows from investing activities:	
Interest received on investments	<u>41,194</u>
Change in cash and cash equivalents	(260,179)
Cash and cash equivalents - beginning	<u>1,770,178</u>
Cash and cash equivalents - ending	<u><u>\$ 1,509,999</u></u>
Displayed on statement of fund net position as cash and investments	<u><u>\$ 1,509,999</u></u>
A reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ (38,839)
Decrease in district retirement benefit	(34,047)
Decrease in OPEB liability	(297,466)
Increase in deferred outflows of resources related to OPEB	(405,036)
Increase in deferred inflows of resources related to OPEB	474,015
Net cash used by operating activities	<u><u>\$ (301,373)</u></u>

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

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 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. The District is not a component unit of any other primary government.

As required by GAAP, these financial statements present the activities of the District and its component units, the Murray Education Foundation (the Foundation) and the Municipal Building Authority of the Murray City School District (the Building Authority), for which the District is financially accountable. The District is not a component unit of any other primary government. Although legally separate entities, blended component units are, in substance, part of the District's operations.

- The Foundation 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 Foundation is presented as a special revenue fund of the District.
- The Building Authority has the same board as the District and provides financing services exclusively to the District. The District has committed resources to service debt obligations of the Building Authority. The Building Authority is reported with the governmental funds of the District.

Government-wide and Fund Financial Statements

The *government-wide financial statements* (the statement of net position 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.

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

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 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 8) and post-retirement health care benefits for eligible employees retiring on or after June 30, 1988 (see Note 9).

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* and proprietary fund financial statements are reported using the economic resources measurement focus and 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. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement, 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. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered measurable and available only when cash is received by the District.

Budgetary Data

The District operates 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 those indicated as a fund balance commitment. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- By June 1 of each year, the District business administrator prepares a proposed annual budget (for the fiscal year beginning July 1) for all applicable funds. The budget is presented to the Board of Education by the superintendent. This budget includes proposed expenditures and the means of financing them. Also included is a final budget for the current fiscal year ending June 30.
- 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 30 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 additional 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, 2020, 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.

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

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 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:

Assets	Years
Buildings, portable classrooms, and remodels	15 to 50
Furniture and fixtures	10
Equipment	5 to 10
Vehicles and buses	7 to 10

Unearned Revenue

Unearned revenue for the District represents amounts received on grants whose purpose restrictions have not been met. Revenue is recognized on restricted grants only when all restrictions on those funds are satisfied.

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.

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

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.

Pensions

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

Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB obligation, OPEB expense, and related deferred inflows/outflows of resources, the District recognizes benefit payments when due and payable in accordance with benefit terms. The total OPEB obligation is actuarially determined.

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 position. Bond premiums and discounts, as well as 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 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.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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

Net Position/Fund Balances

The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

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, and so forth.

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 prepaid items and 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 unspent tax revenue for specific purposes (debt service and capital projects) and amounts in other governmental funds (*school lunch fund*).

Committed – This category includes amounts that can only be used for specific purposes established by formal action of the District’s highest level of decision-making authority. The Board of Education is the highest level of decision making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

- 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” and the use of this reserve requires a written resolution adopted by a majority vote of the Board of Education filed with the Utah State Board of Education and the Utah State Auditor.
- 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.
- The District has committed other governmental fund resources for community recreation programs.
- The District has committed other governmental fund resources to the Murray Education Foundation to be used for fund raising, operations, schools, and other purposes.

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- The District has committed other governmental fund resources to support District student activities at schools including athletics, textbooks, field trips, music programs, book fairs, and school plays.

Unassigned – Residual balances in the *general fund* are classified as unassigned.

Net Position/Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report in each category of net position and fund balance, a flow assumption must be made about the order in which the resources are considered to be applied.

Net position – It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position.

Fund balance – It is the District’s policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTE 2 – DEPOSITS AND INVESTMENTS

The District complies with the State Money Management Act (Utah Code Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the 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, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

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 and government bonds through a broker. The Foundation has deposits separate from the District and invests private funds through a broker.

The PTIF is an external local government investment pool managed by the Utah State Treasurer. 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, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, including investment-grade corporate bonds and notes, money market mutual funds, first-tier commercial paper, and certificates of deposit. The portfolio has a weighted average maturity of 90 days or less. The

MURRAY CITY SCHOOL DISTRICT
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majority of the PTIF’s corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

A reconciliation of cash and investments at June 30, 2020, as shown on the financial statements, is as follows:

Carrying amount of deposits	\$ 972,562
Carrying amount of investments	<u>49,744,856</u>
Total deposits and investments	<u><u>\$ 50,717,418</u></u>
Cash and investments - governmental funds, balance sheet	\$ 49,207,419
Cash and investments - internal service funds, statement of fund net position	<u>1,509,999</u>
Total cash and investments	<u><u>\$ 50,717,418</u></u>

Deposits

At June 30, 2020, the District and Foundation have the following deposits with financial institutions:

	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Murray City School District	\$ 939,694	\$ 1,304,848	\$ 250,000
Murray Education Foundation	<u>32,868</u>	<u>30,037</u>	<u>250,000</u>
	<u><u>\$ 972,562</u></u>	<u><u>\$ 1,334,885</u></u>	<u><u>\$ 500,000</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, 2020, the District’s bank deposits were uncollateralized nor is it required by law.

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Investments

At June 30, 2020, 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)	\$ 48,601,761	\$ 48,601,761	\$ -	\$ -	\$ -
Murray Education Foundation:					
Utah Public Treasurers'					
Investment Fund (PTIF)	180,695	180,695	-	-	-
U.S. Treasury securities	17,691	-	17,691	-	-
Money market funds	9,972	9,972	-	-	-
Stocks and ETFs	885,519	885,519	-	-	-
Corporate bonds	6,280	-	-	-	6,280
Mutual funds	26,508	26,508	-	-	-
Preferred/fixed rate capital securities	16,430	-	16,430	-	-
Total investments	<u>\$ 49,744,856</u>	<u>\$ 49,704,455</u>	<u>\$ 34,121</u>	<u>\$ -</u>	<u>\$ 6,280</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 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, 2020, the District’s investments in corporate and government bonds were rated at A or higher by Standard and Poor’s. 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.

MURRAY CITY SCHOOL DISTRICT

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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.

NOTE 3 – FAIR VALUE MEASUREMENT

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

The District has the following recurring fair value measurements as of June 30, 2020:

- Utah Public Treasurers' Investment Fund position of \$48,601,761, the unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held (Level 2 inputs).

The Foundation has the following recurring fair value measurements as of June 30, 2020:

- Utah Public Treasurers' Investment Fund position of \$180,695, the unit of account is each share held, and the value of the position is the fair value of the pool's share price multiplied by the number of shares held (Level 2 inputs).
- U.S. Treasury securities of \$17,691 are valued using quoted market prices (Level 1 inputs).
- Money market funds of \$9,972 are valued using quoted market prices (Level 1 inputs).
- Stocks and ETFs of \$885,519 are valued using quoted market prices (Level 1 inputs).
- Corporate bonds of \$6,280 are valued using a matrix pricing model (Level 2 inputs).
- Mutual funds of \$26,508 are valued using quoted market prices (Level 1 inputs).
- Preferred/fixed rate capital securities of \$16,430 are valued using quoted market prices (Level 1 inputs).

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 4 – PROPERTY TAXES

District Property Tax Revenue

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 (the legal lien date) 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.

An annual uniform fee based on the value of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Legislation requires motor vehicles be subject to an “age-based” fee that is due each time a vehicle is registered. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity 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 collected.

As of June 30, 2020, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2020 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.

Pass-Through Taxes

In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (Utah Code 17C-1). These taxes are forwarded directly by the county to the redevelopment agencies as these taxes are collected by the county.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the redevelopment agencies for the duration of the projects.

During the year ended June 30, 2020, incremental taxes levied by the District for the redevelopment agencies totaling \$2,007,524 were recorded as revenue with an equivalent amount of expenditure for community services in the other governmental funds (in the *pass-through taxes fund*).

Per *Utah Code 53F-2-703*, a portion of the District’s board local levy is paid to the statewide charter school levy account. The portion is based on the number of charter school students residing within the District’s boundaries. In 2020, the amount collected by the County and paid directly to the State was \$259,062; this amount was reported in other governmental funds (in the *pass-through taxes fund*).

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 17,741,806	\$ -	\$ -	\$ 17,741,806
Capital assets, being depreciated:				
Buildings	102,731,324	-	(536,094)	102,195,230
Equipment	5,658,795	329,669	(117,233)	5,871,231
Total capital assets, being depreciated	108,390,119	329,669	(653,327)	108,066,461
Accumulated depreciation for:				
Buildings	(28,726,450)	(2,919,574)	428,875	(31,217,149)
Equipment	(3,903,189)	(379,731)	117,233	(4,165,687)
Total accumulated depreciation	(32,629,639)	\$ (3,299,305)	546,108	(35,382,836)
Total capital assets being depreciated, net	75,760,480	(2,969,636)	(107,219)	72,683,625
Governmental activities capital assets, net	\$ 93,502,286	\$ (2,969,636)	\$ (107,219)	\$ 90,425,431

For the year ended June 30, 2020, depreciation expense was charged to functions of the District as follows:

Governmental activities:	
Instruction	\$ 2,286,403
Supporting services:	
District administration	222,686
School administration	108,912
Central	67,207
Operation and maintenance of facilities	289,916
Student transportation	157,130
School lunch services	167,051
Total depreciation expense, governmental activities	\$ 3,299,305

MURRAY CITY SCHOOL DISTRICT

Notes to the Financial Statements

NOTE 6 – STATE RETIREMENT PLANS

Description of Plans

Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- *Public Employees Noncontributory Retirement System* (Tier 1 Noncontributory System)
- *Public Employees Contributory Retirement System* (Tier 1 Contributory System)
- *Tier 2 Hybrid Public Employees Contributory Retirement System* (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- *401(k) Plan* (includes the *Tier 2 Defined Contribution Plan*)
- *457 Plan and other individual plans*

District employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified school employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

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

The plans are established and governed by the respective sections of Title 49 of the Utah Code. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits Provided

The URS provides retirement, disability, and death benefits to participants in the pension plans.

Retirement benefits are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan’s administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

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

For the year ended June 30, 2020, District required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates			District Rates for 401(k) Plan	Totals
	District Contribution *	Amortization of UAAL **	Paid by District for Employee		
Tier 1 Noncontributory System	12.25%	9.94%	-	1.50%	23.69%
Tier 1 Contributory System	5.45%	12.25%	5.00%	-	22.70%
Tier 2 Contributory System	8.93%	9.94%	-	1.15%	20.02%
Tier 2 Defined Contribution Plan	0.08%	9.94%	-	10.00%	20.02%

* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

** Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2020, District and employee contributions to the plans were as follows:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 4,772,638	\$ -
Tier 1 Contributory System	11,470	-
Tier 2 Contributory System	1,562,677	-
Tier 2 Defined Contribution Plan	217,655	-
401(k) Plan	657,359	965,503

* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

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

At June 30, 2020, the District reported an asset of zero and a liability of \$19,185,162 for the following plans:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Tier 1 Noncontributory System	\$ -	\$ 19,027,183
Tier 1 Contributory System	-	38,516
Tier 2 Contributory System	-	119,463
Total	<u>\$ -</u>	<u>\$ 19,185,162</u>

The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2019, rolled-forward using generally accepted actuarial procedures. Our proportion of the net pension liability (asset) is equal to the ratio of our actual contributions compared to the total of all employer contributions during the plan year. The following presents our proportion (percentage) of the collective net pension liability (asset) at December 31, 2019 and the change in its proportion since the prior measurement date for each plan:

	<u>Proportionate Share</u>	
	<u>2019</u>	<u>Change</u>
Tier 1 Noncontributory System	0.8564238 %	0.0803398 %
Tier 1 Contributory System	0.5578888 %	0.2611227 %
Tier 2 Contributory System	0.5311667 %	0.0107378 %

For the year ended June 30, 2020, the District recognized pension expense for the plans as follows:

	<u>Pension Expense</u>
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 7,819,287
Tier 1 Contributory System	61,747
Tier 2 Contributory System	671,692
Total	<u>\$ 8,552,726</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 217,655
401(k) Plan	657,359
Total	<u>\$ 875,014</u>

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

At June 30, 2020, we reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions			
	Tier 1	Tier 1	Tier 2	Total
	Noncontributory System	Contributory System	Contributory System	
Differences between expected and actual experience	\$ 295,803	\$ -	\$ 33,420	\$ 329,223
Changes of assumptions	1,102,933	-	51,010	1,153,943
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	844,790	-	90,943	935,733
Contributions subsequent to the measurement date	2,427,489	5,726	934,589	3,367,804
Total	<u>\$ 4,671,015</u>	<u>\$ 5,726</u>	<u>\$ 1,109,962</u>	<u>\$ 5,786,703</u>

At June 30, 2020, we reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions			
	Tier 1	Tier 1	Tier 2	Total
	Noncontributory System	Contributory System	Contributory System	
Differences between expected and actual experience	\$ 116,727	\$ -	\$ 40,999	\$ 157,726
Changes of assumptions	-	-	3,433	3,433
Net difference between projected and actual earnings on pension plan investments	5,890,711	153,450	91,831	6,135,992
Changes in proportion and differences between District contributions and proportionate share of contributions	29,394	-	-	29,394
Total	<u>\$ 6,036,832</u>	<u>\$ 153,450</u>	<u>\$ 136,263</u>	<u>\$ 6,326,545</u>

The \$3,367,804 reported as deferred outflows of resources related to pensions resulting from our contributions subsequent to the measurement date of December 31, 2019 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending June 30,	Tier 1 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
2021	\$ (409,591)	\$ (51,209)	\$ (12,675)	\$ (473,475)
2022	(1,291,554)	(43,292)	(10,888)	(1,345,734)
2023	161,287	(6,744)	4,802	159,345
2024	(2,253,448)	(52,205)	(24,630)	(2,330,283)
2025	-	-	12,110	12,110
Thereafter	-	-	70,391	70,391

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

Actuarial Assumptions

The total pension liability (asset) in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2016. Assumptions remained unchanged that affect measurement of the total pension liability (asset) since the prior measurement date.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	40%	6.2%
Debt securities	20%	0.4%
Real assets	15%	5.8%
Private equity	9%	10.0%
Absolute return	16%	2.9%
Cash and cash equivalents	0%	0.0%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

Sensitivity of the District’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

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

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 49,923,115	\$ 19,027,183	\$ (1,003,650)
Tier 1 Contributory System	375,143	38,516	(250,078)
Tier 2 Contributory System	<u>1,030,185</u>	<u>119,463</u>	<u>(584,357)</u>
Total	<u>\$ 51,328,443</u>	<u>\$ 19,185,162</u>	<u>\$ (1,838,085)</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

At June 30, 2020, the District reported payables of \$1,974,905 for contributions to defined benefit pension plans.

NOTE 7 – 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 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 the Financial Statements

NOTE 8 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 34,175,000	\$ -	\$ (2,350,000)	\$ 31,825,000	\$ 2,470,000
Bond premium	2,365,648	-	(173,097)	2,192,551	-
Net general obligation bonds payable	36,540,648	-	(2,523,097)	34,017,551	2,470,000
Lease revenue bonds payable	5,675,000	-	(456,000)	5,219,000	466,000
Compensated absences payable	144,805	224,681	(202,120)	167,366	167,366
Early retirement benefits payable	545,059	570,780	(515,285)	600,554	213,230
OPEB liability	3,786,648	592,557	(890,023)	3,489,182	-
Net pension liability	29,307,932	18,801,530	(28,924,300)	19,185,162	-
Total governmental activity long-term liabilities	<u>\$ 76,000,092</u>	<u>\$ 20,189,548</u>	<u>\$ (33,510,825)</u>	<u>\$ 62,678,815</u>	<u>\$ 3,316,596</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. The District will make annual payments on the lease revenue bonds to the Building Authority from the *capital projects fund*. Compensated absences and early retirement benefits will be paid primarily from the *general fund*.

General Obligation Bonds

In November 2012, the District issued \$41,025,000 of general obligation refunding bonds. The bonds were issued with interest rates from 2.0% to 5.0% and will mature on February 1, 2033.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2020, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,470,000	\$ 1,044,750	\$ 3,514,750
2022	2,030,000	921,250	2,951,250
2023	2,130,000	819,750	2,949,750
2024	2,200,000	755,850	2,955,850
2025	2,260,000	689,850	2,949,850
2026-2030	12,380,000	2,389,650	14,769,650
2031-2033	8,355,000	506,650	8,861,650
Total	<u>\$ 31,825,000</u>	<u>\$ 7,127,750</u>	<u>\$ 38,952,750</u>

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2020 is about \$253.0 million. Net general obligation debt at June 30, 2020 is \$34.0 million, resulting in a legal debt margin of about \$219.0 million.

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

Lease Revenue Bonds

In December 2014, the Building Authority of Murray City School District issued \$7,000,000 of lease revenue bonds. The bonds were issued at an effective interest rate of 2.1% and will mature on May 15, 2030.

The annual requirements to amortize all lease revenue bonds outstanding as of June 30, 2020, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 466,000	\$ 126,217	\$ 592,217
2022	478,000	114,567	592,567
2023	491,000	101,374	592,374
2024	506,000	86,693	592,693
2025	521,000	70,805	591,805
2026-2030	2,757,000	180,878	2,937,878
Total	<u>\$ 5,219,000</u>	<u>\$ 680,534</u>	<u>\$ 5,899,534</u>

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 retiring at age 62, 63, and 64, respectively. The District made \$515,285 in direct payments to retirees under this option for the year ended June 30, 2020.

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 9). The present value of amounts payable for benefits in future periods as of June 30, 2020 is estimated at \$179,199; nine employees are eligible to receive these benefits. Amounts paid annually have approximated the average annual cost of the benefit. Amounts payable at June 30, 2020 totaled \$179,199. The District retirement benefit is serviced by the *lifetime insurance internal service fund*.

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The District provides other post-employment benefits (OPEB) to eligible retirees and their spouses. 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.

Benefits Provided

The Plan provides a lifetime 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 spouses through a health insurance plan offered through Educators Mutual. The District pays the full premium for retirees.

Employees Covered by Benefit Terms

At July 1, 2020, the date of the latest actuarial valuation, 85 retirees and 46 spouses were covered by the benefit terms. The Plan is closed to new entrants.

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Discount rate	2.21%
Healthcare cost trend rates	6.0% for 2019, decreasing over 54 years to an ultimate rate of 3.9%

The discount rate was based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on PRI-2012 White Collar Mortality with Scale MP-2019.

The medical cost trend used in the valuation was derived from the “Getzen Model” published by the Society of Actuaries for developing long term medical cost trends. A Federal excise tax will apply for high cost health plans beginning in 2022. A margin to reflect the impact of the excise tax in future years is reflected in the assumed trend. The development of the trend rates was based on the assumed general inflation of 2.30% per year.

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

Changes in the Total OPEB Liability

The following presents the OPEB liability activity for the year ended June 30, 2020:

	<u>Total OPEB Obligation</u>
Balance at June 30, 2019	\$ 3,786,648
Changes for the year:	
Interest	139,644
Differences between expected and actual experience	452,913
Changes of assumptions and other inputs	(530,045)
Benefit payments	<u>(359,978)</u>
Net changes	<u>(297,466)</u>
Balance at June 30, 2020	<u>\$ 3,489,182</u>

Sensitivity to the Net OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, calculated using the discount rate of 2.21%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB obligation	<u>\$ 3,782,516</u>	<u>\$ 3,489,182</u>	<u>\$ 3,233,300</u>

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rate of 6.0% decreasing to 3.9% as well as what the District's total OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower (5.0% decreasing to 2.9%) or 1 percentage point higher (7.0% decreasing to 4.9%) than the current trend rate.

	<u>1% Decrease (5.0% decreasing to 2.9%)</u>	<u>Healthcare Cost Trend Rates (6.0% decreasing to 3.9%)</u>	<u>1% Increase (7.0% decreasing to 4.9%)</u>
Total OPEB obligation	<u>\$ 3,254,349</u>	<u>\$ 3,489,182</u>	<u>\$ 3,751,780</u>

MURRAY CITY SCHOOL DISTRICT
Notes to the Financial Statements

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$131,491. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 405,036	\$ -
Changes of assumptions or other inputs	-	474,015
Total	<u>\$ 405,036</u>	<u>\$ 474,015</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2021	\$ (8,153)
2022	(8,153)
2023	(8,153)
2024	(8,153)
2025	(8,153)
Thereafter	(28,214)

NOTE 10 – LITIGATION AND COMPLIANCE

At certain times, claims or lawsuits are pending in which the District is involved. The District’s counsel and insurance carriers estimate that the District’s potential obligations resulting from such claims or litigation would not materially affect the financial statements of the District.

All fund balances are positive at June 30, 2020. Fund expenditures are within budgeted amounts during the year ended June 30, 2019, except expenditures in the *pass-through taxes fund* which exceeded budgeted appropriations by \$148,780.

NOTE 11 – 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**Schedule of Changes in the District's Total OPEB Obligation and Related Ratios**

Last Three Plan Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB obligation:			
Service cost	\$ -	\$ -	\$ -
Interest	139,644	150,332	158,406
Changes of benefit terms	-	-	-
Differences between expected and actual experience	452,913	-	-
Changes of assumptions and other inputs	(530,045)	-	-
Benefit payments	<u>(359,978)</u>	<u>(412,258)</u>	<u>(418,198)</u>
Net change in total OPEB obligation	(297,466)	(261,926)	(259,792)
Total OPEB obligation - beginning	<u>3,786,648</u>	<u>4,048,574</u>	<u>4,308,366</u>
Total OPEB obligation - ending	<u>\$ 3,489,182</u>	<u>\$ 3,786,648</u>	<u>\$ 4,048,574</u>
Covered payroll	N/A	N/A	N/A
Total OPEB obligation as a percentage of covered payroll	N/A	N/A	N/A

MURRAY CITY SCHOOL DISTRICT

Schedules of the District's Proportionate Share of the Net Pension Liability (Asset) –

Utah Retirement Systems

Last Six Plan (Calendar) Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2019	0.8564238 %	\$ 19,027,183	\$ 21,558,397	88.26 %	90.1 %
2018	0.7760840 %	28,874,338	20,973,268	137.67 %	84.1 %
2017	0.7387803 %	18,065,854	19,903,567	90.77 %	89.2 %
2016	0.7094686 %	22,993,288	19,632,211	117.12 %	84.9 %
2015	0.7318957 %	22,990,940	20,483,417	112.24 %	84.5 %
2014	0.7362124 %	18,497,548	21,075,854	87.77 %	87.2 %
Tier 1 Contributory System:					
2019	0.5578888 %	\$ 38,516	\$ 62,240	61.88 %	98.9 %
2018	0.2967761 %	210,705	57,594	365.85 %	91.4 %
2017	0.2332231 %	15,347	53,065	28.92 %	99.2 %
2016	0.1841626 %	100,913	49,369	204.41 %	93.4 %
2015	0.1538696 %	96,423	48,743	197.82 %	92.4 %
2014	0.1306940 %	14,330	47,918	29.91 %	98.7 %
Tier 2 Contributory System:					
2019	0.5311667 %	\$ 119,463	\$ 7,396,302	1.62 %	96.5 %
2018	0.5204289 %	222,889	6,118,015	3.64 %	90.8 %
2017	0.4940096 %	43,555	4,849,273	0.90 %	97.4 %
2016	0.4355412 %	48,570	3,570,717	1.36 %	95.1 %
2015	0.3803034 %	(830)	2,456,032	(0.03)%	100.2 %
2014	0.3684997 %	(11,167)	1,804,057	(0.62)%	103.5 %

MURRAY CITY SCHOOL DISTRICT
Schedules of District Contributions – Utah Retirement Systems
 Last Six Reporting (Fiscal) Years

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 1 Noncontributory System:					
2020	\$ 4,772,638	\$ 4,772,638	\$ -	\$ 22,069,823	21.63 %
2019	4,547,395	4,547,395	-	21,080,643	21.57 %
2018	4,681,251	4,681,251	-	21,730,919	21.54 %
2017	4,131,157	4,131,157	-	19,291,196	21.41 %
2016	4,311,968	4,311,968	-	20,167,829	21.38 %
2015	4,337,622	4,337,622	-	20,544,353	21.11 %
Tier 1 Contributory System:					
2020	\$ 11,470	\$ 11,470	\$ -	\$ 64,789	17.70 %
2019	10,595	10,595	-	59,859	17.70 %
2018	10,377	10,377	-	57,631	18.01 %
2017	22,796	22,796	-	112,959	20.18 %
2016	8,665	8,665	-	48,954	17.70 %
2015	8,363	8,363	-	48,032	17.41 %
Tier 2 Contributory System:					
2020	\$ 1,562,677	\$ 1,562,677	\$ -	\$ 8,229,351	18.99 %
2019	1,261,124	1,261,124	-	6,653,444	18.95 %
2018	1,068,113	1,068,113	-	5,792,356	18.44 %
2017	771,034	771,034	-	4,225,427	18.25 %
2016	545,882	545,882	-	2,991,818	18.25 %
2015	389,494	389,494	-	2,151,581	18.10 %
Tier 2 Defined Contribution Plan:					
2020	\$ 217,655	\$ 217,655	\$ -	\$ 2,153,770	10.11 %
2019	166,345	166,345	-	1,644,006	10.12 %
2018	155,039	155,039	-	1,522,064	10.19 %
2017	155,165	155,165	-	1,120,848	13.84 %
2016	73,450	73,450	-	717,643	10.23 %
2015	49,567	49,567	-	497,346	9.97 %

MURRAY CITY SCHOOL DISTRICT
Notes to Required Supplementary Information

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

Amounts reported in plan years 2019 and 2018 remain unchanged from the prior years.

Amounts reported in plan year 2017 reflect the following assumption changes adopted from the January 1, 2017 valuation:

- The investment return assumption was decreased from 7.20% to 6.95%.
- The inflation assumption decreased from 2.60% to 2.50%.
- The life expectancy assumption increased for most groups.
- The wage inflation assumption decreased from 3.35% to 3.25%.
- The payroll growth assumption decreased from 3.10% to 3.00%

Amounts reported in plan year 2016 reflect the following assumption changes adopted from the January 1, 2016 valuation:

- The investment return assumption was decreased from 7.50% to 7.20%.
- The inflation assumption decreased from 2.75% to 2.60%.
- Both the payroll growth and wage inflation assumptions were decreased by 0.15%.

Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- Other assumptions that were modified: rate of salary increases, post retirement mortality, and certain demographics.

NOTE B – SCHEDULES OF THE DISTRICT’S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY (ASSET) – UTAH RETIREMENT SYSTEMS

These schedules are intended to present information for ten years; prior-year information will be displayed as it becomes available.

NOTE C – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

These schedules are intended to present information for ten years; prior-year information will be displayed as it becomes available.

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

NOTE D – CHANGES IN ASSUMPTIONS – OPEB

Amounts reported in plan year 2020 reflect the following assumption changes adopted from the July 1, 2020 valuation:

- The investment return assumption was decreased from 3.87% to 2.21%.
- The health care cost trend rate assumption was decreased from 6.80% to 6.00%.

MURRAY CITY SCHOOL DISTRICT
Notes to Required Supplementary Information

**NOTE E – SCHEDULE OF CHANGES IN THE DISTRICT’S TOTAL OPEB OBLIGATION
AND RELATED RATIOS**

These schedules are intended to present information for ten years; prior-year information will be displayed as it becomes available.

**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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 21,847,779	\$ 22,174,252	\$ 326,473	\$ 18,173,545
Earnings on investments	355,397	366,544	11,147	539,145
Other local	1,990,160	2,005,757	15,597	1,894,602
State sources	28,147,109	27,240,775	(906,334)	27,088,832
Federal sources	2,409,296	2,111,815	(297,481)	2,052,800
Total revenues	<u>54,749,741</u>	<u>53,899,143</u>	<u>(850,598)</u>	<u>49,748,924</u>
Expenditures:				
Current:				
Salaries	34,820,998	33,824,320	996,678	30,432,747
Employee benefits	13,845,875	13,674,747	171,128	12,529,266
Purchased professional and technical services	748,130	636,869	111,261	581,528
Purchased property services	861,339	994,390	(133,051)	1,027,908
Other purchased services	616,430	524,906	91,524	469,503
Supplies	3,545,536	2,484,338	1,061,198	2,947,237
Property	287,049	214,583	72,466	358,621
Other objects	67,941	55,995	11,946	76,025
Total expenditures	<u>54,793,298</u>	<u>52,410,148</u>	<u>2,383,150</u>	<u>48,422,835</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(43,557)	1,488,995	1,532,552	1,326,089
Fund balances - beginning	<u>16,354,488</u>	<u>16,354,488</u>	-	<u>15,028,399</u>
Fund balances - ending	<u>\$ 16,310,931</u>	<u>\$ 17,843,483</u>	<u>\$ 1,532,552</u>	<u>\$ 16,354,488</u>

MURRAY CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Debt Service Fund

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 3,453,750	\$ 3,430,449	\$ (23,301)	\$ 3,406,354
Earnings on investments	75,000	80,764	5,764	106,346
Total revenues	<u>3,528,750</u>	<u>3,511,213</u>	<u>(17,537)</u>	<u>3,512,700</u>
Expenditures:				
Principal retirement	2,350,250	2,350,000	250	2,240,000
Interest and other charges	<u>1,178,500</u>	<u>1,161,012</u>	<u>17,488</u>	<u>1,276,675</u>
Total expenditures	<u>3,528,750</u>	<u>3,511,012</u>	<u>17,738</u>	<u>3,516,675</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	201	201	(3,975)
Fund balances - beginning	<u>3,155,580</u>	<u>3,155,580</u>	-	<u>3,159,555</u>
Fund balances - ending	<u><u>\$ 3,155,580</u></u>	<u><u>\$ 3,155,781</u></u>	<u><u>\$ 201</u></u>	<u><u>\$ 3,155,580</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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Property taxes	\$ 3,006,641	\$ 2,758,829	\$ (247,812)	\$ 2,692,228
Earnings on investments	203,500	425,470	221,970	495,199
Other local	-	-	-	2,713,574
State sources	22,500	6,598	(15,902)	11,054
Total revenues	<u>3,232,641</u>	<u>3,190,897</u>	<u>(41,744)</u>	<u>5,912,055</u>
Expenditures:				
Current:				
Purchased professional and technical services	-	18,510	(18,510)	259,957
Purchased property services	628,321	48,983	579,338	8,365
Supplies	515,000	182,244	332,756	281,121
Property	1,577,375	874,038	703,337	1,044,246
Debt service:				
Principal retirement	448,000	456,000	(8,000)	448,000
Interest and other charges	135,219	137,515	(2,296)	134,681
Total expenditures	<u>3,303,915</u>	<u>1,717,290</u>	<u>1,586,625</u>	<u>2,176,370</u>
Excess of revenues over expenditures / net change in fund balances	(71,274)	1,473,607	1,544,881	3,735,685
Fund balances - beginning	16,722,105	16,722,105	-	12,986,420
Fund balances - ending	<u>\$ 16,650,831</u>	<u>\$ 18,195,712</u>	<u>\$ 1,544,881</u>	<u>\$ 16,722,105</u>

MURRAY CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue					Total Nonmajor Governmental Funds
	Non K-12 Programs	School Lunch	Murray Education Foundation	Student Activities	Pass-Through Taxes	
Assets:						
Cash and investments	\$ 117,841	\$ 356,135	\$ 1,175,963	\$ 1,014,711	\$ -	\$ 2,664,650
Receivables:						
Property taxes	-	-	-	-	2,395,478	2,395,478
Other local	-	38,634	-	-	-	38,634
State of Utah	-	96,468	-	-	-	96,468
Federal government	-	166,668	-	-	-	166,668
Total assets	<u>\$ 117,841</u>	<u>\$ 657,905</u>	<u>\$ 1,175,963</u>	<u>\$ 1,014,711</u>	<u>\$ 2,395,478</u>	<u>\$ 5,361,898</u>
Liabilities:						
Accounts payable	\$ 1,573	\$ 99,982	\$ -	\$ 103	\$ -	\$ 101,658
Accrued salaries and benefits	25,396	26,217	-	-	-	51,613
Unearned revenue:						
Other local	-	78,369	-	-	-	78,369
State of Utah	9,889	-	-	-	-	9,889
Federal government	55,786	-	-	-	-	55,786
Total liabilities	<u>92,644</u>	<u>204,568</u>	<u>-</u>	<u>103</u>	<u>-</u>	<u>297,315</u>
Deferred inflows of resources:						
Unavailable property taxes	-	-	-	-	39,896	39,896
Property taxes levied for future years	-	-	-	-	2,355,582	2,355,582
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,395,478</u>	<u>2,395,478</u>
Fund balances:						
Restricted for:						
School lunch services	-	453,337	-	-	-	453,337
Committed to:						
Community recreation	25,197	-	-	-	-	25,197
Foundation programs	-	-	1,175,963	-	-	1,175,963
Student activities	-	-	-	1,014,608	-	1,014,608
Total fund balances	<u>25,197</u>	<u>453,337</u>	<u>1,175,963</u>	<u>1,014,608</u>	<u>-</u>	<u>2,669,105</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 117,841</u>	<u>\$ 657,905</u>	<u>\$ 1,175,963</u>	<u>\$ 1,014,711</u>	<u>\$ 2,395,478</u>	<u>\$ 5,361,898</u>

MURRAY CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2020

	Special Revenue					Total Nonmajor Governmental Funds
	Non K-12 Programs	School Lunch	Murray Education Foundation	Student Activities	Pass-Through Taxes	
Revenues:						
Local sources:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,266,586	\$ 2,266,586
Earnings on investments	16,844	28,743	(17,410)	-	-	28,177
Lunch sales	-	601,732	-	-	-	601,732
Other local	261,867	(58,610)	115,940	1,097,059	-	1,416,256
State of Utah	311,522	488,480	-	-	-	800,002
Federal government	34,873	1,635,648	-	-	-	1,670,521
Total revenues	<u>625,106</u>	<u>2,695,993</u>	<u>98,530</u>	<u>1,097,059</u>	<u>2,266,586</u>	<u>6,783,274</u>
Expenditures:						
Current:						
Instruction	349,197	-	159,187	1,104,993	-	1,613,377
Supporting services:						
Operation and maintenance of facilities	3,922	-	-	-	-	3,922
School lunch services	-	2,720,316	-	-	-	2,720,316
Community services	387,285	-	-	-	2,266,586	2,653,871
Total expenditures	<u>740,404</u>	<u>2,720,316</u>	<u>159,187</u>	<u>1,104,993</u>	<u>2,266,586</u>	<u>6,991,486</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(115,298)	(24,323)	(60,657)	(7,934)	-	(208,212)
Fund balances - beginning	<u>140,495</u>	<u>477,660</u>	<u>1,236,620</u>	<u>1,022,542</u>	<u>-</u>	<u>2,877,317</u>
Fund balances - ending	<u>\$ 25,197</u>	<u>\$ 453,337</u>	<u>\$ 1,175,963</u>	<u>\$ 1,014,608</u>	<u>\$ -</u>	<u>\$ 2,669,105</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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Earnings on investments	\$ -	\$ 16,844	\$ 16,844	\$ 624
Other local	407,000	261,867	(145,133)	336,837
State of Utah	311,522	311,522	-	264,452
Federal government	34,873	34,873	-	81,809
Total revenues	<u>753,395</u>	<u>625,106</u>	<u>(128,289)</u>	<u>683,722</u>
Expenditures:				
Current:				
Salaries	452,513	520,615	(68,102)	485,969
Employee benefits	140,516	146,791	(6,275)	151,980
Purchased services	78,977	26,368	52,609	24,302
Supplies	82,447	34,485	47,962	42,782
Property	1,394	6,240	(4,846)	2,464
Other objects	-	5,905	(5,905)	9,837
Total expenditures	<u>755,847</u>	<u>740,404</u>	<u>15,443</u>	<u>717,334</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(2,452)	(115,298)	(112,846)	(33,612)
Fund balances - beginning	<u>140,495</u>	<u>140,495</u>	<u>-</u>	<u>174,107</u>
Fund balances - ending	<u>\$ 138,043</u>	<u>\$ 25,197</u>	<u>\$ (112,846)</u>	<u>\$ 140,495</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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Lunch sales	\$ 600,935	\$ 601,732	\$ 797	\$ 668,982
Earnings on investments	27,500	28,743	1,243	38,178
Other local	322,815	(58,610)	(381,425)	29,285
State of Utah	-	488,480	488,480	451,519
Federal government	1,861,000	1,635,648	(225,352)	1,458,385
Total revenues	<u>2,812,250</u>	<u>2,695,993</u>	<u>(116,257)</u>	<u>2,646,349</u>
Expenditures:				
Current:				
Salaries	902,523	954,668	(52,145)	868,396
Benefits	412,443	391,174	21,269	395,043
Purchased services	28,871	23,883	4,988	22,187
Supplies	1,640,252	1,350,591	289,661	1,540,119
Property	10,000	-	10,000	18,462
Other objects	112,000	-	112,000	32,316
Total expenditures	<u>3,106,089</u>	<u>2,720,316</u>	<u>385,773</u>	<u>2,876,523</u>
Deficiency of revenues under expenditures / net change in fund balances	(293,839)	(24,323)	269,516	(230,174)
Fund balances - beginning	<u>477,660</u>	<u>477,660</u>	<u>-</u>	<u>707,834</u>
Fund balances - ending	<u>\$ 183,821</u>	<u>\$ 453,337</u>	<u>\$ 269,516</u>	<u>\$ 477,660</u>

MURRAY CITY SCHOOL DISTRICT
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances
Murray Education Foundation
Nonmajor Special Revenue Fund
Year Ended June 30, 2020 with Comparative Totals for 2019

	<u>2020</u>	<u>2019</u>
Revenues:		
Local sources:		
Contributions	\$ 115,940	\$ 125,866
Earnings on investments	(17,410)	98,675
Total revenues	<u>98,530</u>	<u>224,541</u>
Expenditures:		
Current:		
Instruction	<u>159,187</u>	<u>100,396</u>
Excess of revenues over expenditures / net change in fund balances	(60,657)	124,145
Fund balances - beginning	<u>1,236,620</u>	<u>1,112,475</u>
Fund balances - ending	<u><u>\$ 1,175,963</u></u>	<u><u>\$ 1,236,620</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, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Local sources:				
Other local	\$ 2,200,000	\$ 1,097,059	\$ (1,102,941)	\$ 1,443,388
Expenditures:				
Current:				
Purchased services	450,000	182,027	267,973	358,768
Supplies	1,155,000	719,081	435,919	721,385
Property	70,000	31,783	38,217	86,039
Other objects	525,000	172,102	352,898	320,001
Total expenditures	2,200,000	1,104,993	1,095,007	1,486,193
Deficiency of revenues under expenditures / net change in fund balances	-	(7,934)	(7,934)	(42,805)
Fund balances - beginning	1,022,542	1,022,542	-	1,065,347
Fund balances - ending	\$ 1,022,542	\$ 1,014,608	\$ (7,934)	\$ 1,022,542

MURRAY CITY SCHOOL DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Pass-Through Taxes

Nonmajor Special Revenue Fund

Year Ended June 30, 2020 with Comparative Totals for 2019

	2020			2019
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
Revenues:				
Property taxes	\$ 2,117,806	\$ 2,266,586	\$ 148,780	\$ 1,923,639
Expenditures:				
Other objects	2,117,806	2,266,586	(148,780)	1,923,639
Excess of revenues over expenditures / net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER INFORMATION
(Unaudited)

MURRAY CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF NET POSITION
GOVERNMENTAL ACTIVITIES (Accrual Basis of Accounting)
June 30, 2020 through 2016

	2020	2019	2018	2017	2016
Assets:					
Cash and investments	\$ 50,717,418	\$ 43,665,638	\$ 41,263,145	\$ 39,206,467	\$ 33,399,291
Receivables:					
Property taxes	27,407,605	26,881,423	23,451,522	24,163,178	23,396,278
Other local	39,580	821,005	623,351	25,221	35,304
State of Utah	601,041	807,480	498,838	474,610	185,324
Federal government	382,783	2,127,671	631,680	1,232,868	1,983,737
Inventories	789,136	543,505	378,084	675,329	503,966
Net OPEB asset	-	-	-	245,190	296,416
Net pension asset	-	-	-	-	830
Capital assets:					
Land and construction in progress	17,741,806	17,741,806	17,741,806	17,741,806	18,939,099
Buildings and equipment, net of accumulated depreciation	72,683,625	75,760,480	77,830,054	80,053,753	80,061,225
Total assets	<u>170,362,994</u>	<u>168,349,008</u>	<u>162,418,480</u>	<u>163,818,422</u>	<u>158,801,470</u>
Deferred outflows of resources:					
Deferred amounts on refundings	294,926	332,321	369,716	407,111	444,506
Related to pensions	6,191,739	12,229,264	11,313,986	9,435,293	8,517,914
Total deferred outflows of resources	<u>6,486,665</u>	<u>12,561,585</u>	<u>11,683,702</u>	<u>9,842,404</u>	<u>8,962,420</u>
Liabilities:					
Accounts payable	744,835	1,166,080	857,360	535,555	375,991
Accrued interest	451,090	500,120	547,840	584,628	619,798
Accrued salaries and benefits	7,076,915	5,228,800	5,065,419	4,787,558	4,671,164
Unearned revenue:					
Other local	128,390	117,841	99,855	115,950	106,203
State of Utah	1,151,245	548,567	1,393,879	2,108,820	1,570,175
Federal government	56,972	57,446	57,446	49,093	40,538
Noncurrent liabilities:					
Due and payable within one year	3,316,596	3,307,539	3,309,979	3,306,390	2,218,533
Due and payable after one year	59,362,219	72,692,553	64,814,577	68,908,024	72,843,821
Total liabilities	<u>72,288,262</u>	<u>83,618,946</u>	<u>76,146,355</u>	<u>80,396,018</u>	<u>82,446,223</u>
Deferred inflows of resources:					
Property taxes levied for future year	27,144,100	26,593,851	23,160,133	23,842,069	22,965,176
Related to pensions	6,800,560	650,337	9,255,545	3,389,069	2,386,396
Total deferred outflows of resources	<u>33,944,660</u>	<u>27,244,188</u>	<u>32,415,678</u>	<u>27,231,138</u>	<u>25,351,572</u>
Net position:					
Net investment in capital assets	51,483,806	51,618,959	50,864,831	50,356,832	48,919,895
Restricted for:					
Debt service	2,757,676	2,720,607	2,679,313	2,639,637	2,189,891
Capital projects	18,234,373	16,769,143	13,034,513	12,456,672	10,516,767
School lunch services	453,337	477,660	707,834	836,304	571,045
Unrestricted	(2,312,455)	(1,538,910)	(1,746,342)	(255,775)	(2,231,503)
Total net position	<u>\$ 70,616,737</u>	<u>\$ 70,047,459</u>	<u>\$ 65,540,149</u>	<u>\$ 66,033,670</u>	<u>\$ 59,966,095</u>

Note: Beginning in FY2018, the District implemented GASB Statement 75, restating and decreasing beginning net position by \$4,553,556. Prior years have not been restated.

MURRAY CITY SCHOOL DISTRICT
COMPARATIVE STATEMENTS OF ACTIVITIES
GOVERNMENTAL ACTIVITIES (Accrual Basis of Accounting)
Years Ended June 30, 2020 through 2016

	2020	2019	2018	2017	2016
Expenses:					
Instruction	\$ 40,427,289	\$ 36,088,086	\$ 34,816,927	\$ 32,430,681	\$ 32,176,391
Supporting services:					
Student	2,950,419	2,561,160	2,274,248	2,190,849	1,990,083
Instructional staff	2,180,630	2,268,621	1,684,478	1,228,378	1,200,999
General administration	1,423,238	1,320,372	1,392,676	1,218,070	1,411,449
School administration	3,524,087	3,310,383	2,983,957	2,853,444	2,651,626
Central	2,415,602	2,079,318	2,118,725	1,876,871	1,707,696
Operation and maintenance of facilities	5,469,397	5,293,799	4,831,161	4,509,905	4,130,799
Student transportation	1,051,925	1,464,532	1,222,761	1,162,782	1,045,555
School lunch services	2,938,780	3,059,193	2,696,988	2,290,196	2,286,043
Community services	3,333,791	2,996,886	2,756,698	2,516,963	2,555,574
Interest on long-term liabilities	1,113,795	1,227,934	1,331,182	1,424,857	1,469,046
Total school district	<u>66,828,953</u>	<u>61,670,284</u>	<u>58,109,801</u>	<u>53,702,996</u>	<u>52,625,261</u>
Program revenues:					
Instruction	9,446,585	9,517,304	9,587,562	9,419,031	8,759,257
Supporting services:					
Student	854,842	654,379	515,398	586,235	419,119
Instructional staff	663,057	683,230	316,312	278,549	237,677
General administration	282,014	308,248	270,991	263,039	195,856
School administration	1,164	1,506	1,723	1,225	1,236
Central	744	424	7,075	590	371
Operation and maintenance of facilities	46,617	49,910	30,326	59,705	65,005
Student transportation	420,876	393,149	373,292	404,415	407,035
School lunch services	2,747,062	2,608,119	2,438,935	2,415,906	2,244,722
Community services	450,170	497,567	582,030	556,158	544,584
Total program revenues	<u>14,913,131</u>	<u>14,713,836</u>	<u>14,123,644</u>	<u>13,984,853</u>	<u>12,874,862</u>
Net (expense) revenue	<u>(51,915,822)</u>	<u>(46,956,448)</u>	<u>(43,986,157)</u>	<u>(39,718,143)</u>	<u>(39,750,399)</u>
General revenues:					
Property taxes	30,602,626	26,228,909	25,538,695	25,005,533	25,089,613
Federal and state aid not restricted to specific purposes	19,232,780	19,447,283	19,574,638	18,878,057	18,403,773
Earnings on investments	942,149	1,327,300	784,501	457,102	249,614
Miscellaneous	1,707,545	4,460,266	2,148,358	1,445,026	1,625,617
Total general revenues	<u>52,485,100</u>	<u>51,463,758</u>	<u>48,046,192</u>	<u>45,785,718</u>	<u>45,368,617</u>
Change in net position	569,278	4,507,310	4,060,035	6,067,575	5,618,218
Net position - beginning	<u>70,047,459</u>	<u>65,540,149</u>	<u>61,480,114</u>	<u>59,966,095</u>	<u>54,347,877</u>
Net position - ending	<u>\$ 70,616,737</u>	<u>\$ 70,047,459</u>	<u>\$ 65,540,149</u>	<u>\$ 66,033,670</u>	<u>\$ 59,966,095</u>

Note: Beginning in FY2018, the District implemented GASB Statement 75, restating and decreasing beginning net position by \$4,553,556.

Source: District records

**MURRAY CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE BALANCE SHEETS**
June 30, 2020 through 2016

	2020	2019	2018	2017	2016
Assets:					
Cash and investments	\$ 25,121,970	\$ 18,995,558	\$ 20,130,989	\$ 18,611,032	\$ 16,039,637
Accounts receivable:					
Property taxes	19,289,245	18,171,175	15,916,142	15,710,095	16,676,650
Other local	946	788,740	595,904	-	17,090
State of Utah	504,573	677,699	397,266	306,229	35,943
Federal government	216,115	2,050,374	613,976	1,216,588	1,920,859
Inventories	789,136	543,505	378,084	675,329	503,966
Total assets	<u>\$ 45,921,985</u>	<u>\$ 41,227,051</u>	<u>\$ 38,032,361</u>	<u>\$ 36,519,273</u>	<u>\$ 35,194,145</u>
Liabilities:					
Accounts payable	\$ 435,558	\$ 792,672	\$ 523,422	\$ 182,869	\$ 56,229
Accrued salaries and benefits	7,025,302	5,187,079	5,024,213	4,750,330	4,638,751
Unearned revenue:					
Other local	50,021	48,883	28,218	35,212	30,188
State sources	1,141,356	538,678	1,383,990	2,094,850	1,559,328
Federal sources	1,186	1,660	1,660	7,681	2,540
Total liabilities	<u>8,653,423</u>	<u>6,568,972</u>	<u>6,961,503</u>	<u>7,070,942</u>	<u>6,287,036</u>
Deferred inflows of resources:					
Unavailable property taxes	308,956	316,986	319,154	324,247	338,995
Property taxes levied for future year	19,116,123	17,986,605	15,723,305	15,495,618	16,363,283
Total deferred inflows of resources	<u>19,425,079</u>	<u>18,303,591</u>	<u>16,042,459</u>	<u>15,819,865</u>	<u>16,702,278</u>
Fund balances:					
Nonspendable:					
Inventories	789,136	543,504	378,084	675,329	503,966
Committed to:					
Economic stabilization	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Employee and retiree benefits	3,724,526	5,238,358	5,238,358	5,238,358	5,238,358
Unassigned	11,329,821	8,572,626	7,411,957	5,714,779	4,462,507
Total fund balances	<u>17,843,483</u>	<u>16,354,488</u>	<u>15,028,399</u>	<u>13,628,466</u>	<u>12,204,831</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,921,985</u>	<u>\$ 41,227,051</u>	<u>\$ 38,032,361</u>	<u>\$ 36,519,273</u>	<u>\$ 35,194,145</u>

Source: District records

MURRAY CITY SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Years Ended June 30, 2020 through 2016 with Proposed Budget for 2021

	Proposed Budget 2021	2020	2019	2018	2017	2016
Revenues:						
Property taxes	\$ 22,178,327	\$ 22,174,252	\$ 18,173,545	\$ 17,406,190	\$ 15,591,759	\$ 15,137,038
Earnings on investments	355,397	366,544	539,145	381,216	128,291	69,374
Other local	2,784,959	2,005,757	1,894,602	2,276,380	1,593,311	1,705,920
State of Utah	27,278,860	27,240,775	27,088,832	26,389,450	24,318,745	23,248,802
Federal government	2,413,756	2,111,815	2,052,800	2,271,073	2,312,229	2,178,252
Total revenues	55,011,299	53,899,143	49,748,924	48,724,309	43,944,335	42,339,386
Expenditures:						
Current:						
Instruction	36,156,892	34,633,271	31,311,979	31,364,190	28,588,718	26,908,029
Support services:						
Student	2,741,390	2,830,113	2,459,525	2,327,366	2,180,109	2,017,310
Instructional staff	2,165,838	2,107,124	2,199,441	1,712,958	1,221,113	1,212,529
General administration	1,392,282	1,162,880	1,064,735	1,190,590	987,661	1,413,897
School administration	3,493,169	3,276,028	3,107,339	2,972,159	2,764,263	2,636,419
Central	1,825,536	1,815,658	1,657,242	1,576,507	1,600,524	1,532,158
Operation and maintenance of facilities	5,230,027	5,060,926	4,973,464	4,185,158	3,726,625	3,500,308
Student transportation	1,004,720	871,614	960,051	963,357	865,633	786,629
Community services	469,755	652,534	687,170	661,980	586,054	541,011
Capital outlay	650,000	-	1,889	370,111	-	470,535
Total expenditures	55,129,609	52,410,148	48,422,835	47,324,376	42,520,700	41,018,825
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	(118,310)	1,488,995	1,326,089	1,399,933	1,423,635	1,320,561
Fund balances - beginning	17,843,483	16,354,488	15,028,399	13,628,466	12,204,831	10,884,270
Fund balances - ending	\$ 17,725,173	\$ 17,843,483	\$ 16,354,488	\$ 15,028,399	\$ 13,628,466	\$ 12,204,831

Source: District records

**MURRAY CITY SCHOOL DISTRICT
HISTORICAL SUMMARIES OF TAXABLE VALUES OF PROPERTY**

Tax (Calendar) Years 2019 through 2015

	2019		2018	2017	2016	2015
	Taxable Value	% of TV	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by state tax commission-centrally assessed	\$ 59,495,070	1.3 %	\$ 61,248,796	\$ 54,803,577	\$ 48,818,339	\$ 42,490,546
Set by county assessor-locally assessed						
Real property:						
Primary residential	2,045,485,490	43.5	1,835,177,218	1,689,092,294	1,551,738,071	1,447,157,492
Other residential	22,668,410	0.5	25,099,440	21,461,160	25,210,470	23,600,990
Commercial and industrial	2,226,404,810	47.3	2,067,715,840	1,874,356,590	1,710,378,590	1,526,082,590
Agriculture buildings	6,520	0.0	7,800	12,120	12,420	10,480
Farmland assessment act (FAA)	1,950	0.0	2,250	5,850	-	-
Unimproved non FAA	-	0.0	-	-	5,700	6,110
Total real property	<u>4,294,567,180</u>	<u>91.2</u>	<u>3,928,002,548</u>	<u>3,584,928,014</u>	<u>3,287,345,251</u>	<u>2,996,857,662</u>
Personal property:						
Primary mobile homes	5,306,375	0.1	5,084,993	5,115,812	5,108,191	5,120,520
Secondary mobile homes	119,539	0.0	172,884	260,577	134,443	103,088
Other business personal	246,899,060	5.2	249,411,057	234,627,183	223,028,985	210,961,992
SCME	-	0.0	-	37,473	49,853	63,608
Total personal property	<u>252,324,974</u>	<u>5.4</u>	<u>254,668,934</u>	<u>240,041,045</u>	<u>228,321,472</u>	<u>216,249,208</u>
Fee in lieu property	<u>101,019,652</u>	<u>2.1</u>	<u>95,450,985</u>	<u>99,960,160</u>	<u>100,494,886</u>	<u>96,478,395</u>
Total locally assessed	<u>4,647,911,806</u>	<u>98.7</u>	<u>4,278,122,467</u>	<u>3,924,929,219</u>	<u>3,616,161,609</u>	<u>3,309,585,265</u>
Total taxable value (TV)	<u>\$ 4,707,406,876</u>	<u>100.0 %</u>	<u>\$ 4,339,371,263</u>	<u>\$ 3,979,732,796</u>	<u>\$ 3,664,979,948</u>	<u>\$ 3,352,075,811</u>
Total taxable value (less fee in lieu)	<u>\$ 4,606,387,224</u>		<u>\$ 4,243,920,278</u>	<u>\$ 3,879,772,636</u>	<u>\$ 3,564,485,062</u>	<u>\$ 3,255,597,416</u>

Source: Property Tax Division, Utah State Tax Commission

**MURRAY CITY SCHOOL DISTRICT
TAX RATES AND COLLECTIONS**

Years Ended June 30, 2020 through 2016 with Proposed Budget for 2021

	Proposed Budget 2021		2020		2019		2018		2017		2016	
	Tax Rate	Budgeted Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections
General fund:												
Basic levy	0.001628	\$ 8,288,632	0.001661	\$ 7,492,328	0.001666	\$ 6,919,943	0.001568	\$ 6,088,804	0.001675	\$ 2,882,479	0.001736	\$ 5,611,432
Voted local levy	0.001612	8,207,170	0.001694	7,641,182	0.001786	7,418,379	0.001786	6,935,333	0.007860	13,526,145	0.001697	5,485,369
Board local levy	0.001419	7,224,550	0.001470	6,630,778	0.000835	3,468,279	0.000992	3,852,100	0.000927	1,595,259	0.001249	4,037,257
Total general fund	0.004659	23,720,352	0.004825	21,764,288	0.004287	17,806,601	0.004346	16,876,237	0.010462	18,003,883	0.004682	15,134,058
Debt service fund:												
Debt service	0.000799	4,067,946	0.000849	3,829,612	0.000908	3,771,494	0.001009	3,918,114	0.001102	1,896,414	0.001211	3,914,426
Capital projects fund:												
Capital local	0.000583	2,968,226	0.000613	2,765,079	0.000646	2,683,243	0.000775	3,009,453	0.000201	345,898	0.000593	1,916,808
Capital outlay equalized	-	-	-	6,598	-	10,788	-	10,483	0.000600	3,174,385	0.000600	2,405,701
Total capital projects fund	0.000583	2,968,226	0.000613	2,771,677	0.000646	2,694,031	0.000775	3,019,936	0.000801	3,520,283	0.001193	4,322,509
Total tax rate / collections	0.006041	\$ 30,756,524	0.006287	\$ 28,365,577	0.005841	\$ 24,272,126	0.006130	\$ 23,814,287	0.012365	\$ 23,420,580	0.007086	\$ 23,370,993

Notes:

Tax rates are levied for the calendar year. This schedule reports collections for fiscal years ended June 30. For example, calendar year 2017 tax rates are for the District's fiscal year ended June 30, 2018. 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.

Tax collections exclude pass-through taxes collected and remitted directly to the redevelopment agencies for redevelopment projects and the State of Utah for charter schools.