

**MURRAY CITY SCHOOL DISTRICT**

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

Year Ended June 30, 2021

# 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, 2021, 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, 2021, 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 liability 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 30, 2021 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 solely 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 30, 2021

## 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, 2021.

### Financial Highlights

- The District's total net position was \$76.3 million at the close of the most recent year, the largest portion of which is invested in capital assets.
- The District is dependent on revenues from property taxes and state and federal grants. Property tax revenues totaled \$31.8 million in 2021, an increase of \$1.2 million compared to the prior year. State and federal revenues totaled \$36.2 million, an increase of \$4.4 million compared to the prior year.
- During the year, expenses were \$5.7 million less than the \$73.3 million generated in taxes and other revenues for governmental activities.
- Student enrollment decreased by 328 students to a total of 6,097 students for fiscal year 2021.

### 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 \$76.3 million at the close of the most recent fiscal year.

#### **MURRAY CITY SCHOOL DISTRICT'S Net Position**

(in millions of dollars)

June 30, 2021 and 2020

	<u>Governmental activities</u>		Total change
	<u>2021</u>	<u>2020</u>	<u>2021-2020</u>
Current and other assets	\$ 83.5	\$ 79.9	\$ 3.6
Capital assets	<u>88.1</u>	<u>90.4</u>	<u>(2.3)</u>
Total assets	<u>171.6</u>	<u>170.3</u>	<u>1.3</u>
Deferred outflows of resources	<u>7.7</u>	<u>6.5</u>	<u>1.2</u>
Current and other liabilities	10.1	9.6	0.5
Long-term liabilities outstanding	<u>52.6</u>	<u>62.7</u>	<u>(10.1)</u>
Total liabilities	<u>62.7</u>	<u>72.3</u>	<u>(9.6)</u>
Deferred inflows of resources	<u>40.3</u>	<u>33.9</u>	<u>6.4</u>
Net position:			
Net investment in capital assets	52.2	51.5	0.7
Restricted	22.3	21.4	0.9
Unrestricted	<u>1.8</u>	<u>(2.3)</u>	<u>4.1</u>
Total net position	<u>\$ 76.3</u>	<u>\$ 70.6</u>	<u>\$ 5.7</u>

The key elements of the District's net position at June 30, 2021 are as follows:

- The largest portion of the District's net position (\$52.2 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 (\$22.3 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 (\$1.8 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 \$5.7 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)

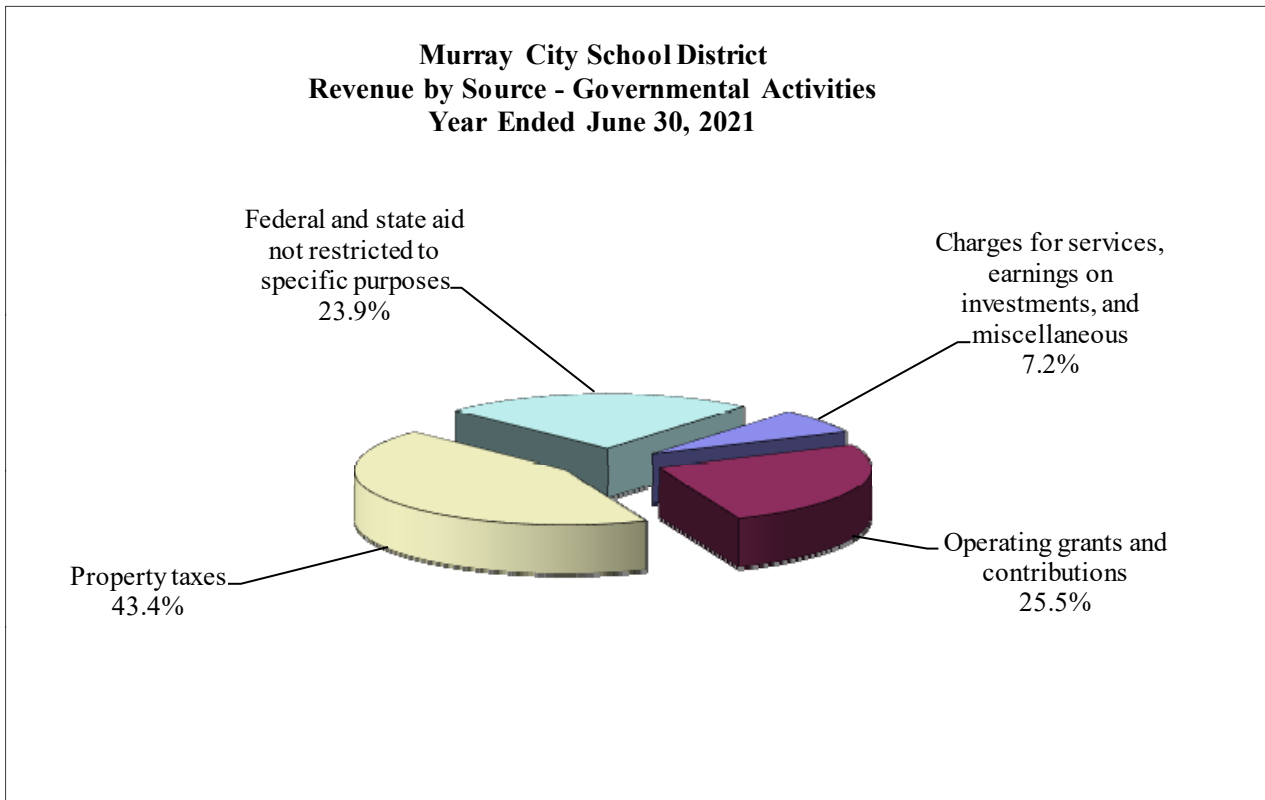
Years Ended June 30, 2021 and 2020

	Governmental activities		Total
	2021	2020	change 2021-2020
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1.6	\$ 2.3	\$ (0.7)
Operating grants and contributions	18.7	12.6	6.1
General revenues:			
Property taxes	31.8	30.6	1.2
Federal and state aid not restricted to specific purposes	17.5	19.2	(1.7)
Earnings on investments	0.5	0.9	(0.4)
Miscellaneous	3.2	1.7	1.5
Total revenues	<u>73.3</u>	<u>67.3</u>	<u>6.0</u>
<b>Expenses:</b>			
Instruction	40.3	40.3	-
Supporting services:			
Students	2.8	3.0	(0.2)
Instructional staff	2.4	2.2	0.2
General administration	1.7	1.4	0.3
School administration	3.3	3.5	(0.2)
Central	2.9	2.4	0.5
Operation and maintenance of facilities	5.6	5.5	0.1
Student transportation	1.1	1.1	-
School lunch services	2.9	2.9	-
Community services	3.6	3.3	0.3
Interest on long-term liabilities	1.0	1.1	(0.1)
Total expenses	<u>67.6</u>	<u>66.7</u>	<u>0.9</u>
<b>Change in net position</b>	5.7	0.6	5.1
<b>Net position - beginning</b>	<u>70.6</u>	<u>70.0</u>	<u>0.6</u>
<b>Net position - ending</b>	<u>\$ 76.3</u>	<u>\$ 70.6</u>	<u>\$ 5.7</u>

**Governmental Activities**

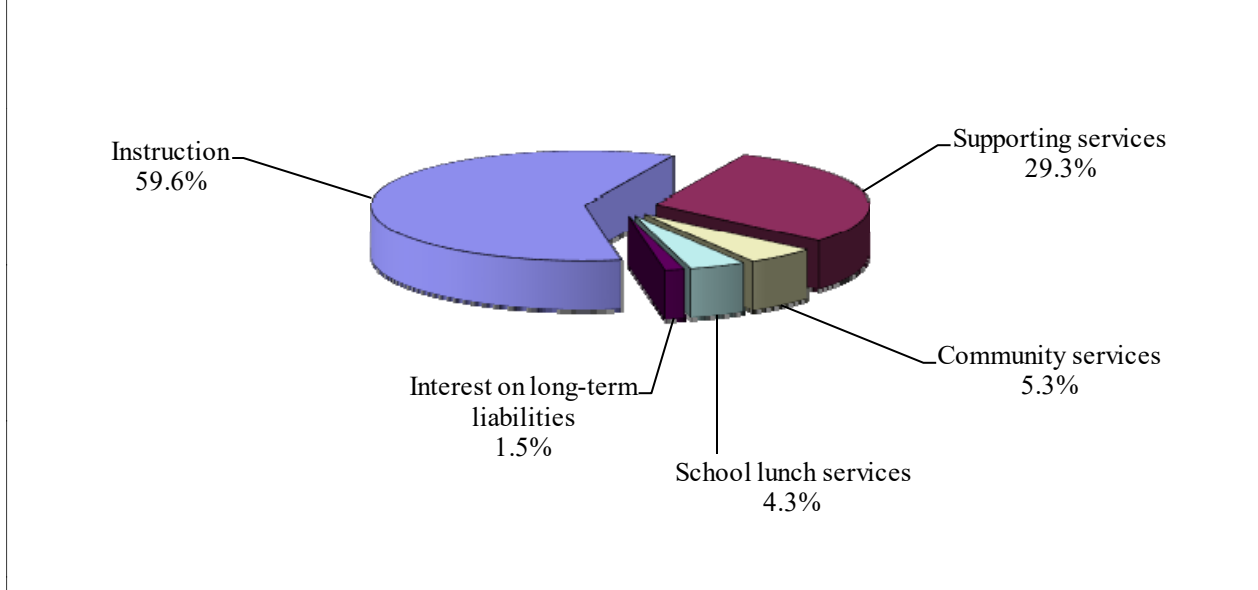
The key elements of the increase in the District’s net position for the year ended June 30, 2021 are as follows:

- Property taxes increased \$1.2 million. This increase was a result of the combination of an increase in taxable value of property and an increase in overall tax rate.
- State revenue increased by \$1.7 million compared to the prior year. State revenue 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 1.8% during the year ended June 30, 2021 (\$3,596 during 2021 as compared to \$3,532 in 2020).
- Federal revenues increased by \$2.7 million. This increase was primarily a result of new federal grants to assist the District in responding to the COVID-19 pandemic.



- 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, 2021**



**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 \$44.3 million, \$2.5 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 \$57.8 million, an increase of 10.3% during the current fiscal year. This compares to a 8.2% increase in 2020. Instruction represents 65.1% of *general fund* expenditures.
- *General fund* salaries totaled \$37.5 million while the associated employee benefits of retirement, social security, and insurance added \$14.8 million to arrive at 90.5% of total *general fund* expenditures. This compares to 92.9% in 2020.

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, 2021, the District’s combined governmental fund balance is \$44.3 million (\$0.3 million in nonspendable, \$22.6 million in restricted, \$8.2 million in committed, and \$13.2 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 \$6.5 million or 11.9% in total *general fund* revenues to account for anticipated increases primarily in state and federal grants. Final budgeted expenditures were more than the original budgetary estimates by \$6.8 million or 12.4%. The increase primarily reflects higher expenditures in instruction and operation and maintenance of facilities than anticipated.

Actual expenditures were \$4.1 million less than final budgeted amounts. The most significant positive variances were \$3.2 million in instruction. Revenues were \$2.2 million less than the final budgeted amount primarily due to negative variances in revenue from state and federal sources.

**Capital Asset and Debt Administration**

***Capital Assets***

The District’s investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$88.1 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 \$2.3 million or 2.5% primarily due to depreciation of capital assets. Capital assets at June 30, 2021 and 2020 are outlined below:

**MURRAY CITY SCHOOL DISTRICT'S Capital Assets**  
 (net of accumulated depreciation, in millions of dollars)  
 June 30, 2021 and 2020

	Governmental activities		Total change
	2021	2020	2021-2020
Land	\$ 17.7	\$ 17.7	\$ -
Buildings	68.7	71.0	(2.3)
Equipment	1.7	1.7	-
Total capital assets	<u>\$ 88.1</u>	<u>\$ 90.4</u>	<u>\$ (2.3)</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, 2021, the District had total bonded debt outstanding of \$36.2 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 unamortized bond premium, in millions of dollars) June 30, 2021 and 2020

	Governmental activities		Total change
	2021	2020	2021-2020
General obligation bonds payable	\$ 31.4	\$ 34.0	\$ (2.6)
Lease revenue bonds payable	4.8	5.2	(0.4)
Total outstanding debt	<u>\$ 36.2</u>	<u>\$ 39.2</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, 2021 is \$273.3 million. Net general obligation debt at June 30, 2021 is \$31.4 million, resulting in a legal debt margin of \$241.9 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>
2021-22	5,993	(1.62)%
2020-21	6,097	(5.11)%
2019-20	6,425	(1.18)%
2018-19	6,502	0.12 %
2017-18	6,494	1.22 %

The District's enrollment for the 2020-2021 school year decreased by 328 students to a total of 6,097 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, 2021

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 51,225,663
Receivables:	
Property taxes	27,660,863
Other local	25,440
State	1,011,884
Federal	3,171,674
Inventories	277,927
Net pension asset	162,455
Capital assets:	
Land	17,741,806
Buildings and equipment, net of accumulated depreciation	70,369,118
Total assets	<u>171,646,830</u>
<b>Deferred outflows of resources:</b>	
Deferred charge on refunding	270,551
Related to pensions	7,064,459
Related to OPEB	368,091
Total deferred outflows of resources	<u>7,703,101</u>
<b>Liabilities:</b>	
Accounts payable	656,653
Accrued interest	408,667
Accrued salaries and benefits	6,786,663
Unearned revenue:	
Other local	131,338
State	1,980,511
Federal	148,393
Noncurrent liabilities:	
Due and payable within one year	3,214,208
Due and payable after one year	49,430,538
Total liabilities	<u>62,756,971</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for future year	27,479,252
Related to pensions	12,409,486
Related to OPEB	417,985
Total deferred inflows of resources	<u>40,306,723</u>
<b>Net position:</b>	
Net investment in capital assets	52,159,775
Restricted for:	
Debt service	2,839,549
Capital projects	19,005,155
School lunch services	452,761
Unrestricted	1,828,997
Total net position	<u>\$ 76,286,237</u>

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

**MURRAY CITY SCHOOL DISTRICT**

**Statement of Activities**

Year Ended June 30, 2021

Activities and Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instruction	\$ 40,425,288	\$ 1,432,675	\$ 11,075,453	\$ (27,917,160)
Supporting services:				
Students	2,766,518	-	800,980	(1,965,538)
Instructional staff	2,352,788	-	805,285	(1,547,503)
General administration	1,698,274	-	273,384	(1,424,890)
School administration	3,257,592	-	252,312	(3,005,280)
Central	2,907,199	-	1,017,802	(1,889,397)
Operation and maintenance of facilities	5,619,304	-	712,536	(4,906,768)
Student transportation	1,085,483	-	553,928	(531,555)
School lunch services	2,870,004	41,561	2,744,956	(83,487)
Community services	3,585,094	106,442	431,174	(3,047,478)
Interest on long-term liabilities	959,755	-	-	(959,755)
Total school district	<u>\$ 67,527,299</u>	<u>\$ 1,580,678</u>	<u>\$ 18,667,810</u>	<u>(47,278,811)</u>
<b>General revenues:</b>				
Property taxes levied for:				
Basic				7,848,950
Voted local				7,771,810
Board local				6,841,314
Debt service				3,852,157
Capital local				2,810,773
Pass-through taxes				2,657,439
Total property taxes				31,782,443
Federal and state aid not restricted to specific purposes				17,495,750
Earnings on investments				479,522
Miscellaneous				3,190,596
Total general revenues				52,948,311
Change in net position				5,669,500
<b>Net position - beginning</b>				70,616,737
<b>Net position - ending</b>				<u>\$ 76,286,237</u>

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

**MURRAY CITY SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2021

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
<b>Assets:</b>					
Cash and investments	\$ 24,285,716	\$ 3,233,895	\$ 19,046,067	\$ 2,952,033	\$ 49,517,711
Receivables:					
Property taxes	19,996,781	2,781,294	2,431,729	2,451,059	27,660,863
Other local	11,393	-	-	14,047	25,440
State	938,761	-	-	73,123	1,011,884
Federal	3,002,253	-	-	169,421	3,171,674
Inventories	277,927	-	-	-	277,927
Total assets	<u>\$ 48,512,831</u>	<u>\$ 6,015,189</u>	<u>\$ 21,477,796</u>	<u>\$ 5,659,683</u>	<u>\$ 81,665,499</u>
<b>Liabilities:</b>					
Accounts payable	\$ 360,468	\$ -	\$ 55,855	\$ 79,828	\$ 496,151
Accrued salaries and benefits	6,735,505	-	-	51,158	6,786,663
Unearned revenue:					
Other local	50,021	-	-	81,317	131,338
State	1,966,090	-	-	14,421	1,980,511
Federal	96,275	-	-	52,118	148,393
Total liabilities	<u>9,208,359</u>	<u>-</u>	<u>55,855</u>	<u>278,842</u>	<u>9,543,056</u>
<b>Deferred inflows of resources:</b>					
Unavailable property taxes	220,779	30,625	26,839	26,637	304,880
Property taxes levied for future year	19,871,071	2,766,973	2,416,786	2,424,422	27,479,252
Total deferred inflows of resources	<u>20,091,850</u>	<u>2,797,598</u>	<u>2,443,625</u>	<u>2,451,059</u>	<u>27,784,132</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	277,927	-	-	-	277,927
Restricted for:					
Debt service	-	3,217,591	-	-	3,217,591
Capital projects	-	-	18,978,316	-	18,978,316
School lunch services	-	-	-	452,761	452,761
Committed to:					
Economic stabilization	2,000,000	-	-	-	2,000,000
Employee and retiree benefits	3,714,452	-	-	-	3,714,452
Community recreation	-	-	-	26,881	26,881
Foundation programs	-	-	-	1,377,202	1,377,202
Student activities	-	-	-	1,072,938	1,072,938
Unassigned	13,220,243	-	-	-	13,220,243
Total fund balances	<u>19,212,622</u>	<u>3,217,591</u>	<u>18,978,316</u>	<u>2,929,782</u>	<u>44,338,311</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,512,831</u>	<u>\$ 6,015,189</u>	<u>\$ 21,477,796</u>	<u>\$ 5,659,683</u>	<u>\$ 81,665,499</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, 2021

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

<b>Total fund balances for governmental funds</b>		\$ 44,338,311
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 \$33,553,093 accumulated depreciation	68,642,137	
Equipment, net of \$3,689,041 accumulated depreciation	<u>1,726,981</u>	88,110,924
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.		304,880
The net pension asset is not an available resource and therefore is not reported in the governmental funds.		162,455
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	(29,355,000)	
Unamortized bond issuance premiums	(2,896,700)	
Unamortized deferred amounts on refunding	270,551	
Lease revenue bonds payable	(3,970,000)	
Accrued interest	(408,667)	
Compensated absences payable	(233,561)	
Net pension liability	(11,819,955)	
Deferred outflows of resources related to pensions	7,064,459	
Deferred inflows of resources related to pensions	(12,409,486)	
Early retirement benefits payable	<u>(1,099,035)</u>	(54,857,394)
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:		<u>(1,772,939)</u>
<b>Total net position of governmental activities</b>		<b><u><u>\$ 76,286,237</u></u></b>

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, 2021

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Projects		
<b>Revenues:</b>					
Local:					
Property taxes	\$ 22,878,821	\$ 3,557,453	\$ 2,824,348	\$ 2,657,439	\$ 31,918,061
Earnings on investments	128,216	20,914	102,463	220,067	471,660
School lunch sales	-	-	-	35,217	35,217
Other local	3,248,628	-	-	1,487,429	4,736,057
State	28,865,876	-	3,279	827,124	29,696,279
Federal	4,208,504	-	-	2,258,777	6,467,281
Total revenues	<u>59,330,045</u>	<u>3,578,367</u>	<u>2,930,090</u>	<u>7,486,053</u>	<u>73,324,555</u>
<b>Expenditures:</b>					
Current:					
Instruction	37,614,529	-	680,710	1,672,102	39,967,341
Supporting services:					
Students	2,921,673	-	2,746	-	2,924,419
Instructional staff	2,451,219	-	6,153	-	2,457,372
General administration	1,442,266	-	-	-	1,442,266
School administration	3,353,940	-	-	-	3,353,940
Central	2,381,535	-	557,853	-	2,939,388
Operation and maintenance of facilities	5,390,680	-	106,612	5,810	5,503,102
Student transportation	862,582	-	118,181	-	980,763
School lunch services	34,908	-	-	2,771,026	2,805,934
Community services	692,392	-	-	2,921,438	3,613,830
Capital outlay	670,182	-	83,015	-	753,197
Debt service:					
Principal retirement	-	2,470,000	466,000	-	2,936,000
Interest and other charges	-	1,046,557	126,216	-	1,172,773
Bond issuance cost	-	-	116,119	-	116,119
Total expenditures	<u>57,815,906</u>	<u>3,516,557</u>	<u>2,263,605</u>	<u>7,370,376</u>	<u>70,966,444</u>
Excess of revenues over expenditures	1,514,139	61,810	666,485	115,677	2,358,111
<b>Other financing sources (uses):</b>					
Lease revenue bonds issued	-	-	3,970,000	-	3,970,000
Premium on bonds issued	-	-	885,446	-	885,446
Payment to refunded bonds escrow agent	-	-	(4,739,327)	-	(4,739,327)
Transfers in (out)	(145,000)	-	-	145,000	-
Total other financing sources (uses)	<u>(145,000)</u>	<u>-</u>	<u>116,119</u>	<u>145,000</u>	<u>116,119</u>
Net change in fund balances	1,369,139	61,810	782,604	260,677	2,474,230
<b>Fund balances - beginning</b>	<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>
<b>Fund balances - ending</b>	<u>\$ 19,212,622</u>	<u>\$ 3,217,591</u>	<u>\$ 18,978,316</u>	<u>\$ 2,929,782</u>	<u>\$ 44,338,311</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, 2021

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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** **\$ 2,358,111**

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 decreased net position in the current period.

Capital outlays	\$ 401,914	
Loss on disposal of capital assets	(11,504)	
Depreciation expense	<u>(2,704,917)</u>	(2,314,507)

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	2,936,000	
Interest expense	42,423	
Amortization of bond premium	181,297	
Amortization of deferred amounts on refunding	<u>(10,702)</u>	3,149,018

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. (135,618)

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	(66,195)	
Early retirement benefits	(498,481)	
Pension expense	<u>2,722,477</u>	2,157,801

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. 454,695

**Change in net position of governmental activities** **\$ 5,669,500**

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Local:				
Property taxes	\$ 22,178,327	\$ 22,394,075	\$ 22,878,821	\$ 484,746
Earnings on investments	355,397	128,000	128,216	216
Other local	2,784,959	3,090,406	3,248,628	158,222
State	27,278,860	29,830,793	28,865,876	(964,917)
Federal	2,413,756	6,117,359	4,208,504	(1,908,855)
Total revenues	<u>55,011,299</u>	<u>61,560,633</u>	<u>59,330,045</u>	<u>(2,230,588)</u>
<b>Expenditures:</b>				
Current:				
Instruction	36,156,892	40,798,104	37,614,529	3,183,575
Supporting services:				
Student	2,741,390	2,954,344	2,921,673	32,671
Instructional staff	2,165,838	2,485,310	2,451,219	34,091
General administration	1,392,282	1,727,727	1,442,266	285,461
School administration	3,493,169	3,386,132	3,353,940	32,192
Central	1,825,536	2,118,962	2,381,535	(262,573)
Operation and maintenance of facilities	5,230,027	6,858,620	5,390,680	1,467,940
Student transportation	1,004,720	927,836	862,582	65,254
School lunch services		35,629	34,908	721
Community services	469,755	644,966	692,392	(47,426)
Capital outlay	650,000	626	670,182	(669,556)
Total expenditures	<u>55,129,609</u>	<u>61,938,256</u>	<u>57,815,906</u>	<u>4,122,350</u>
Excess (deficiency) of revenues over (under) expenditures	(118,310)	(377,623)	1,514,139	1,891,762
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(145,000)	(145,000)
Net change in fund balances	(118,310)	(377,623)	1,369,139	1,746,762
<b>Fund balances - beginning</b>	<u>17,843,483</u>	<u>17,843,483</u>	<u>17,843,483</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 17,725,173</u>	<u>\$ 17,465,860</u>	<u>\$ 19,357,622</u>	<u>\$ 1,891,762</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, 2021

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	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Cash and investments	\$ 1,707,952
<b>Deferred outflows of resources:</b>	
Related to OPEB	368,091
<b>Liabilities:</b>	
District retirement benefit	160,502
OPEB liability	3,270,495
Total liabilities	3,430,997
<b>Deferred inflows of resources:</b>	
Related to OPEB	417,985
<b>Net position, unrestricted</b>	<b>\$ (1,772,939)</b>

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, 2021

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	<b>Governmental Activities - Internal Service Fund</b>
<b>Revenues:</b>	
Charges for services	\$ 619,787
<b>Expenses:</b>	
Supporting services:	
Benefits expense	172,954
Operating loss	446,833
<b>Nonoperating revenue:</b>	
Earnings on investments	7,862
Change in net position	454,695
<b>Net position - beginning</b>	<u>(2,227,634)</u>
<b>Net position - ending</b>	<u><u>\$ (1,772,939)</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, 2021

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	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Insurance premiums received from users	\$ 619,787
Cash paid to retirees	(429,696)
Net cash provided by operating activities	<u>190,091</u>
<b>Cash flows from investing activities:</b>	
Interest received on investments	<u>7,862</u>
Change in cash and cash equivalents	197,953
<b>Cash and cash equivalents - beginning</b>	<u>1,509,999</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 1,707,952</u></u>
Displayed on statement of fund net position as cash and investments	<u><u>\$ 1,707,952</u></u>
<b>A reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 446,833
Decrease in district retirement benefit	(18,970)
Decrease in OPEB liability	(218,687)
Decrease in deferred outflows of resources related to OPEB	36,945
Decrease in deferred inflows of resources related to OPEB	(56,030)
Net cash provided by operating activities	<u><u>\$ 190,091</u></u>

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

# **MURRAY CITY SCHOOL DISTRICT**

## **Notes to the Financial Statements**

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### **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

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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**

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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, 2021, 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

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### 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	15 to 50
Equipment	5 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.

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.

## **MURRAY CITY SCHOOL DISTRICT**

### **Notes to the Financial Statements**

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#### **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 liability 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*. 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.

## MURRAY CITY SCHOOL DISTRICT

### Notes to the Financial Statements

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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 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.
- 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.



## **MURRAY CITY SCHOOL DISTRICT**

### **Notes to the Financial Statements**

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#### **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 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.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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A reconciliation of cash and investments at June 30, 2021, as shown on the financial statements, is as follows:

Carrying amount of deposits	\$ 1,161,241
Carrying amount of investments	<u>50,064,422</u>
Total deposits and investments	<u><u>\$ 51,225,663</u></u>
Cash and investments - governmental funds, balance sheet	\$ 49,517,711
Cash and investments - internal service funds, statement of fund net position	<u>1,707,952</u>
Total cash and investments	<u><u>\$ 51,225,663</u></u>

**Deposits**

At June 30, 2021, 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	\$ 1,113,735	\$ 1,325,048	\$ 250,000
Murray Education Foundation	<u>47,506</u>	<u>47,734</u>	<u>250,000</u>
	<u><u>\$ 1,161,241</u></u>	<u><u>\$ 1,372,782</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, 2021, the District’s bank deposits were uncollateralized nor is it required by law.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Investments**

At June 30, 2021, 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)	\$ 48,734,726	\$ 48,734,726	\$ -	\$ -	\$ -
Murray Education Foundation:					
Utah Public Treasurers' Investment Fund (PTIF)	181,584	181,584	-	-	-
U.S. Treasury securities	17,691	17,691	-	-	-
Money market funds	20,202	20,202	-	-	-
Stocks and ETFs	1,062,979	1,062,979	-	-	-
Mutual funds	20,302	20,302	-	-	-
Preferred/fixed rate capital securities	26,938	8,964	17,974	-	-
Total investments	<u>\$ 50,064,422</u>	<u>\$ 50,046,448</u>	<u>\$ 17,974</u>	<u>\$ -</u>	<u>\$ -</u>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to 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, 2021, 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. 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.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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*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, 2021:

- Utah Public Treasurers’ Investment Fund position of \$48,734,726, 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, 2021:

- Utah Public Treasurers’ Investment Fund position of \$181,584, 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 \$20,202 are valued using quoted market prices (Level 1 inputs).
- Stocks and ETFs of \$1,062,979 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$20,302 are valued using quoted market prices (Level 1 inputs).
- Preferred/fixed rate capital securities of \$26,938 are valued using quoted market prices (Level 1 inputs).

**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.

## **MURRAY CITY SCHOOL DISTRICT**

### **Notes to the Financial Statements**

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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, 2021, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2021 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, 2021, incremental taxes levied by the District for the redevelopment agencies totaling \$2,487,749 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 2021, the amount collected by the County and paid directly to the State was \$169,690; this amount was reported in other governmental funds (in the *pass-through taxes fund*).

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 17,741,806	\$ -	\$ -	\$ 17,741,806
Capital assets, being depreciated:				
Buildings	102,195,230	-	-	102,195,230
Equipment	5,871,231	401,914	(857,123)	5,416,022
Total capital assets, being depreciated	108,066,461	401,914	(857,123)	107,611,252
Accumulated depreciation for:				
Buildings	(31,217,149)	(2,335,944)	-	(33,553,093)
Equipment	(4,165,687)	(368,973)	845,619	(3,689,041)
Total accumulated depreciation	(35,382,836)	\$ (2,704,917)	845,619	(37,242,134)
Total capital assets being depreciated, net	72,683,625	(2,303,003)	(11,504)	70,369,118
Governmental activities capital assets, net	\$ 90,425,431	\$ (2,303,003)	\$ (11,504)	\$ 88,110,924

For the year ended June 30, 2021, depreciation expense was charged to functions of the District as follows:

**Governmental activities:**

Instruction	\$ 1,842,780
Supporting services:	
District administration	211,964
School administration	85,996
Central	63,356
Operation and maintenance of facilities	235,651
Student transportation	132,493
School lunch services	132,677
Total depreciation expense, governmental activities	\$ 2,704,917

**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)

## **MURRAY CITY SCHOOL DISTRICT**

### **Notes to the Financial Statements**

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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](http://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 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.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

For the year ended June 30, 2021, 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, 2021, District and employee contributions to the plans were as follows:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 4,784,000	\$ -
Tier 1 Contributory System	11,943	-
Tier 2 Contributory System	1,887,108	-
Tier 2 Defined Contribution Plan	306,935	-
401(k) Plan	710,777	897,412

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

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

At June 30, 2021, the District reported an asset of \$162,455 and a liability of \$11,819,955 for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 11,740,329
Tier 1 Contributory System	162,455	-
Tier 2 Contributory System	-	79,626
Total	<u>\$ 162,455</u>	<u>\$ 11,819,955</u>



**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2020, 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, 2020 and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2020	Change
Tier 1 Noncontributory System	0.8806644 %	0.0242406 %
Tier 1 Contributory System	0.6830471 %	0.1251583 %
Tier 2 Contributory System	0.5536172 %	0.0224505 %

For the year ended June 30, 2021, the District recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 3,498,718
Tier 1 Contributory System	(22,855)
Tier 2 Contributory System	779,499
Total	<u>\$ 4,255,362</u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 306,935
401(k) Plan	710,777
Total	<u>\$ 1,017,712</u>

At June 30, 2021, 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 Noncontributory System	Tier 1 Contributory System	Tier 2 Contributory System	Total
Differences between expected and actual experience	\$ 1,287,578	\$ -	\$ 73,297	\$ 1,360,875
Changes of assumptions	1,107,428	-	100,717	1,208,145
Changes in proportion and differences between District contributions and proportionate share of contributions	773,232	-	125,270	898,502
Contributions subsequent to the measurement date	2,416,258	6,008	1,174,671	3,596,937
Total	<u>\$ 5,584,496</u>	<u>\$ 6,008</u>	<u>\$ 1,473,955</u>	<u>\$ 7,064,459</u>

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

At June 30, 2021, 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	\$ -	\$ -	\$ 36,461	\$ 36,461
Changes of assumptions	-	-	2,897	2,897
Net difference between projected and actual earnings on pension plan investments	11,817,476	319,906	232,746	12,370,128
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-	-	-
Total	<u>\$ 11,817,476</u>	<u>\$ 319,906</u>	<u>\$ 272,104</u>	<u>\$ 12,409,486</u>

The \$3,596,937 reported as deferred outflows of resources related to pensions resulting from our contributions subsequent to the measurement date of December 31, 2020 will be recognized as a reduction of the net pension liability (asset) in the year ending June 30, 2022. 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
2022	\$ (2,134,136)	\$ (101,686)	\$ (39,797)	\$ (2,275,619)
2023	(634,050)	(56,939)	(23,444)	(714,433)
2024	(3,920,786)	(112,599)	(54,120)	(4,087,505)
2025	(1,960,266)	(48,682)	(15,827)	(2,024,775)
2026	-	-	27,090	27,090
Thereafter	-	-	133,278	133,278

**Actuarial Assumptions**

The total pension liability (asset) in the January 1, 2021 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, 2020 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.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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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	37%	6.30%
Debt securities	20%	0.00%
Real assets	15%	6.19%
Private equity	12%	9.50%
Absolute return	16%	2.75%
Cash and cash equivalents	0%	0.00%
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).

**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	\$ 37,636,840	\$ 11,740,329	\$ (9,912,691)
Tier 1 Contributory System	246,608	(162,455)	(513,094)
Tier 2 Contributory System	1,339,860	79,626	(884,420)
Total	\$ 39,223,308	\$ 11,657,500	\$ (11,310,205)

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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**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, 2021, the District reported payables of \$921,134 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, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds payable	\$ 31,825,000	\$ -	\$ (2,470,000)	\$ 29,355,000	\$ 2,030,000
Bond premium	2,192,551	-	(173,097)	2,019,454	-
Net general obligation bonds payable	34,017,551	-	(2,643,097)	31,374,454	2,030,000
Lease revenue bonds payable	5,219,000	3,970,000	(5,219,000)	3,970,000	340,000
Bond premium	-	885,446	(8,200)	877,246	-
Net lease revenue bonds payable	5,219,000	4,855,446	(5,227,200)	4,847,246	340,000
Compensated absences payable	167,366	255,336	(189,141)	233,561	233,561
Early retirement benefits payable	600,554	1,168,701	(670,220)	1,099,035	610,647
OPEB liability	3,489,182	85,987	(304,674)	3,270,495	-
Net pension liability	19,185,162	21,754,437	(29,119,644)	11,819,955	-
Total governmental activity long-term liabilities	<u>\$ 62,678,815</u>	<u>\$ 28,119,907</u>	<u>\$(38,153,976)</u>	<u>\$ 52,644,746</u>	<u>\$ 3,214,208</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, 2021, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
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	2,330,000	622,050	2,952,050
2027-2031	12,750,000	2,018,250	14,768,250
2032-2033	5,655,000	255,750	5,910,750
Total	<u>\$ 29,355,000</u>	<u>\$ 6,082,750</u>	<u>\$ 35,437,750</u>

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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**Lease Revenue Bonds**

In April 2021, the District issued \$3,970,000 in lease revenue refunding bonds with a premium of \$885,446. The bonds were issued with interest rates of 5.0% and will mature May 15, 2030. The proceeds were used to advance refund \$4,753,000 of outstanding Series 2014 lease revenue bonds which had interest rates ranging from 2.2% to 2.5%. The net proceeds of \$4,736,327 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the refunded portion of the Series 2014 lease revenue bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$13,674. This amount is reported as a deferred outflow of resources and amortized over the remaining life of the refunding debt, which had a shorter remaining life than the refunded debt. The advance refunding reduced the District’s total debt service payments by \$254,313 to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$243,267.

The annual requirements to amortize all lease revenue bonds outstanding as of June 30, 2021, including interest payments, are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 340,000	\$ 126,217	\$ 466,217
2023	380,000	114,567	494,567
2024	400,000	101,374	501,374
2025	420,000	86,693	506,693
2026	440,000	70,805	510,805
2027-2030	1,990,000	180,878	2,170,878
Total	<u>\$ 3,970,000</u>	<u>\$ 680,534</u>	<u>\$ 4,650,534</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 \$670,220 in direct payments to retirees under this option for the year ended June 30, 2021.

**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, 2021 is estimated at \$159,288; eight employees are eligible to receive these benefits. Amounts paid annually have approximated the average annual cost of the benefit. Amounts payable at June 30, 2021 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**

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**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	2.16%
Healthcare cost trend rates	6.0%, 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**

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**Changes in the Total OPEB Liability**

The following presents the OPEB liability activity for the year ended June 30, 2021:

	<u>Total OPEB Liability</u>
Balance at June 30, 2020	\$ 3,489,182
Changes for the year:	
Interest	73,763
Changes of assumptions and other inputs	12,224
Benefit payments	<u>(304,674)</u>
Net changes	<u>(218,687)</u>
Balance at June 30, 2021	<u>\$ 3,270,495</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 (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	<u>\$ 3,533,180</u>	<u>\$ 3,270,495</u>	<u>\$ 3,040,627</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 liability	<u>\$ 3,031,046</u>	<u>\$ 3,270,495</u>	<u>\$ 3,538,312</u>



**MURRAY CITY SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$66,902. At June 30, 2021, 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	\$ 357,159	\$ -
Changes of assumptions or other inputs	10,932	417,985
Total	<u>\$ 368,091</u>	<u>\$ 417,985</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
2022	\$ (6,861)
2023	(6,861)
2024	(6,861)
2025	(6,861)
2026	(6,861)
Thereafter	(15,589)

**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, 2021. Fund expenditures are within budgeted amounts during the year ended June 30, 2021, except expenditures in the *school lunch fund* and the *pass-through taxes fund* which exceeded budgeted appropriations by \$7,587 and \$157,439, respectively.

**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 Liability and Related Ratios**  
Last Four Plan Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	73,763	139,644	150,332	158,406
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	452,913	-	-
Changes of assumptions and other inputs	12,224	(530,045)	-	-
Benefit payments	(304,674)	(359,978)	(412,258)	(418,198)
Net change in total OPEB liability	(218,687)	(297,466)	(261,926)	(259,792)
Total OPEB liability - beginning	3,489,182	3,786,648	4,048,574	4,308,366
Total OPEB liability - ending	<u>\$ 3,270,495</u>	<u>\$ 3,489,182</u>	<u>\$ 3,786,648</u>	<u>\$ 4,048,574</u>
Covered payroll	N/A	N/A	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	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 Seven Plan (Calendar) Years

	<b>District's Proportion of Net Pension Liability (Asset)</b>	<b>District's Proportionate Share of the Net Pension Liability (Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
<b>Tier 1 Noncontributory System:</b>					
2020	0.8806644 %	\$ 11,740,329	\$ 22,119,071	53.08 %	94.3 %
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 %
<b>Tier 1 Contributory System:</b>					
2020	0.6830471 %	\$ (162,455)	\$ 65,875	(246.61)%	103.7 %
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 %
<b>Tier 2 Contributory System:</b>					
2020	0.5536172 %	\$ 79,626	\$ 8,873,385	0.90 %	98.3 %
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 Seven Reporting (Fiscal) Years

	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<b>Tier 1 Noncontributory System:</b>					
2021	\$ 4,784,000	\$ 4,784,000	\$ -	\$ 22,042,194	21.70 %
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 %
<b>Tier 1 Contributory System:</b>					
2021	\$ 11,943	\$ 11,943	\$ -	\$ 67,472	17.70 %
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 %
<b>Tier 2 Contributory System:</b>					
2021	\$ 1,887,108	\$ 1,887,108	\$ -	\$ 9,847,348	19.16 %
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 %
<b>Tier 2 Defined Contribution Plan:</b>					
2021	\$ 306,935	\$ 306,935	\$ -	\$ 3,032,608	10.12 %
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**

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**NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS**

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

- The payroll growth assumption decreased from 3.00% to 2.90%.
- Other assumptions that were modified: retirement rates, termination rates, disability rates, rate of salary increase, and pre and post retirement mortality tables.

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.

**MURRAY CITY SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**

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**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%.

**NOTE E – SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY 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, 2021 with Comparative Totals for 2020

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 22,394,075	\$ 22,878,821	\$ 484,746	\$ 22,174,252
Earnings on investments	128,000	128,216	216	366,544
Other local	3,090,406	3,248,628	158,222	2,005,757
State	29,830,793	28,865,876	(964,917)	27,240,775
Federal	6,117,359	4,208,504	(1,908,855)	2,111,815
Total revenues	<u>61,560,633</u>	<u>59,330,045</u>	<u>(2,230,588)</u>	<u>53,899,143</u>
<b>Expenditures:</b>				
Current:				
Salaries	37,465,278	36,287,614	1,177,664	33,824,320
Employee benefits	14,830,139	15,008,796	(178,657)	13,674,747
Purchased professional and technical services	1,150,302	909,676	240,626	636,869
Purchased property services	1,557,755	1,275,767	281,988	994,390
Other purchased services	714,948	420,510	294,438	524,906
Supplies	5,622,707	3,296,761	2,325,946	2,484,338
Property	363,233	681,794	(318,561)	214,583
Other objects	233,893	(65,012)	298,905	55,995
Total expenditures	<u>61,938,255</u>	<u>57,815,906</u>	<u>4,122,349</u>	<u>52,410,148</u>
Excess (deficiency) of revenues over (under) expenditures	(377,622)	1,514,139	1,891,761	1,488,995
<b>Other financing sources (uses):</b>				
Transfers out	-	(145,000)	(145,000)	-
Net change in fund balances	(377,622)	1,369,139	1,746,761	1,488,995
<b>Fund balances - beginning</b>	<u>17,843,483</u>	<u>17,843,483</u>	<u>-</u>	<u>16,354,488</u>
<b>Fund balances - ending</b>	<u>\$ 17,465,861</u>	<u>\$ 19,212,622</u>	<u>\$ 1,746,761</u>	<u>\$ 17,843,483</u>

**MURRAY CITY SCHOOL DISTRICT**

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

***Debt Service Fund***

Year Ended June 30, 2021 with Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 3,453,750	\$ 3,557,453	\$ 103,703	\$ 3,430,449
Earnings on investments	75,000	20,914	(54,086)	80,764
Total revenues	<u>3,528,750</u>	<u>3,578,367</u>	<u>49,617</u>	<u>3,511,213</u>
<b>Expenditures:</b>				
Principal retirement	2,350,250	2,470,000	(119,750)	2,350,000
Interest and other charges	<u>1,178,500</u>	<u>1,046,557</u>	<u>131,943</u>	<u>1,161,012</u>
Total expenditures	<u>3,528,750</u>	<u>3,516,557</u>	<u>12,193</u>	<u>3,511,012</u>
Excess of revenues over expenditures / net change in fund balances	-	61,810	61,810	201
<b>Fund balances - beginning</b>	<u>3,155,781</u>	<u>3,155,781</u>	-	<u>3,155,580</u>
<b>Fund balances - ending</b>	<u><u>\$ 3,155,781</u></u>	<u><u>\$ 3,217,591</u></u>	<u><u>\$ 61,810</u></u>	<u><u>\$ 3,155,781</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, 2021 with Comparative Totals for 2020

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 3,006,641	\$ 2,824,348	\$ (182,293)	\$ 2,758,829
Earnings on investments	102,000	102,463	463	425,470
State	22,500	3,279	(19,221)	6,598
Total revenues	<u>3,131,141</u>	<u>2,930,090</u>	<u>(201,051)</u>	<u>3,190,897</u>
<b>Expenditures:</b>				
Current:				
Purchased professional and technical services	-	-	-	18,510
Purchased property services	628,321	38,958	589,363	48,983
Supplies	265,000	259,537	5,463	182,244
Property	1,630,395	1,256,775	373,620	874,038
Debt service:				
Principal retirement	500,000	466,000	34,000	456,000
Interest and other charges	75,000	126,216	(51,216)	137,515
Bond issuance cost	-	116,119	(116,119)	-
Total expenditures	<u>3,098,716</u>	<u>2,263,605</u>	<u>835,111</u>	<u>1,717,290</u>
Excess of revenues over expenditures / net change in fund balances	32,425	666,485	634,060	1,473,607
<b>Other financing sources (uses):</b>				
Lease revenue bonds issued	-	3,970,000	(3,970,000)	-
Premium on bonds issued	-	885,446	(885,446)	-
Payment to refunded bonds escrow agent	-	(4,739,327)	4,739,327	-
Total other financing sources (uses)	<u>-</u>	<u>116,119</u>	<u>(116,119)</u>	<u>-</u>
Net change in fund balances	32,425	782,604	517,941	1,473,607
<b>Fund balances - beginning</b>	<u>18,195,712</u>	<u>18,195,712</u>	<u>-</u>	<u>16,722,105</u>
<b>Fund balances - ending</b>	<u>\$ 18,228,137</u>	<u>\$ 18,978,316</u>	<u>\$ 517,941</u>	<u>\$ 18,195,712</u>

**MURRAY CITY SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2021

	<b>Special Revenue</b>					<b>Total Nonmajor Governmental Funds</b>
	<b>Non K-12 Programs</b>	<b>School Lunch</b>	<b>Murray Education Foundation</b>	<b>Student Activities</b>	<b>Pass-Through Taxes</b>	
<b>Assets:</b>						
Cash and investments	\$ 73,255	\$ 428,475	\$ 1,377,202	\$ 1,073,101	\$ -	\$ 2,952,033
Receivables:						
Property taxes	-	-	-	-	2,451,059	2,451,059
Other local	14,047	-	-	-	-	14,047
State	-	73,123	-	-	-	73,123
Federal	35,191	134,230	-	-	-	169,421
Total assets	<u>\$ 122,493</u>	<u>\$ 635,828</u>	<u>\$ 1,377,202</u>	<u>\$ 1,073,101</u>	<u>\$ 2,451,059</u>	<u>\$ 5,659,683</u>
<b>Liabilities:</b>						
Accounts payable	\$ 2,795	\$ 76,870	\$ -	\$ 163	\$ -	\$ 79,828
Accrued salaries and benefits	26,278	24,880	-	-	-	51,158
Unearned revenue:						
Other local	-	81,317	-	-	-	81,317
State	14,421	-	-	-	-	14,421
Federal	52,118	-	-	-	-	52,118
Total liabilities	<u>95,612</u>	<u>183,067</u>	<u>-</u>	<u>163</u>	<u>-</u>	<u>278,842</u>
<b>Deferred inflows of resources:</b>						
Unavailable property taxes	-	-	-	-	26,637	26,637
Property taxes levied for future years	-	-	-	-	2,424,422	2,424,422
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,451,059</u>	<u>2,451,059</u>
<b>Fund balances:</b>						
Restricted for:						
School lunch services	-	452,761	-	-	-	452,761
Committed to:						
Community recreation	26,881	-	-	-	-	26,881
Foundation programs	-	-	1,377,202	-	-	1,377,202
Student activities	-	-	-	1,072,938	-	1,072,938
Total fund balances	<u>26,881</u>	<u>452,761</u>	<u>1,377,202</u>	<u>1,072,938</u>	<u>-</u>	<u>2,929,782</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 122,493</u>	<u>\$ 635,828</u>	<u>\$ 1,377,202</u>	<u>\$ 1,073,101</u>	<u>\$ 2,451,059</u>	<u>\$ 5,659,683</u>

**MURRAY CITY SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
Year Ended June 30, 2021

	Special Revenue					Total Nonmajor Governmental Funds
	Non K-12 Programs	School Lunch	Murray Education Foundation	Student Activities	Pass-Through Taxes	
<b>Revenues:</b>						
Local:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,657,439	\$ 2,657,439
Earnings on investments	58	6,064	213,945	-	-	220,067
Lunch sales	-	35,217	-	-	-	35,217
Other local	130,946	6,344	179,280	1,170,859	-	1,487,429
State	327,885	499,239	-	-	-	827,124
Federal	35,191	2,223,586	-	-	-	2,258,777
Total revenues	<u>494,080</u>	<u>2,770,450</u>	<u>393,225</u>	<u>1,170,859</u>	<u>2,657,439</u>	<u>7,486,053</u>
<b>Expenditures:</b>						
Current:						
Instruction	367,587	-	191,986	1,112,529	-	1,672,102
Supporting services:						
Operation and maintenance of facilities	5,810	-	-	-	-	5,810
School lunch services	-	2,771,026	-	-	-	2,771,026
Community services	263,999	-	-	-	2,657,439	2,921,438
Total expenditures	<u>637,396</u>	<u>2,771,026</u>	<u>191,986</u>	<u>1,112,529</u>	<u>2,657,439</u>	<u>7,370,376</u>
Excess (deficiency) of revenues over (under) expenditures	(143,316)	(576)	201,239	58,330	-	115,677
<b>Other financing sources (uses):</b>						
Transfers in	145,000	-	-	-	-	145,000
Net change in fund balances	1,684	(576)	201,239	58,330	-	260,677
<b>Fund balances - beginning</b>	25,197	453,337	1,175,963	1,014,608	-	2,669,105
<b>Fund balances - ending</b>	<u>\$ 26,881</u>	<u>\$ 452,761</u>	<u>\$ 1,377,202</u>	<u>\$ 1,072,938</u>	<u>\$ -</u>	<u>\$ 2,929,782</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, 2021 with Comparative Totals for 2020

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Earnings on investments	\$ -	\$ 58	\$ 58	\$ 16,844
Other local	381,000	130,946	(250,054)	261,867
State	332,417	327,885	(4,532)	311,522
Federal	17,472	35,191	17,719	34,873
Total revenues	<u>730,889</u>	<u>494,080</u>	<u>(236,809)</u>	<u>625,106</u>
<b>Expenditures:</b>				
Current:				
Salaries	509,746	442,051	67,695	520,615
Employee benefits	159,829	157,029	2,800	146,791
Purchased services	40,526	19,996	20,530	26,368
Supplies	25,278	5,615	19,663	34,485
Property	4,000	3,323	677	6,240
Other objects	12,618	9,382	3,236	5,905
Total expenditures	<u>751,997</u>	<u>637,396</u>	<u>114,601</u>	<u>740,404</u>
Deficiency of revenues under expenditures / net change in fund balances	(21,108)	(143,316)	(122,208)	(115,298)
<b>Other financing sources (uses):</b>				
Transfers in	-	145,000	145,000	-
Net change in fund balances	(21,108)	1,684	22,792	(115,298)
<b>Fund balances - beginning</b>	<u>25,197</u>	<u>25,197</u>	<u>-</u>	<u>140,495</u>
<b>Fund balances - ending</b>	<u>\$ 4,089</u>	<u>\$ 26,881</u>	<u>\$ 22,792</u>	<u>\$ 25,197</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, 2021 with Comparative Totals for 2020

	2021			2020
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Lunch sales	\$ 52,000	\$ 35,217	\$ (16,783)	\$ 601,732
Earnings on investments	7,500	6,064	(1,436)	28,743
Other local	-	6,344	6,344	(58,610)
State	422,815	499,239	76,424	488,480
Federal	2,267,626	2,223,586	(44,040)	1,635,648
Total revenues	<u>2,749,941</u>	<u>2,770,450</u>	<u>20,509</u>	<u>2,695,993</u>
<b>Expenditures:</b>				
Current:				
Salaries	1,013,321	954,745	58,576	954,668
Benefits	394,808	385,914	8,894	391,174
Purchased services	15,310	6,884	8,426	23,883
Supplies	1,330,000	1,211,500	118,500	1,350,591
Property	10,000	-	10,000	-
Other objects	-	211,983	(211,983)	-
Total expenditures	<u>2,763,439</u>	<u>2,771,026</u>	<u>(7,587)</u>	<u>2,720,316</u>
Deficiency of revenues under expenditures / net change in fund balances	(13,498)	(576)	12,922	(24,323)
<b>Fund balances - beginning</b>	<u>453,337</u>	<u>453,337</u>	<u>-</u>	<u>477,660</u>
<b>Fund balances - ending</b>	<u>\$ 439,839</u>	<u>\$ 452,761</u>	<u>\$ 12,922</u>	<u>\$ 453,337</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, 2021 with Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
<b>Revenues:</b>		
Local:		
Contributions	\$ 179,280	\$ 115,940
Earnings on investments	<u>213,945</u>	<u>(17,410)</u>
Total revenues	<u>393,225</u>	<u>98,530</u>
<b>Expenditures:</b>		
Current:		
Instruction	<u>191,986</u>	<u>159,187</u>
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	201,239	(60,657)
<b>Fund balances - beginning</b>	<u>1,175,963</u>	<u>1,236,620</u>
<b>Fund balances - ending</b>	<u><u>\$ 1,377,202</u></u>	<u><u>\$ 1,175,963</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, 2021 with Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Other local	\$ 1,500,000	\$ 1,170,859	\$ (329,141)	\$ 1,097,059
<b>Expenditures:</b>				
Current:				
Purchased services	225,000	150,867	74,133	182,027
Supplies	1,000,000	834,394	165,606	719,081
Property	70,000	18,252	51,748	31,783
Other objects	205,000	109,016	95,984	172,102
Total expenditures	1,500,000	1,112,529	387,471	1,104,993
Excess (deficiency) of revenues over (under) expenditures / net change in fund balances	-	58,330	58,330	(7,934)
<b>Fund balances - beginning</b>	1,014,608	1,014,608	-	1,022,542
<b>Fund balances - ending</b>	\$ 1,014,608	\$ 1,072,938	\$ 58,330	\$ 1,014,608

**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, 2021 with Comparative Totals for 2020

	<b>2021</b>			<b>2020</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 2,500,000	\$ 2,657,439	\$ 157,439	\$ 2,266,586
<b>Expenditures:</b>				
Other objects	2,500,000	2,657,439	(157,439)	2,266,586
Excess of revenues over expenditures / net change in fund balances	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**OTHER INFORMATION**  
**(Unaudited)**

**MURRAY CITY SCHOOL DISTRICT  
COMPARATIVE STATEMENTS OF NET POSITION  
GOVERNMENTAL ACTIVITIES (Accrual Basis of Accounting)**

June 30, 2021 through 2017

	2021	2020	2019	2018	2017
<b>Assets:</b>					
Cash and investments	\$ 51,225,663	\$ 50,717,418	\$ 43,665,638	\$ 41,263,145	\$ 39,206,467
Receivables:					
Property taxes	27,660,863	27,407,605	26,881,423	23,451,522	24,163,178
Other local	25,440	39,580	821,005	623,351	25,221
State	1,011,884	601,041	807,480	498,838	474,610
Federal	3,171,674	382,783	2,127,671	631,680	1,232,868
Inventories	277,927	789,136	543,505	378,084	675,329
Net OPEB asset	-	-	-	-	245,190
Net pension asset	162,455	-	-	-	-
Capital assets:					
Land and construction in progress	17,741,806	17,741,806	17,741,806	17,741,806	17,741,806
Buildings and equipment, net of accumulated depreciation	70,369,118	72,683,625	75,760,480	77,830,054	80,053,753
Total assets	<u>171,646,830</u>	<u>170,362,994</u>	<u>168,349,008</u>	<u>162,418,480</u>	<u>163,818,422</u>
<b>Deferred outflows of resources:</b>					
Deferred amounts on refundings	270,551	294,926	332,321	369,716	407,111
Related to pensions	7,064,459	6,191,739	12,229,264	11,313,986	9,435,293
Related to OPEB	368,091	-	-	-	-
Total deferred outflows of resources	<u>7,703,101</u>	<u>6,486,665</u>	<u>12,561,585</u>	<u>11,683,702</u>	<u>9,842,404</u>
<b>Liabilities:</b>					
Accounts payable	656,653	744,835	1,166,080	857,360	535,555
Accrued interest	408,667	451,090	500,120	547,840	584,628
Accrued salaries and benefits	6,786,663	7,076,915	5,228,800	5,065,419	4,787,558
Unearned revenue:					
Other local	131,338	128,390	117,841	99,855	115,950
State of Utah	1,980,511	1,151,245	548,567	1,393,879	2,108,820
Federal government	148,393	56,972	57,446	57,446	49,093
Noncurrent liabilities:					
Due and payable within one year	3,214,208	3,316,596	3,307,539	3,309,979	3,306,390
Due and payable after one year	49,430,538	59,362,219	72,692,553	64,814,577	68,908,024
Total liabilities	<u>62,756,971</u>	<u>72,288,262</u>	<u>83,618,946</u>	<u>76,146,355</u>	<u>80,396,018</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for future year	27,479,252	27,144,100	26,593,851	23,160,133	23,842,069
Related to pensions	12,409,486	6,800,560	650,337	9,255,545	3,389,069
Related to OPEB	417,985	-	-	-	-
Total deferred inflows of resources	<u>40,306,723</u>	<u>33,944,660</u>	<u>27,244,188</u>	<u>32,415,678</u>	<u>27,231,138</u>
<b>Net position:</b>					
Net investment in capital assets	52,159,775	51,483,806	51,618,959	50,864,831	50,356,832
Restricted for:					
Debt service	2,839,549	2,757,676	2,720,607	2,679,313	2,639,637
Capital projects	19,005,155	18,234,373	16,769,143	13,034,513	12,456,672
School lunch services	452,761	453,337	477,660	707,834	836,304
Unrestricted	1,828,997	(2,312,455)	(1,538,910)	(1,746,342)	(255,775)
Total net position	<u>\$ 76,286,237</u>	<u>\$ 70,616,737</u>	<u>\$ 70,047,459</u>	<u>\$ 65,540,149</u>	<u>\$ 66,033,670</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

	2021	2020	2019	2018	2017
<b>Expenses:</b>					
Instruction	\$ 40,425,288	\$ 40,427,289	\$ 36,088,086	\$ 34,816,927	\$ 32,430,681
Supporting services:					
Student	2,766,518	2,950,419	2,561,160	2,274,248	2,190,849
Instructional staff	2,352,788	2,180,630	2,268,621	1,684,478	1,228,378
General administration	1,698,274	1,423,238	1,320,372	1,392,676	1,218,070
School administration	3,257,592	3,524,087	3,310,383	2,983,957	2,853,444
Central	2,907,199	2,415,602	2,079,318	2,118,725	1,876,871
Operation and maintenance of facilities	5,619,304	5,469,397	5,293,799	4,831,161	4,509,905
Student transportation	1,085,483	1,051,925	1,464,532	1,222,761	1,162,782
School lunch services	2,870,004	2,938,780	3,059,193	2,696,988	2,290,196
Community services	3,585,094	3,333,791	2,996,886	2,756,698	2,516,963
Interest on long-term liabilities	959,755	1,113,795	1,227,934	1,331,182	1,424,857
Total school district	<u>67,527,299</u>	<u>66,828,953</u>	<u>61,670,284</u>	<u>58,109,801</u>	<u>53,702,996</u>
<b>Program revenues:</b>					
Instruction	12,508,128	9,446,585	9,517,304	9,587,562	9,419,031
Supporting services:					
Student	800,980	854,842	654,379	515,398	586,235
Instructional staff	805,285	663,057	683,230	316,312	278,549
General administration	273,384	282,014	308,248	270,991	263,039
School administration	252,312	1,164	1,506	1,723	1,225
Central	1,017,802	744	424	7,075	590
Operation and maintenance of facilities	712,536	46,617	49,910	30,326	59,705
Student transportation	553,928	420,876	393,149	373,292	404,415
School lunch services	2,786,517	2,747,062	2,608,119	2,438,935	2,415,906
Community services	537,616	450,170	497,567	582,030	556,158
Total program revenues	<u>20,248,488</u>	<u>14,913,131</u>	<u>14,713,836</u>	<u>14,123,644</u>	<u>13,984,853</u>
Net (expense) revenue	<u>(47,278,811)</u>	<u>(51,915,822)</u>	<u>(46,956,448)</u>	<u>(43,986,157)</u>	<u>(39,718,143)</u>
<b>General revenues:</b>					
Property taxes	31,782,443	30,602,626	26,228,909	25,538,695	25,005,533
Federal and state aid not restricted to specific purposes	17,495,750	19,232,780	19,447,283	19,574,638	18,878,057
Earnings on investments	479,522	942,149	1,327,300	784,501	457,102
Miscellaneous	3,190,596	1,707,545	4,460,266	2,148,358	1,445,026
Total general revenues	<u>52,948,311</u>	<u>52,485,100</u>	<u>51,463,758</u>	<u>48,046,192</u>	<u>45,785,718</u>
Change in net position	5,669,500	569,278	4,507,310	4,060,035	6,067,575
<b>Net position - beginning</b>	<u>70,616,737</u>	<u>70,047,459</u>	<u>65,540,149</u>	<u>61,480,114</u>	<u>59,966,095</u>
<b>Net position - ending</b>	<u>\$ 76,286,237</u>	<u>\$ 70,616,737</u>	<u>\$ 70,047,459</u>	<u>\$ 65,540,149</u>	<u>\$ 66,033,670</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, 2021 through 2017

	2021	2020	2019	2018	2017
<b>Assets:</b>					
Cash and investments	\$ 24,285,716	\$ 25,121,970	\$ 18,995,558	\$ 20,130,989	\$ 18,611,032
Accounts receivable:					
Property taxes	19,996,781	19,289,245	18,171,175	15,916,142	15,710,095
Other local	11,393	946	788,740	595,904	-
State	938,761	504,573	677,699	397,266	306,229
Federal	3,002,253	216,115	2,050,374	613,976	1,216,588
Inventories	277,927	789,136	543,505	378,084	675,329
Total assets	<u>\$ 48,512,831</u>	<u>\$ 45,921,985</u>	<u>\$ 41,227,051</u>	<u>\$ 38,032,361</u>	<u>\$ 36,519,273</u>
<b>Liabilities:</b>					
Accounts payable	\$ 360,468	\$ 435,558	\$ 792,672	\$ 523,422	\$ 182,869
Accrued salaries and benefits	6,735,505	7,025,302	5,187,079	5,024,213	4,750,330
Unearned revenue:					
Other local	50,021	50,021	48,883	30,236	35,212
State	1,966,090	1,141,356	538,678	1,381,972	2,094,850
Federal	96,275	1,186	1,660	1,660	7,681
Total liabilities	<u>9,208,359</u>	<u>8,653,423</u>	<u>6,568,972</u>	<u>6,961,503</u>	<u>7,070,942</u>
<b>Deferred inflows of resources:</b>					
Unavailable property taxes	220,779	308,956	316,986	319,154	324,247
Property taxes levied for future year	19,871,071	19,116,123	17,986,605	15,723,305	15,495,618
Total deferred inflows of resources	<u>20,091,850</u>	<u>19,425,079</u>	<u>18,303,591</u>	<u>16,042,459</u>	<u>15,819,865</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	277,927	789,136	543,504	378,084	675,329
Committed to:					
Economic stabilization	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Employee and retiree benefits	3,714,452	3,724,526	5,238,358	5,238,358	5,238,358
Unassigned	13,220,243	11,329,821	8,572,626	7,411,957	5,714,779
Total fund balances	<u>19,212,622</u>	<u>17,843,483</u>	<u>16,354,488</u>	<u>15,028,399</u>	<u>13,628,466</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,512,831</u>	<u>\$ 45,921,985</u>	<u>\$ 41,227,051</u>	<u>\$ 38,032,361</u>	<u>\$ 36,519,273</u>

Source: District records

**MURRAY CITY SCHOOL DISTRICT**  
**GENERAL FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
Years Ended June 30, 2021 through 2017 with Proposed Budget for 2022

	Proposed Budget 2022	2021	2020	2019	2018	2017
<b>Revenues:</b>						
Local:						
Property taxes	\$ 23,494,741	\$ 22,878,821	\$ 22,174,252	\$ 18,173,545	\$ 17,406,190	\$ 15,591,759
Earnings on investments	128,000	128,216	366,544	539,145	381,216	128,291
Other local	2,185,006	3,248,628	2,005,757	1,894,602	2,276,380	1,593,311
State	29,694,747	28,865,876	27,240,775	27,088,832	26,389,450	24,318,745
Federal	7,052,043	4,208,504	2,111,815	2,052,800	2,271,073	2,312,229
Total revenues	<u>62,554,537</u>	<u>59,330,045</u>	<u>53,899,143</u>	<u>49,748,924</u>	<u>48,724,309</u>	<u>43,944,335</u>
<b>Expenditures:</b>						
Current:						
Instruction	43,330,074	37,614,529	34,633,281	31,311,979	31,364,190	28,588,718
Support services:						
Student	2,965,304	2,921,673	2,830,113	2,459,525	2,327,366	2,180,109
Instructional staff	2,309,210	2,451,219	2,107,114	2,199,441	1,712,958	1,221,113
General administration	1,397,563	1,442,266	1,162,880	1,064,735	1,190,590	987,661
School administration	3,458,354	3,353,940	3,276,028	3,107,339	2,972,159	2,764,263
Central	1,990,899	2,381,535	1,815,658	1,657,242	1,576,507	1,600,524
Operation and maintenance of facilities	5,523,471	5,390,680	5,060,926	4,973,464	4,185,158	3,726,625
Student transportation	948,041	862,582	871,614	960,051	963,357	865,633
School lunch services	-	34,908	-	-	-	-
Community services	633,655	692,392	652,534	687,170	661,980	586,054
Capital outlay	626	670,182	-	1,889	370,111	-
Total expenditures	<u>62,557,197</u>	<u>57,815,906</u>	<u>52,410,148</u>	<u>48,422,835</u>	<u>47,324,376</u>	<u>42,520,700</u>
Excess (deficiency) of revenues over (under) expenditures	(2,660)	1,514,139	1,488,995	1,326,089	1,399,933	1,423,635
<b>Other financing sources (uses):</b>						
Transfers	-	(145,000)	-	-	-	-
Net change in fund balances	(2,660)	1,369,139	1,488,995	1,326,089	1,399,933	1,423,635
<b>Fund balances - beginning</b>	<u>19,212,622</u>	<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>
<b>Fund balances - ending</b>	<u>\$ 19,209,962</u>	<u>\$ 19,212,622</u>	<u>\$ 17,843,483</u>	<u>\$ 16,354,488</u>	<u>\$ 15,028,399</u>	<u>\$ 13,628,466</u>

Source: District records

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

Tax (Calendar) Years 2020 through 2016

	2020		2019	2018	2017	2016
	Taxable Value	% of TV	Taxable Value	Taxable Value	Taxable Value	Taxable Value
<b>Set by state tax commission-centrally assessed</b>	\$ 68,649,502	1.4 %	\$ 59,495,070	\$ 61,248,796	\$ 54,803,577	\$ 48,818,339
<b>Set by county assessor-locally assessed</b>						
Real property:						
Primary residential	2,246,273,254	44.4	2,045,485,490	1,835,177,218	1,689,092,294	1,551,738,071
Other residential	25,710,090	0.5	22,668,410	25,099,440	21,461,160	25,210,470
Commercial and industrial	2,357,262,970	46.6	2,226,404,810	2,067,715,840	1,874,356,590	1,710,378,590
Agriculture buildings	6,250	0.0	6,520	7,800	12,120	12,420
Farmland assessment act (FAA)	1,980	0.0	1,950	2,250	5,850	-
Unimproved non FAA	-	0.0	-	-	-	5,700
Total real property	<u>4,629,254,544</u>	<u>91.5</u>	<u>4,294,567,180</u>	<u>3,928,002,548</u>	<u>3,584,928,014</u>	<u>3,287,345,251</u>
Personal property:						
Primary mobile homes	5,282,822	0.1	5,306,375	5,084,993	5,115,812	5,108,191
Secondary mobile homes	170,948	0.0	119,539	172,884	260,577	134,443
Other business personal	258,347,158	5.1	246,899,060	249,411,057	234,627,183	223,028,985
SCME	-	0.0	-	-	37,473	49,853
Total personal property	<u>263,800,928</u>	<u>5.2</u>	<u>252,324,974</u>	<u>254,668,934</u>	<u>240,041,045</u>	<u>228,321,472</u>
Fee in lieu property	<u>96,509,415</u>	<u>1.9</u>	<u>101,019,652</u>	<u>95,450,985</u>	<u>99,960,160</u>	<u>100,494,886</u>
Total locally assessed	<u>4,989,564,887</u>	<u>98.6</u>	<u>4,647,911,806</u>	<u>4,278,122,467</u>	<u>3,924,929,219</u>	<u>3,616,161,609</u>
Total taxable value (TV)	<u>\$ 5,058,214,389</u>	<u>100.0 %</u>	<u>\$ 4,707,406,876</u>	<u>\$ 4,339,371,263</u>	<u>\$ 3,979,732,796</u>	<u>\$ 3,664,979,948</u>
Total taxable value (less fee in lieu)	<u>\$ 4,961,704,974</u>		<u>\$ 4,606,387,224</u>	<u>\$ 4,243,920,278</u>	<u>\$ 3,879,772,636</u>	<u>\$ 3,564,485,062</u>

Source: Property Tax Division, Utah State Tax Commission



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

Years Ended June 30, 2021 through 2017 with Proposed Budget for 2022

	Proposed Budget 2022		2021		2020		2019		2018		2017	
	Tax Rate	Budgeted Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections	Tax Rate	Collections
<b>General fund:</b>												
Basic levy	0.001661	\$ 8,675,765	0.001628	\$ 7,884,817	0.001661	\$ 7,491,787	0.001666	\$ 6,919,943	0.001568	\$ 6,088,804	0.001675	\$ 2,882,479
Voted local levy	0.001543	8,059,425	0.001612	7,807,324	0.001694	7,640,630	0.001786	7,418,379	0.001786	6,935,333	0.007860	13,526,145
Board local levy	0.001340	6,999,111	0.001419	6,872,576	0.001470	6,630,299	0.000835	3,468,279	0.000992	3,852,100	0.000927	1,595,259
Total general fund	0.004544	23,734,301	0.004659	22,564,717	0.004825	21,762,716	0.004287	17,806,601	0.004346	16,876,237	0.010462	18,003,883
<b>Debt service fund:</b>												
Debt service	0.000631	3,295,850	0.000799	3,869,759	0.000849	3,829,336	0.000908	3,771,494	0.001009	3,918,114	0.001102	1,896,414
<b>Capital projects fund:</b>												
Capital local	0.000558	2,914,555	0.000583	2,823,617	0.000613	2,764,880	0.000646	2,683,243	0.000775	3,009,453	0.000201	345,898
Capital outlay equalized	-	-	-	2,529	-	6,598	-	10,788	-	10,483	0.000600	3,174,385
Total capital projects fund	0.000558	2,914,555	0.000583	2,826,146	0.000613	2,771,478	0.000646	2,694,031	0.000775	3,019,936	0.000801	3,520,283
Total tax rate / collections	0.005733	\$ 29,944,706	0.006041	\$ 29,260,622	0.006287	\$ 28,363,530	0.005841	\$ 24,272,126	0.006130	\$ 23,814,287	0.012365	\$ 23,420,580

Notes:

Tax rates are levied for the calendar year. This schedule reports collections for fiscal years ended June 30. For example, calendar year 2020 tax rates are for the District's fiscal year ended June 30, 2021. 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.

**MURRAY CITY SCHOOL DISTRICT**

**COMPLIANCE REPORTS**

Year Ended June 30, 2021

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**MURRAY CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	CFDA Number	Pass-through Entity's Identifying Number	District's Program Number	Beginning Receivable (Unearned)	Received	Expended	Ending Receivable (Unearned)
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
Passed Through State of Utah Board of Education:							
<i>Child Nutrition Cluster:</i>							
School Breakfast Program	10.553	SBP	8001	\$ 62,832	\$ 509,998	\$ 496,099	\$ 48,933
National School Lunch Program	10.555	NSLF, NSLP, ASSP	8001	103,836	1,601,901	1,583,362	85,297
National School Lunch Program (Donated Commodities)	10.555	n/a	8001	-	144,125	144,125	-
Total Child Nutrition Cluster				166,668	2,256,024	2,223,586	134,230
Passed Through Salt Lake County:							
<i>Forest Service Schools and Roads Cluster:</i>							
Schools and Roads - Grants to States	10.665	n/a	0050	-	699	699	-
Total U.S. Department of Agriculture				166,668	2,256,723	2,224,285	134,230
<b>U.S. DEPARTMENT OF THE TREASURY:</b>							
Passed Through Salt Lake County:							
COVID-19 Coronavirus Relief Fund	21.019	n/a	7290	27,323	516,806	413,910	(75,573)
Passed Through State of Utah Board of Education:							
COVID-19 Coronavirus Relief Fund	21.019	CBG, CDOH, CPPE, CRF	5160, 7191, 7192, 7193	-	259,909	443,250	183,341
Passed Through Utah Education and Telehealth Network:							
COVID-19 Coronavirus Relief Fund	21.019	n/a	5160	-	234,996	234,996	-
Total Coronavirus Relief Fund/Total U.S. Department of the Treasury				27,323	1,011,711	1,092,156	107,768
<b>U.S. DEPARTMENT OF EDUCATION:</b>							
Passed Through State of Utah Board of Education:							
<i>Special Education Cluster (IDEA):</i>							
Special Education Grants to States	84.027	FTD	7551	-	-	1,127,068	1,127,068
Special Education Preschool Grants	84.173	PRE	7550	-	-	35,191	35,191
Total Special Education Cluster (IDEA)				-	-	1,162,259	1,162,259
Education Stabilization Fund:							
COVID-19 Governor's Emergency Education Relief Fund	84.425C	GEER	7220	-	-	184,931	184,931
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	ESSR	7215, 7584	3,315	3,315	924,093	924,093
Total Education Stabilization Fund				3,315	3,315	1,109,024	1,109,024
Direct:							
Indian Education - Grants to Local Educational Agencies	84.060		7608	-	-	15,888	15,888
Passed Through State of Utah Board of Education:							
Title I Grants to Local Educational Agencies	84.010	TIFT	7511	118,259	83,247	497,375	532,387
Career and Technical Education - Basic Grants to States	84.048	FLEA, LDSP	6000	-	75,504	75,504	-
English Language Acquisition State Grants	84.365	ELFT	7507	-	45,316	45,316	-
Supporting Effective Instruction State Grants	84.367	2FT	7505	730	134,680	134,714	764
Student Support and Academic Enrichment Program	84.424	4AFT	7905	19,788	40,446	33,736	13,078
Total U.S. Department of Education				142,092	382,508	3,073,816	2,833,400
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed Through State of Utah Board of Education:							
<i>Temporary Assistance for Needy Families (TANF) Cluster:</i>							
Temporary Assistance for Needy Families	93.558	PCA	5688	(6,528)	-	-	(6,528)
Temporary Assistance for Needy Families	93.558	KSE	5688	6,825	6,825	-	-
Total TANF Cluster				297	6,825	-	(6,528)
Passed Through DDI Vantage:							
Head Start	93.600	n/a	1280	(45,589)	-	-	(45,589)
Passed Through Jordan School District:							
Block Grants for Prevention and Treatment of Substance Abuse	93.959	n/a	7609	(1,186)	(1,186)	-	-
Total U.S. Department of Health and Human Services				(46,478)	5,639	-	(52,117)
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 289,605</b>	<b>\$ 3,656,581</b>	<b>\$ 6,390,257</b>	<b>\$ 3,023,281</b>

See the accompanying notes to this schedule.

**MURRAY CITY SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE A – BASIS FOR PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Murray City School District (the District) under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Donated food commodities are recorded at acquisition value in the *school food services fund* as an inventory asset and federal revenue when received totaling \$144,125 for the year ended June 30, 2021. Donated food commodity inventories are recorded as expenditures in the *school food services fund* when they are consumed by the schools; for purposes of the Schedule, donated food commodities are also recorded as expenditures when received.

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE C – RELATIONSHIP TO THE DISTRICT’S FINANCIAL STATEMENTS**

The District received Medical Assistance Program grant monies through the State of Utah Department of Health. This federal grant is not classified as federal financial assistance. A reconciliation of federal revenue as reported on the District’s basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2021 is as follows:

General Fund	\$ 4,208,504
Special Revenue Funds:	
Non K-12 Programs	35,191
School Lunch	<u>2,223,586</u>
Total governmental funds	6,467,281
Medical Assistance Program grant monies received through State of Utah Department of Health	<u>(77,024)</u>
Total federal revenue reported on the Schedule of Expenditures of Federal Awards (SEFA)	<u><u>\$ 6,390,257</u></u>

**NOTE D – SUBRECIPIENTS OF FEDERAL AWARDS**

The District did not provide federal award funding to any subrecipients during the year ended June 30, 2021.

**MURRAY CITY SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**NOTE E – DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)**

As a response to the national emergency for the coronavirus disease (COVID-19) federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the PPE, but such amounts are not included in the schedule of expenditures of federal awards. The District received donated PPE totaling \$36,000 during the year ended June 30, 2021.



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education  
Murray City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2021.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah  
November 30, 2021





Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Education  
Murray City School District

**Report on Compliance for Each Major Federal Program**

We have audited the compliance of Murray City School District (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021.

The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Murray City School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 30, 2021, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Squire & Company, PC*

Orem, Utah  
November 30, 2021

**MURRAY CITY SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2021

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No matters were reported in the prior year audit.

**MURRAY CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2021

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiency identified	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major federal programs:	
Material weakness identified	No
Significant deficiency identified	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

**Identification of Major Federal Programs**

Name of Federal Program (CFDA Number)

*Child Nutrition Cluster:*

- School Breakfast Program (10.553)
- National School Lunch Program (10.555)
- COVID-19 Coronavirus Relief Fund (21.019)
- Education Stabilization Fund:
  - COVID-19 Governor’s Emergency Education Relief Fund (84.425C)
  - COVID-19 Elementary and Secondary School Emergency Relief Fund (84.425D)

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.



Independent Auditor’s Report on Compliance  
and Report on Internal Control over Compliance  
Required by the *State Compliance Audit Guide*

Board of Education  
Murray City School District

**Report on Compliance**

We have audited the compliance of Murray City School District (the District) with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2021.

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Tax Levy Revenue Recognition
- Public Treasurer’s Bond
- Minimum School Program – Unrestricted Programs
- Minimum School Program – Restricted Programs: Special Education, Teacher and Student Success Act, and Dual Immersion
- School District Tax Levies
- School Fees

***Management’s Responsibility***

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

***Auditor’s Responsibility***

Our responsibility is to express an opinion on the District’s compliance based on our audit of the state compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the District’s compliance with those requirements.

## ***Opinion on Compliance***

In our opinion, Murray City School District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

## ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described below. Our opinion on compliance is not modified with respect to these matters.

*Program accounting* – During 2021, the District received State Special Education program revenues. Within this program, the State has identified sub-programs that have specific and unique compliance requirements, including maintaining a separate accounting for each. The District has not maintained this separation for every one of these sub-programs. We selected samples from the District's State Special Education expenditures and did not identify any questioned costs.

*Budgetary compliance* – Title 53G-7-307 requires that District expenditures do not exceed the budgeted amounts. The District's actual expenditures exceeded budgeted amounts by \$157,439 in the pass-through taxes fund and \$7,587 in the school lunch fund. We recommend the District review and amend its budget when the District incurs expenditures that exceed budgeted amounts.

*Views of responsible officials* – The District will review its policies and internal controls and ensure timely action is taken when noncompliance is identified.

The District's response to the noncompliance findings identified in our audit is described above. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Squin & Company, PC

Orem, Utah  
November 30, 2021