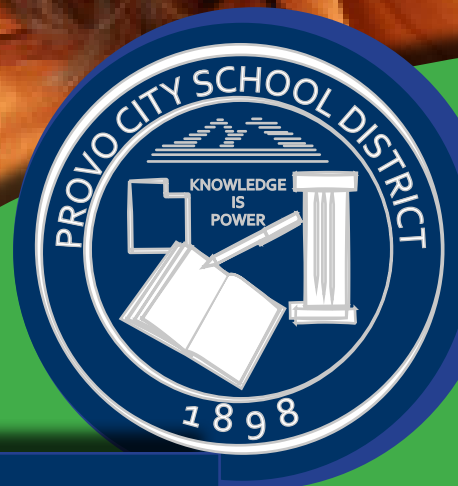


ProvoCitySchoolDistrict

280 West 940 North Provo, UT 84604
(801) 374-4800 | www.provo.edu |



Annual Budget 2014-15

Provo City School District

280 West 940 North
Provo, UT 84604



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2014-15

Annual Budget

For Fiscal Year Ending June 30, 2015

Keith Rittel
Superintendent of Schools

Stefanie Bryant, CPA
Business Administrator

Budget Recognition

Association of School Business Officials International (ASBO)

The Association of School Business Officials International (ASBO) awarded the *Meritorious Budget Award* for excellence in the preparation and issuance of a 2013-14 school system annual budget to Provo City School District.



The Meritorious Budget Awards Program was designed by ASBO International and school business management professionals to enable school business administration to achieve excellence in budget presentation. The Meritorious Budget Award, sponsored by ING, is only conferred on school systems that have met or exceeded the Meritorious Budget Award Program Criteria. We believe our current FY 2014-15 budget also complies with ASBO's Meritorious Budget Award standards, and we will be submitting the budget in an effort to win the award again.

Government Finance Officers Association (GFOA)

The Government Finance Officers Association of the United States and Canada (GFOA) presented a *Distinguished Budget Presentation Award* to Provo City School District, Utah for its annual budget for the fiscal year beginning July 1, 2013, and ending June 30, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.



This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Note Regarding this Book

This book has been designed to act as a resource for the public, students, parents, and employees. It is divided into four sections: Introductory, Organizational, Financial, and Informational. The budget year represented is Fiscal Year 2014-15, although the year might be represented as FY 2015, FY15, or 2014-15, depending on the context of the information being presented and space constraints. These variations of the fiscal year or school year are used interchangeably.

The District name may be listed throughout the book as Provo City School District, Provo School District, or in some cases Provo (when compared to other districts), depending on context and space requirements. These names are also used interchangeably.

For best results, choose "two-page display" in your pdf viewer.

Association of School Business Officials International



This Meritorious Budget Award is presented to
PROVO CITY SCHOOL DISTRICT
*For excellence in the preparation and issuance of its school entity's budget
for the Fiscal Year 2013-2014.*

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Provo City School District

Utah

For the Fiscal Year Beginning

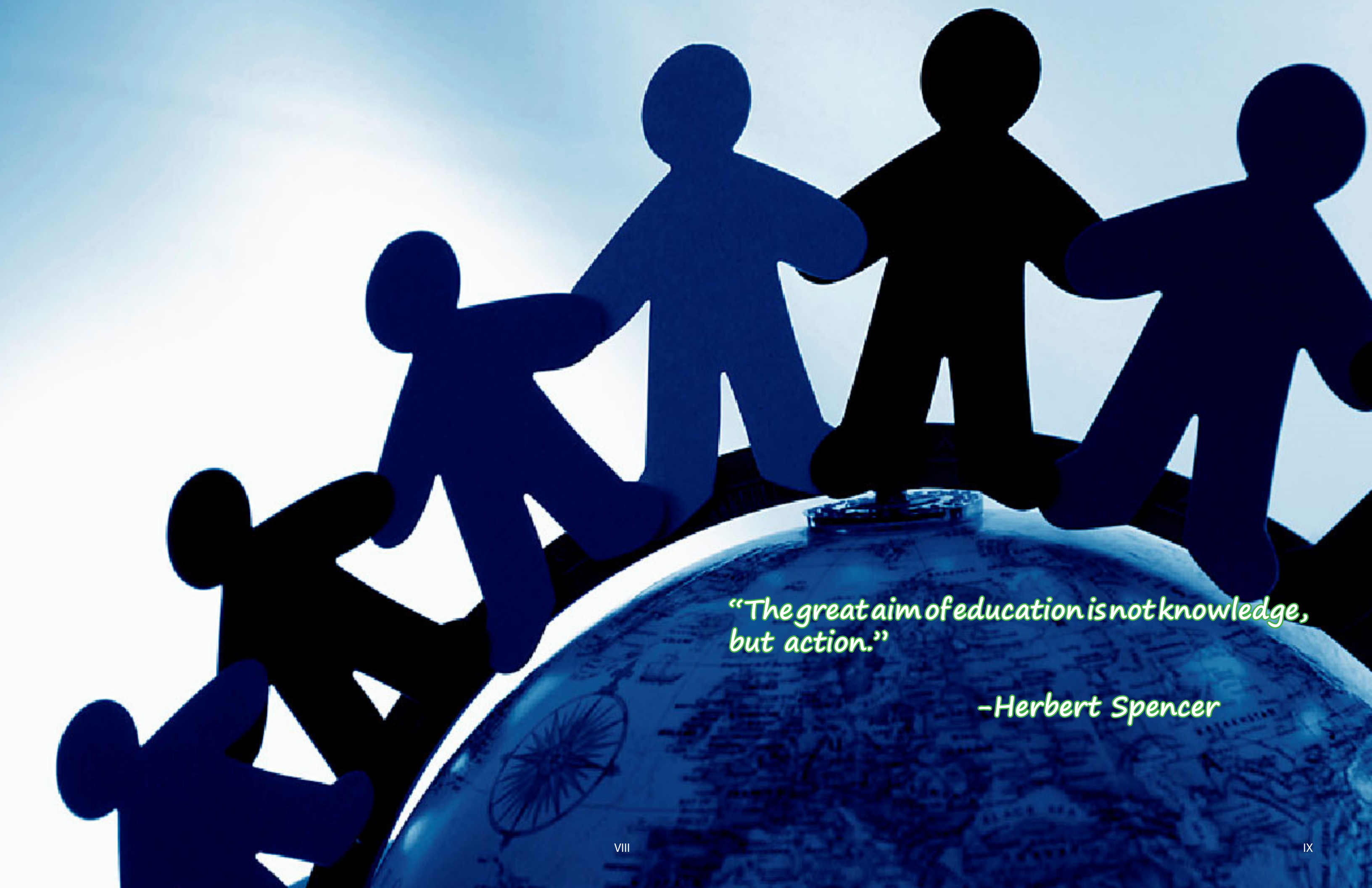
July 1, 2013

Executive Director



“Educating the mind without educating the heart is not education at all.”

-Aristotle



*“The great aim of education is not knowledge,
but action.”*

–Herbert Spencer

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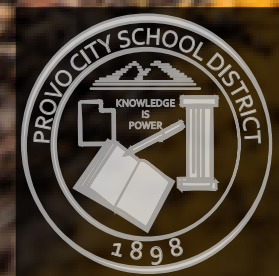
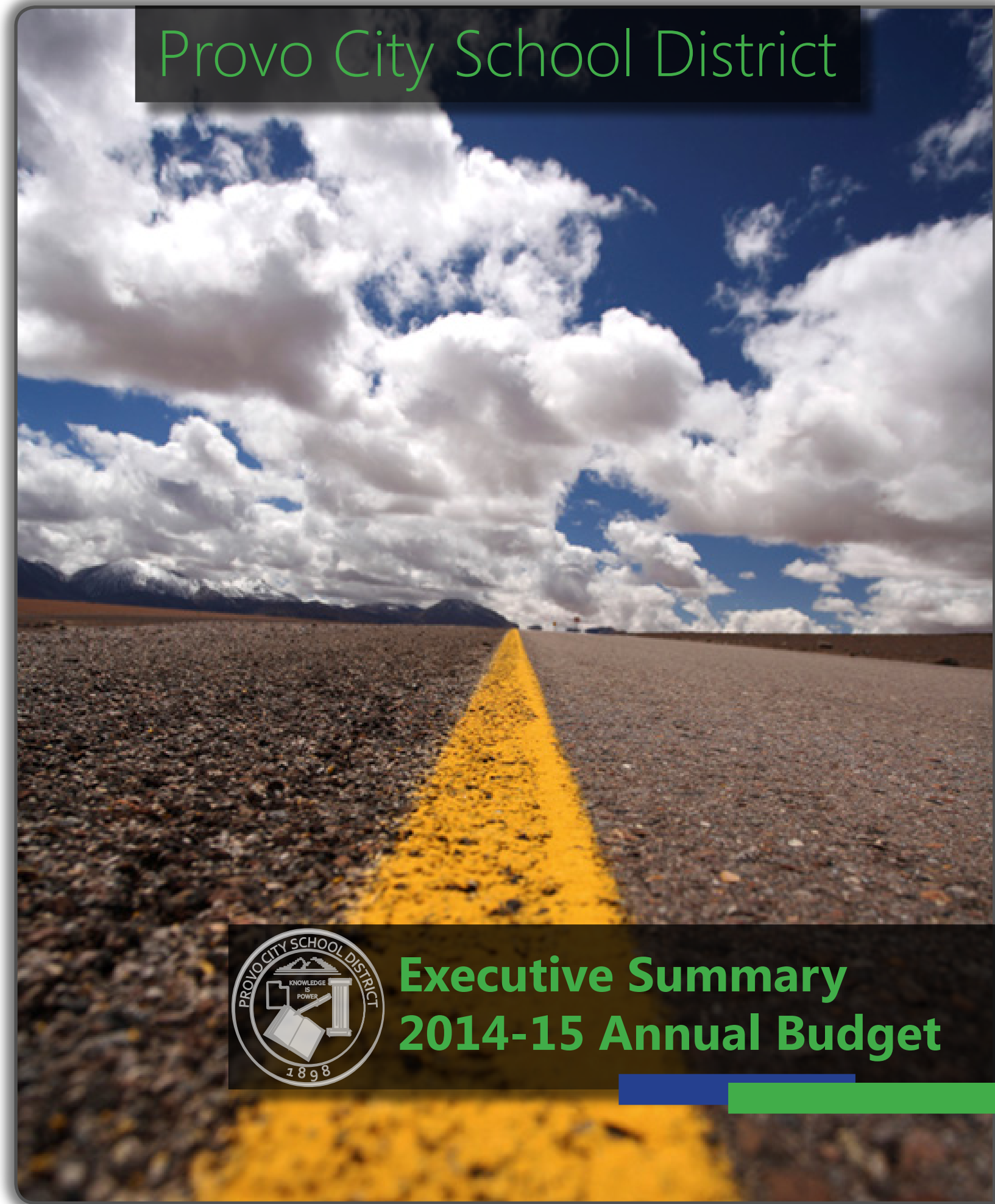
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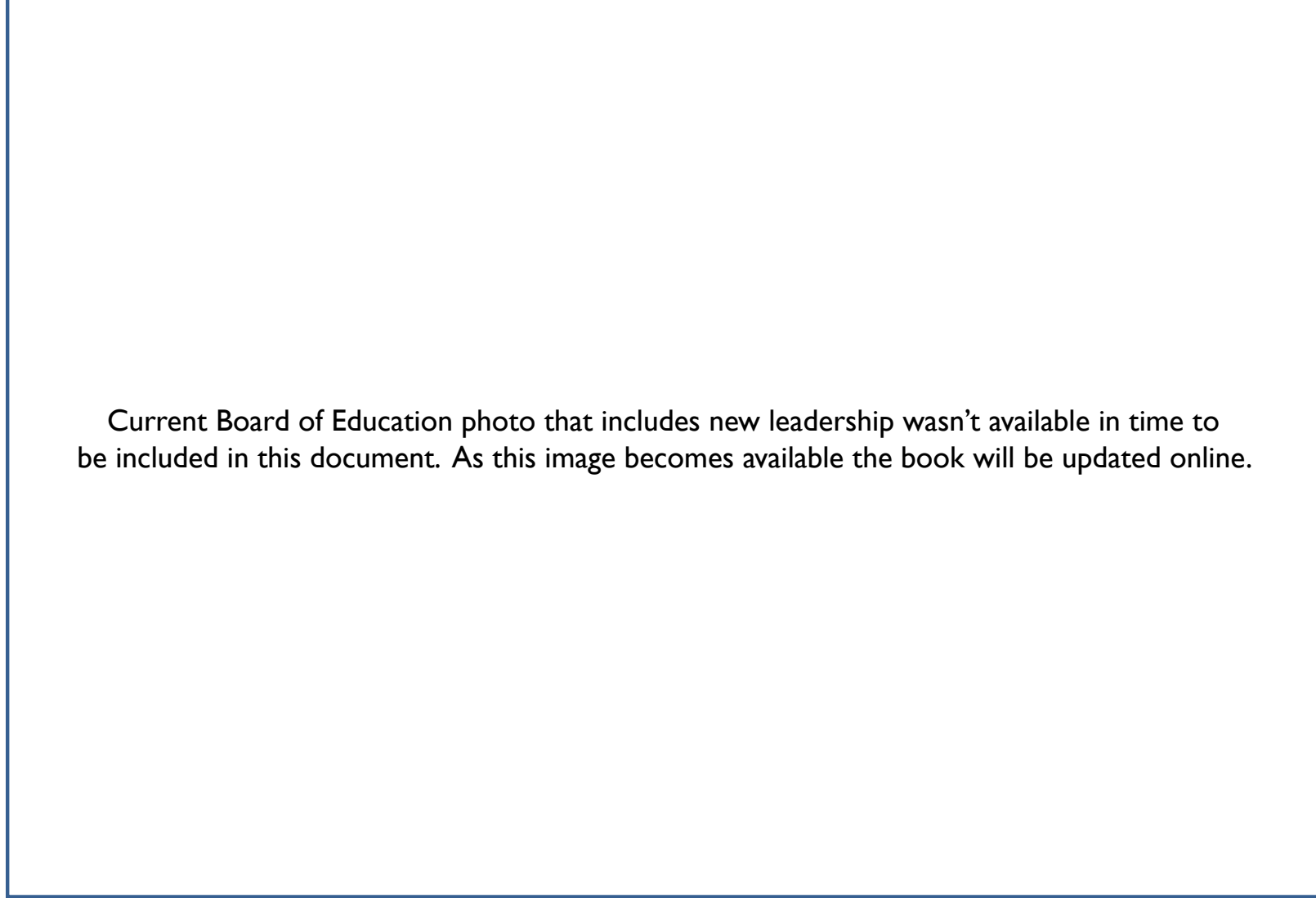
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Introductory Section



Executive Summary 2014-15 Annual Budget

Board of Education



Board of Education

- Michelle Kaufusi – President**
 District 2
 Email: smkaufusi5@hotmail.com
- Julie Rash – Vice President**
 District 5
 Email: julier@provo.edu
- Taz Murray**
 District 1
 Email: tazm@provo.edu
- McKay Jensen**
 District 3
 Email: mckayj@provo.edu
- Shannon Poulsen**
 District 4
 Email: srpoulsen@juno.com
- Marsha Judkins**
 District 6
 Email: marshaj@provo.edu
- Jim Pettersson**
 District 7
 Email: petterji@uvu.edu

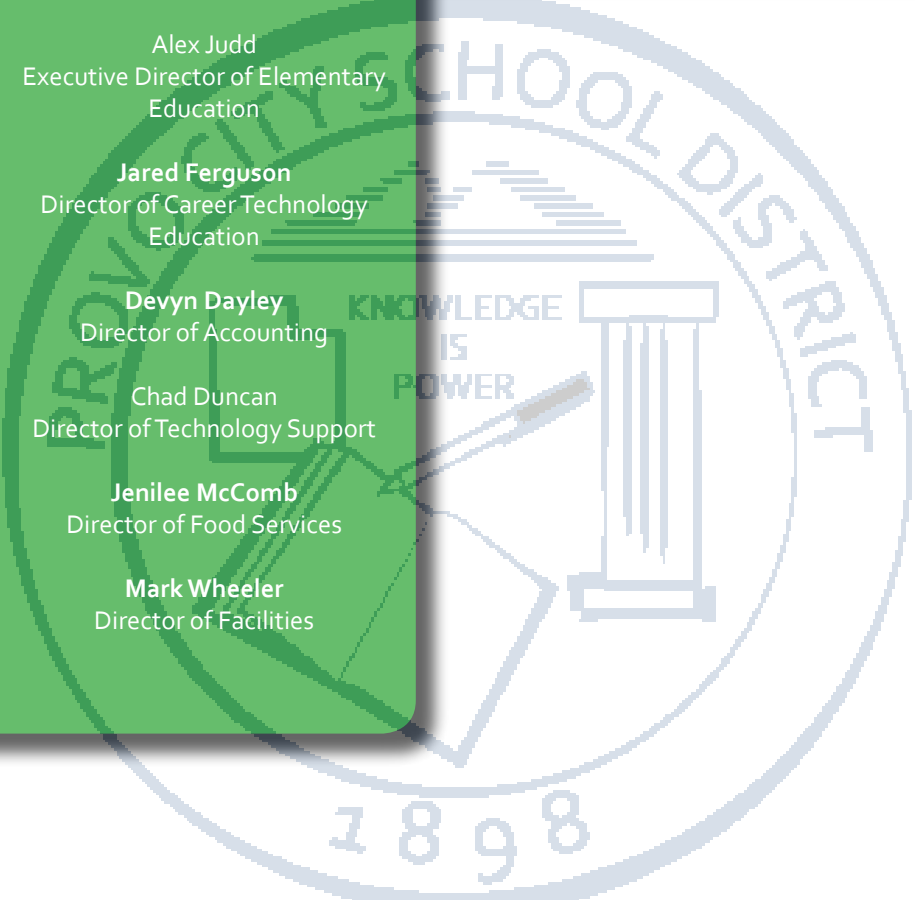
The term of office for Board members is four years, beginning on the first Monday in January following the November election. The term of office of the Superintendent and Business Administrator is two years.

District Administration

- Keith Rittel**
 Superintendent
 Initial Appointment: 2012
- Stefanie Bryant, C.P.A.**
 Business Administrator
 Initial Appointment: 2014
- Ray Morgan**
 Asst. Superintendent
 Teaching and Learning
- Gary Wall**
 Executive Director of
 Human Resources
- Morgan Anderson**
 Director of Special Programs
- Gary Wilson**
 Executive Director of Student
 Services
- Alex Judd**
 Executive Director of Elementary
 Education
- Jared Ferguson**
 Director of Career Technology
 Education
- Devyn Dayley**
 Director of Accounting
- Chad Duncan**
 Director of Technology Support
- Jenilee McComb**
 Director of Food Services
- Mark Wheeler**
 Director of Facilities

School Administration

- | | |
|----------------|------------------------|
| Amelia Earhart | Ryan McCarty |
| Canyon Crest | Darren Johnson |
| Edgemont | Dennis Pratt |
| Franklin | Kim Hawkins |
| Lakeview | Drew Daniels |
| Provo Peaks | Geo Guzman |
| Provost | Dr. Steve Oliverson |
| Rock Canyon | Dean Nielsen |
| Spring Creek | Missy Hamilton |
| Sunset View | Clint Smith |
| Timpanogos | Carrie Rawlins |
| Wasatch | Rene Cunningham |
| Westridge | Cory Anderson |
| Centennial | Mitch Swenson |
| Dixon | Jarod Sites |
| Independence | Lani |
| | Quisenberry-Steadman |
| Provo | Karen Brown |
| Timpview | Dr. Michael Todd McKee |



Budget Message

Dear Patrons:

As we once again look forward to a successful new school year, the District continues to make efforts to align our energies with both board-developed goals as well as the vision and strategy provided by the 20/20 Initiative. Our continuing commitment for involving a wide range of stakeholders in all major planning endeavors assures that the District will continue to be a progressive, innovative, and responsive school district. As always, we appreciate the continued community input and leadership that continues to mold Provo City School District into an effective and exciting learning institution.

“For FY 2015, total District revenue is projected to be \$120,547,388 an increase of over \$2.4 million compared to FY 2014.”

By showing a willingness to enact austerity measures in the past, the District is once again well placed to take full advantage of the opportunities presented by today’s economic landscape. The District budget includes both conservative estimates in regards to expected cash flows, while maintaining an aggressive pursuit of strategic initiatives. By maintaining a focus on providing resources for the classroom, the District is assuring that the most competent teachers and administrators are employed and retained within the District. Our primary goal is to provide the highest quality learning experience for the students of Provo City.

To this end, teacher compensation is paramount in the budgeting process. The district offered an exciting compensation package to its employees this year, including additional professional development opportunities, traditional wage increases, as well as innovative additions such as reduced fees at Provo City’s Recreation Center. The District continues to commit to maintaining a balanced budget, and funding for this compensation package comes from state funding increases, new construction resulting in increased property tax revenues, and personnel shifts.

The District has an established record of being financially transparent and well run, consistently earning national awards. We are proud to continue this tradition as we move into the new fiscal year.

The District continues to place emphasis on teacher development and providing excellent classroom learning environments for the children of Provo City. District leadership has implemented key district strategies to assure student achievement goals are reached in the coming year. Provo City School District continues to evaluate both the method and effectiveness of our teacher evaluations with the goal of providing functional evaluations which continue to improve our teacher effectiveness and push the District forward.

Through the excellent work of the Facilities Advisory Committee, it was recommended that the District pursue a \$108 million bond election to replace and update ageing schools. After much discussion by the Board, this bond is expected to be put to a vote in November 2014. We cannot underestimate the value that this bond will have regarding the quality of our District facilities. If the bond passes in November it will allow the District to upgrade several of the aging schools that are in great need of repair.

“Total expenditures for FY 2015 are budgeted at \$124,963,305 an increase of \$1.1 million when compared to FY 2014.”

The FY 2014-15 District wide goals are listed on the next page. The 20/20 initiative, developed with substantial public feedback and direction, continues to provide the District with long-term improvement guidelines. In short, it is our vision that the Board goals and 20/20 initiative will continue us on the path of exceeding customer expectations and developing into the most public-facing, achievement-oriented district in the State.

Provo eSchool continues to be a driving force for District growth. By harnessing the power of changing technology and education expectations, the District has been able to capitalize on educational trends and offer a competitive and attractive alternative to traditional education. Provo City School District’s eSchool continues to be the most comprehensive online school in the state, with over four hundred courses including premier offerings in the languages and information technology. In addition to eSchool, Provo School District continues its commitment to providing educational options that fit each student’s needs by offering elementary immersion programs and rigorous secondary opportunities.

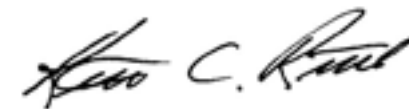
All of these options cost money, however, and for FY 2015 total expenditures are budgeted at \$124,963,305 with revenues of \$120,547,388. The excess of expenses to revenues is due largely to the continued improvement of our District’s school facilities. Large projects in the coming year include the replacement of Timpview High School’s track and field facilities, various HVAC upgrades, as well as various school security upgrades. Additionally, the District continues to meet our obligations regarding the payout of District retirement benefits (OPEB). These expenses are coming out of reserves designated or restricted for those purposes. None of these large expenditures are considered to be ongoing, as the District has funded its excess OPEB obligations with reserves designated for that purpose. As mentioned previously, there is a certain level of uncertainty regarding the coming year as we await the pending bond election in November.

The Timpview High project is being funded by one-time building reserve funds. It is important to note that the District plans to use one-time revenues on one-time or non-recurring projects, and ongoing revenues on ongoing expenses, such as compensation, supplies, and routine facility and grounds maintenance. This element of fiscal discipline is one reason the District continues to be in a position to thrive in 2015 and beyond.

We are both excited and optimistic about the challenges and opportunities ahead. We believe we have a strong leadership team with vision, taking a long term approach towards positioning the District to offer the best educational opportunities in the state. We are also fortunate to have a Board of Education that expects high quality work throughout the district, and is supportive of improvement efforts toward this end.

Thank you for your ongoing interest in and support of Provo City School District.

Respectfully Submitted,



Districtwide Goals: *Long-term*



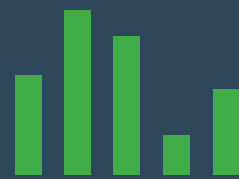
Goal 1: Continuous Academic Improvement and Transparency



Goal 2: Support for Teachers and Teaching Aligned with Research, Best Practices, and Teacher-Identified Needs



Goal 3: Improved Certainty and Stability in the Direction of the District



Goal 4: Financial Prioritization, Long-Term Planning and Transparency



Goal 5: Teamwork, Professional Conduct, and Civility

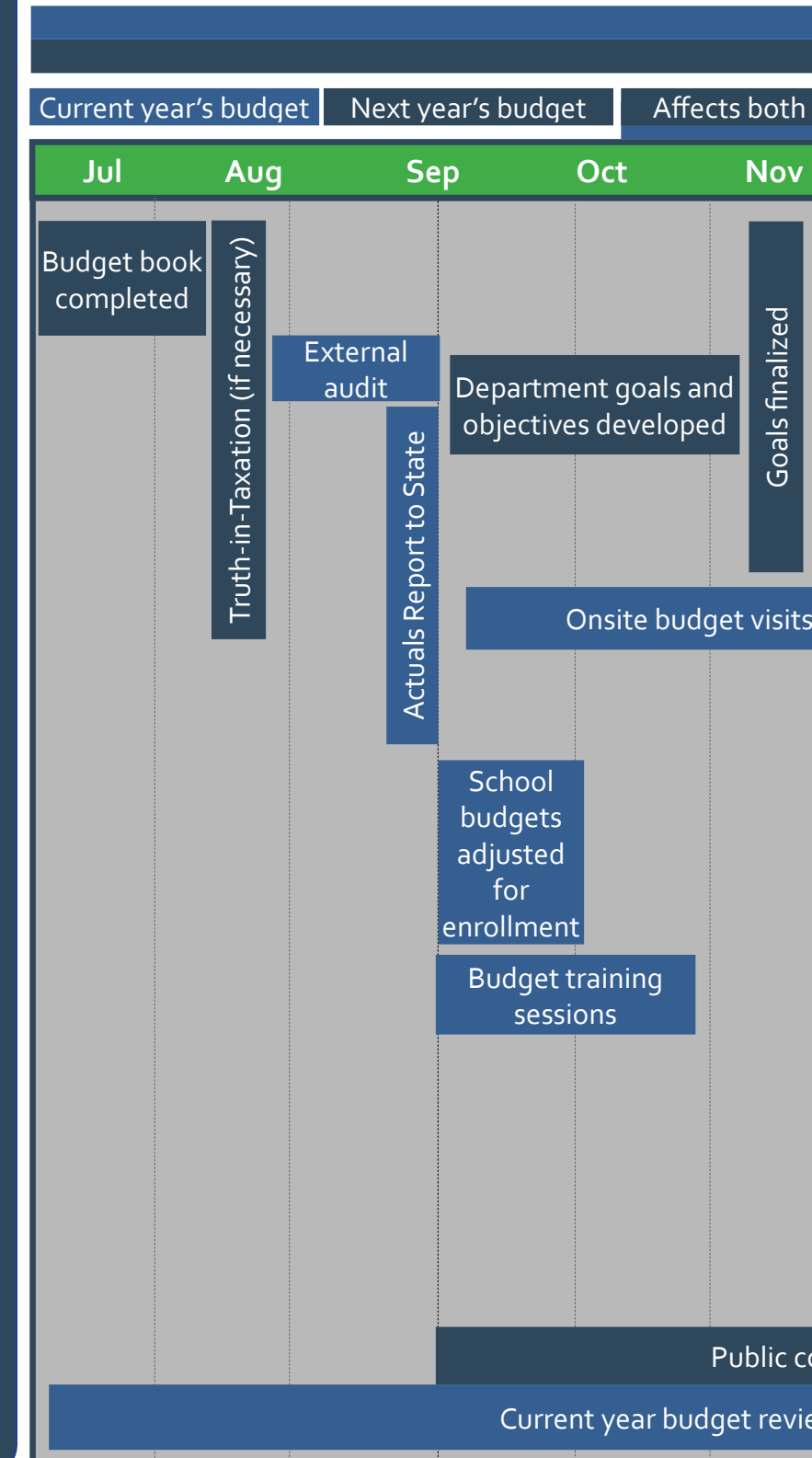
Budget Input: *The Process*

The District uses an annual budget, with fiscal years beginning July 1st and ending June 30th each year. Budget development is a year-round process, affecting the public, legislature, employees and the Board of Education.

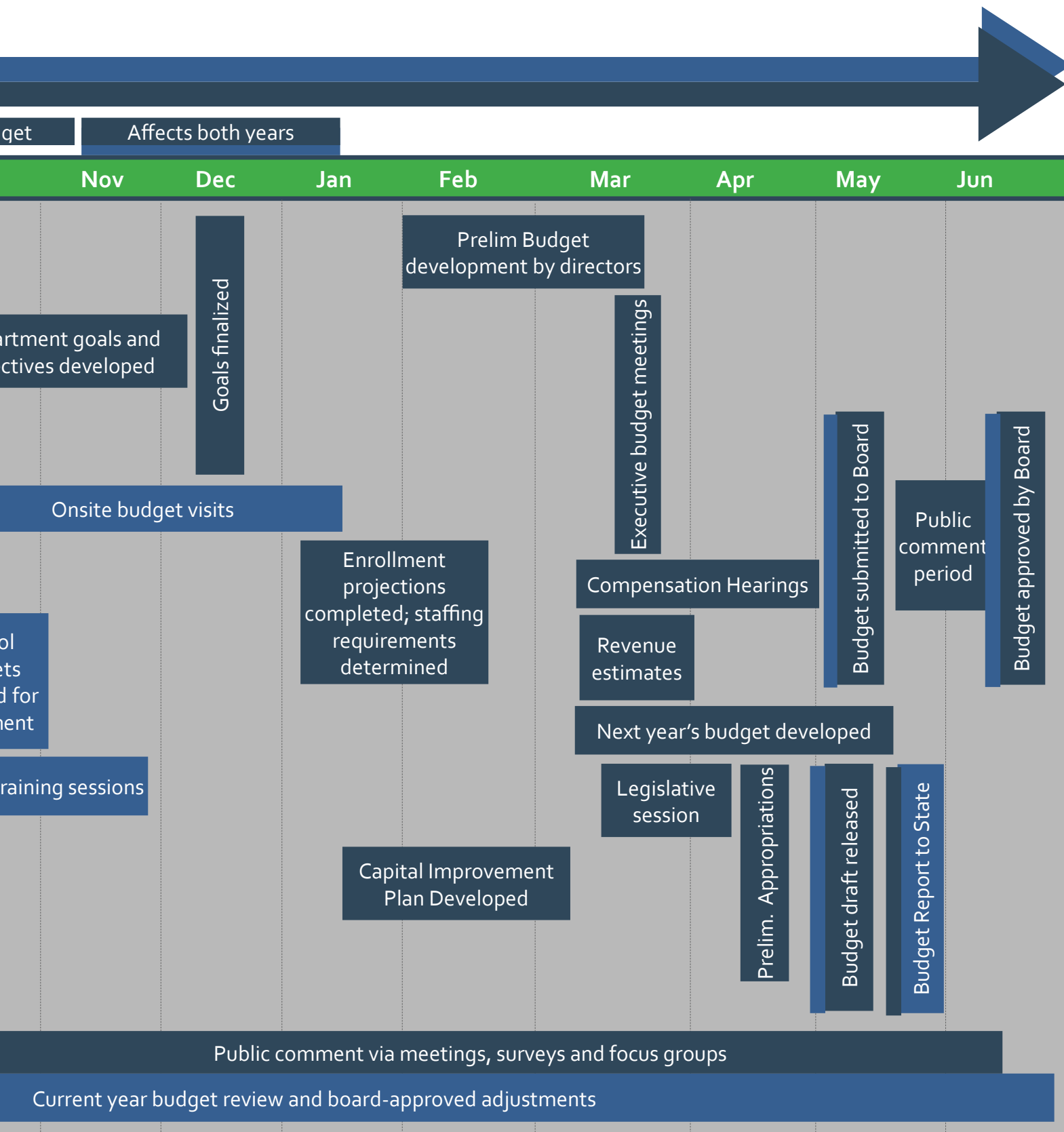
Public input is critical for the District to be successful, and the District makes every effort possible to involve the public in every step of the budget process.



Referencing the graphic above, in many cases the District is blazing a new trail and introducing a third option by making revenues go farther. With programs like eSchool, iSchool, dual immersion, and through aggressive grant writing, chasing new revenues and eliminating unnecessary costs is becoming the new normal. Districts that are focused on clear goals and objectives - and unafraid of creativity and innovation - will ultimately be more successful.



Budget Development and Review Process: *Budget Timeline*



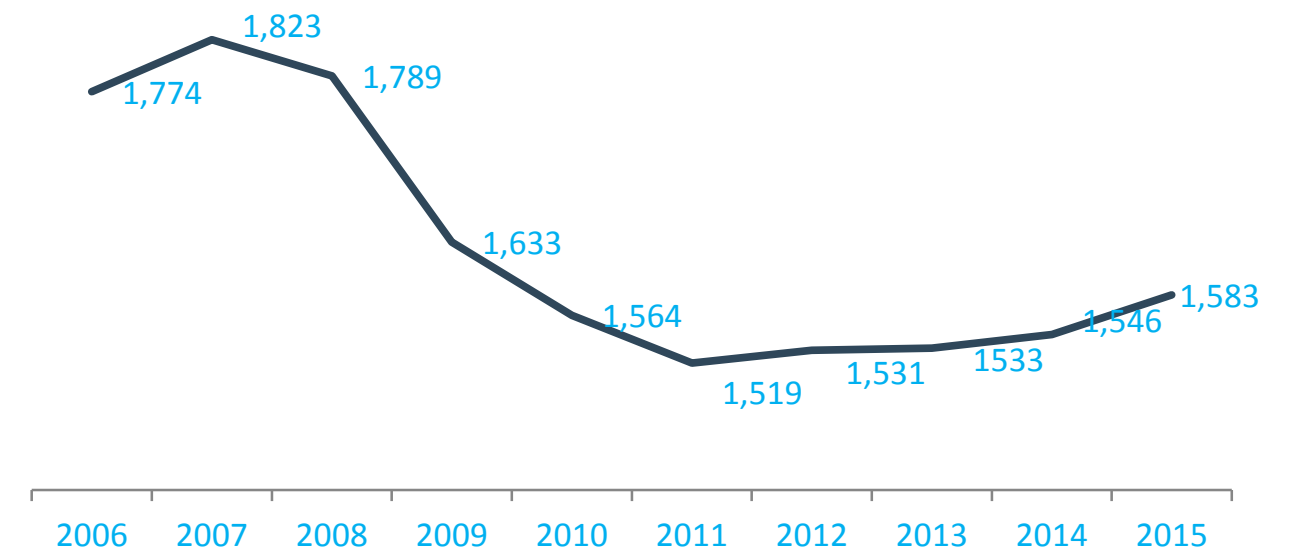
Budget Development & Review Process

Allocation of Resources

The District strives to ensure it has only the number of employees necessary to meet its goals and objectives. As a service organization, employee compensation is the biggest single expense incurred by the District. As a result, when cuts need to be made, it's difficult to spare all positions.

For 2014-15, the Board of Education and management have made the decision to maintain staffing levels for full-time equivalent employees. Some growth is budgeted to account for projected enrollment increases, particularly in eSchool. Overall, there is a slight increase in budgeted staffing levels in the FY 2014-15 budget when compared to the previous year and class sizes will remain at roughly 28 students per class.

Full-time Equivalent Employees



The Big Picture: Revenue and Expenditures

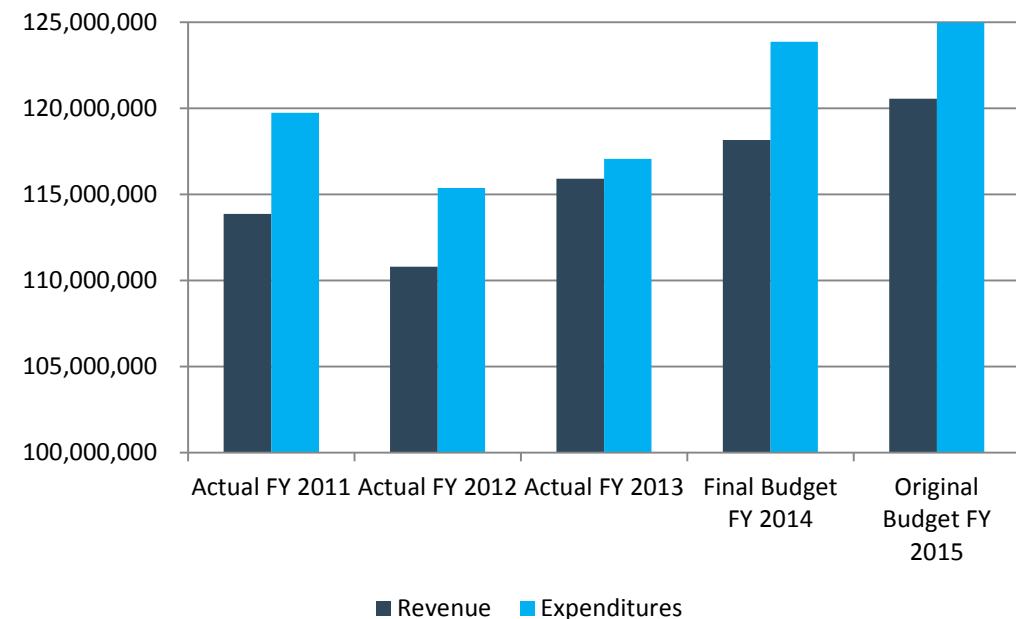
Revenue Summary by Fund FY 2011-FY 2015

Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
General	\$88,295,432	\$87,702,101	\$91,238,519	\$97,046,199	\$99,240,450
Student Activities	3,449,587	3,641,399	3,556,586	3,540,345	3,666,226
Non K-12	2,895,840	5,196,143	5,267,029	-	-
Debt Service	6,263,180	6,282,882	6,345,627	6,422,000	6,417,235
Capital Projects	8,056,026	2,687,621	4,033,562	5,908,000	5,900,020
Food Services	4,897,035	5,292,594	5,466,383	5,236,025	5,323,457
Total	113,857,100	110,802,740	115,907,707	118,152,569	120,547,388

Expense Summary by Fund FY 2011-FY 2015

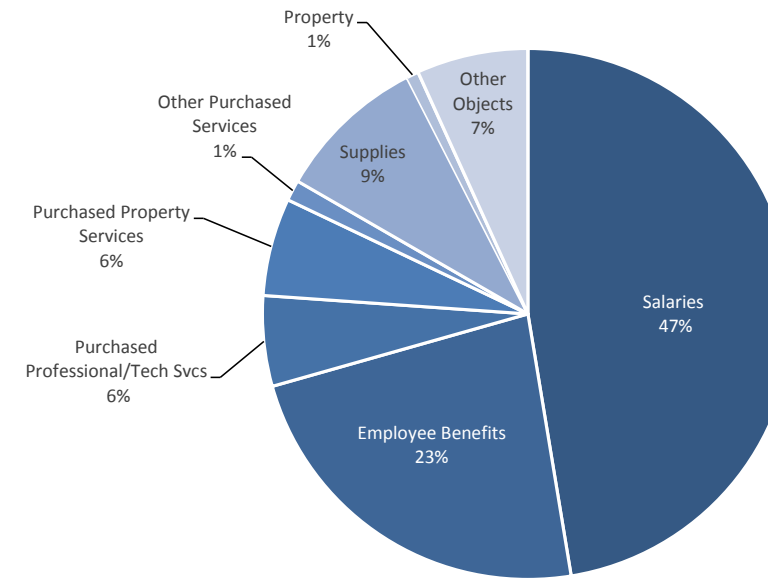
Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
General	\$86,430,169	\$89,005,622	\$92,009,785	\$99,084,867	\$99,867,853
Student Activities	3,498,215	3,696,060	3,866,810	4,007,382	3,657,382
Non K-12	2,973,443	3,090,701	3,145,729	-	-
Debt Service	6,425,229	6,421,121	6,444,480	6,410,253	6,506,253
Capital Projects	15,190,204	7,770,998	6,119,482	8,484,966	9,015,188
Food Services	5,208,604	5,382,955	5,464,817	5,878,810	5,916,629
Total	119,725,864	115,367,457	117,051,103	123,866,278	124,963,305

Total Revenues & Expenditures: FY 2011 to FY 2015



Summary: Revenue & Expenditures

Expenditures by Source: FY15

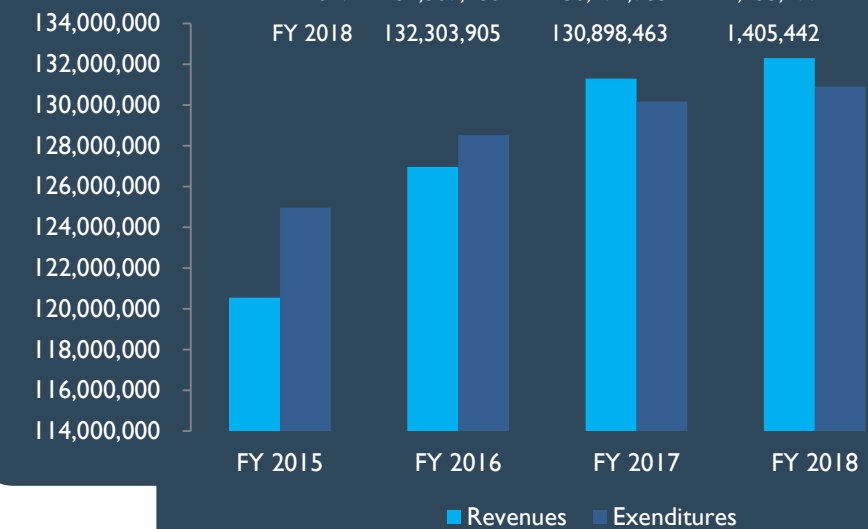


The Big Picture: Budget Summary

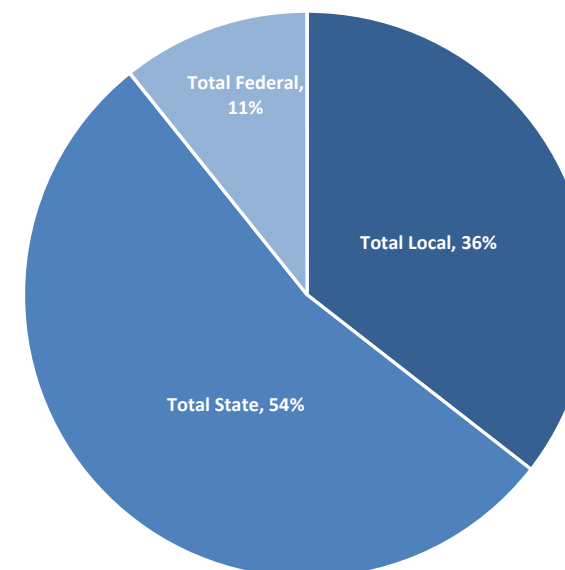
- WPU increase of 2.5%
- Enrollment increase due to projected eSchool additions
- Property tax revenues flat, rates held at certified tax rate
- Decrease in indirect rates
- Overall decrease in federal revenue
- Other revenue up – Expected increases in various federal/state grants
- FTE's held constant
- 2% Salary increase plus 2 professional development days
- FY15 capital includes Timpview High School athletic field project and other project shifts
- Medical premium increases of 7.4%
- Retirement increases of 7.6%
- Professional services, travel and supplies decrease due to district austerity measures

Future Outlook

Fiscal Year	Revenues	Expenditures	Net
FY 2015	120,547,388	124,963,306	(4,415,918)
FY 2016	126,962,000	128,521,360	(1,559,360)
FY 2017	131,307,160	130,171,963	1,135,197
FY 2018	132,303,905	130,898,463	1,405,442



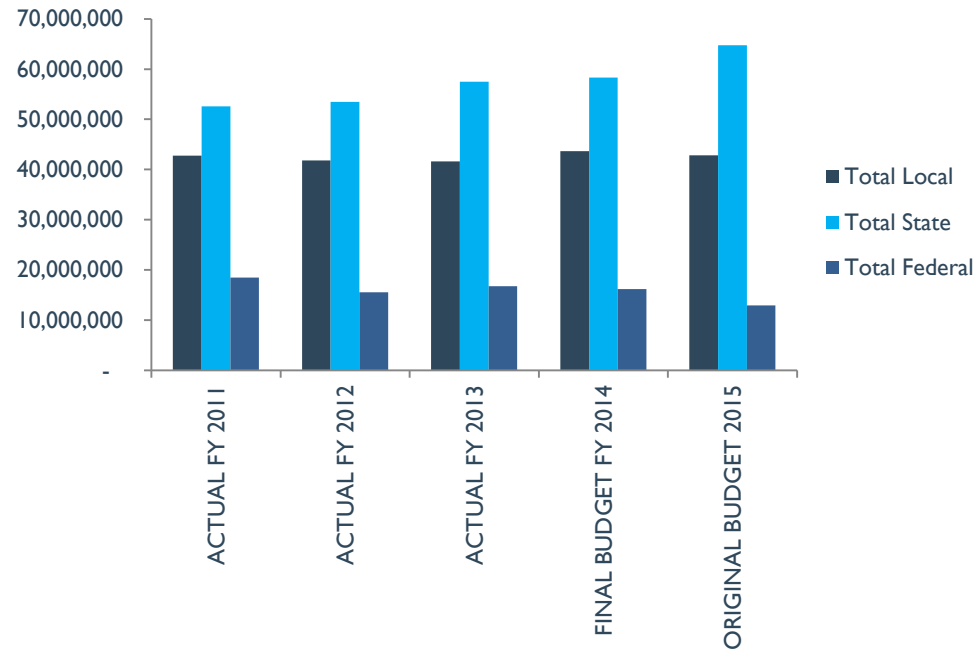
Revenue by Source: FY15



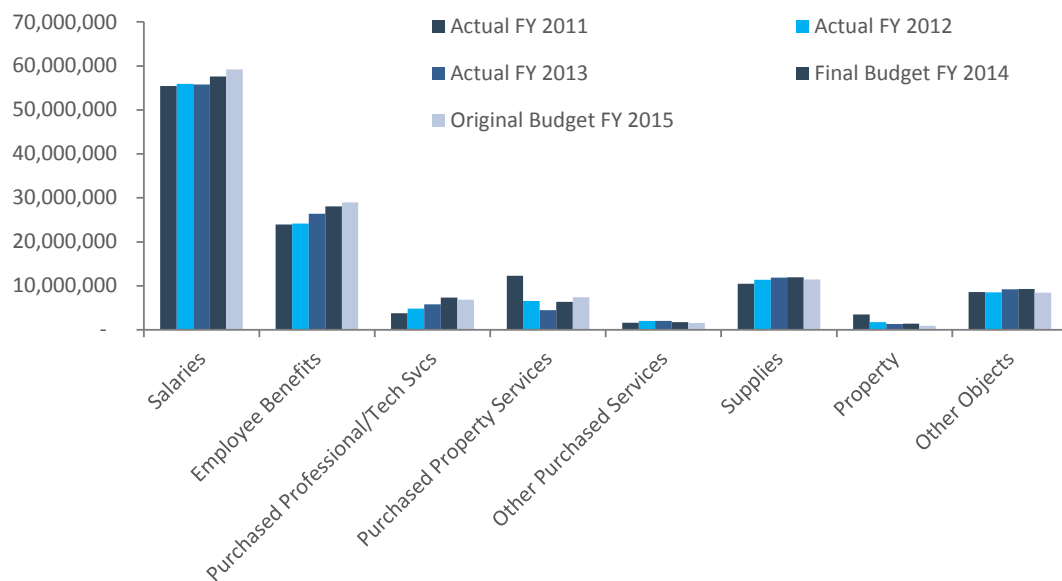
Over the next four years, the District's net budget (remaining funds after all expenditures) will change from a negative position to a positive one. Due to the adverse effects of the recession, and because of planned spend downs in the General, Capital Projects and Food Services funds, the District is budgeted to spend more than it brings in during the next couple of years. The difference will be made up by using reserve funds specifically designated for this cause.

Revenue & Expenditures

Revenues by Source: *FY11 to FY15*



Expenditures by Object Grouping: *FY11 to FY15*

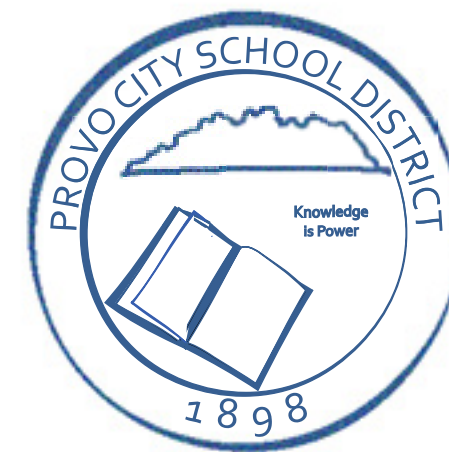


Revenue

State revenue as a percentage of total revenues has declined in recent years, but that pattern is changing as the district continues to experience eSchool growth and additional state funding measures are passed by the government. Federal revenue continues to trend downward, and these funds are not replaced by the district. Local revenue, which comes primarily in the form of property taxes, is projected to gradually increase in the near future as property values in Provo City rise after several years of dramatic decreases. However, in FY15 we expect the increases in tax revenue to be offset by decreases in indirect rates.

Expenditures

As a service organization, most District expenditures come in the form of salaries and benefits. As a result, when budget cuts are required, employee compensation isn't spared. As health insurance costs continue to increase dramatically, it is expected that eventually the District will need to adjust staffing levels to maintain fiscal responsibility. However, it is not expected that we will see any significant staffing changes in FY15.



Quality choices for every child's future.

Student Achievement & Per Pupil Spending

True ROI

Student achievement plays a critical role in the development of the District's budget each year. The very first official step toward goals and objectives for the coming year is the development of short-term budget initiatives. These initiatives are designed to meet short-term, pressing needs, and are always heavily influenced by student achievement goals.

Some of the District's noteworthy accomplishments include:

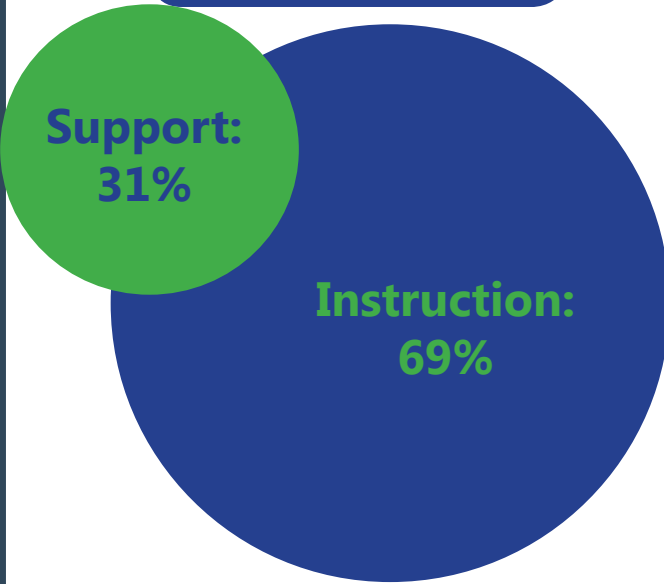
- Higher ACT scores than Utah and national averages
- Historically higher graduation rates than Utah and national averages
- Moderately or substantially higher scores in all subject areas of national ITBS standardized tests
- "Substantial" or "Sufficient" scoring in all subject areas of the Utah Basic Skills Test
- Two schools ranked in Utah's Top 10 by KSL TV and The Deseret News
- Over \$6 million in college scholarships in 2011-12
- Highly competitive teacher pay
- The lowest tax rate of all districts in Utah County
- The most online classes in Utah

Note regarding per pupil spending: It can be misleading to compare Provo City School District's per pupil spending to other districts in Utah and in the U.S.. A lack of recent comparable data and varying methods of computing expenditures can distort figures and make comparisons confusing and inaccurate. In general, Provo City School District spends more per student than the average district in Utah, but less per pupil than the average district nationwide.

In this book, expenditures per student are calculated by taking General fund budgeted expenditures divided by enrollment.

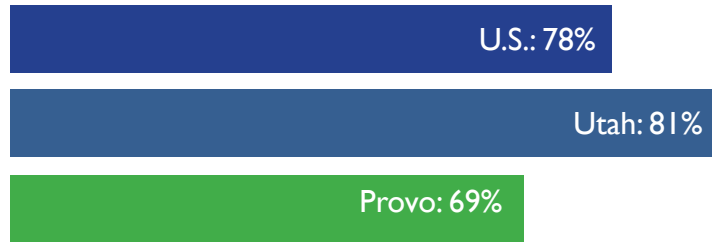
FY 2015 Spending Per Student: **\$7,024.09**

(excluding debt and long-term capital expenditures)



Student Achievement: Graduation Rates and ACT® Scores

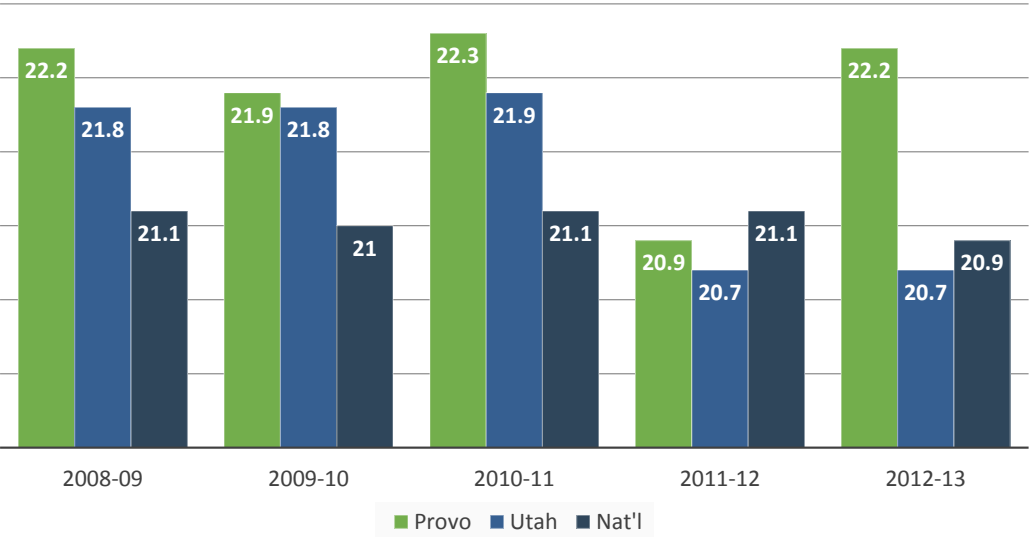
Graduation Rates, 2012-13



Source: U.S. Department of Education and Utah State Office of Education

In 2013 the District's graduation rate dropped significantly. However, this rate is a bit deceiving as both Provo HS and Timpview HS had graduation rates higher than state average, and substantially higher than the national rate of 78%. The expectation is that Independence HS rates will increase in FY15 to historical norms.

ACT Scores (2012-13 most recent year available)



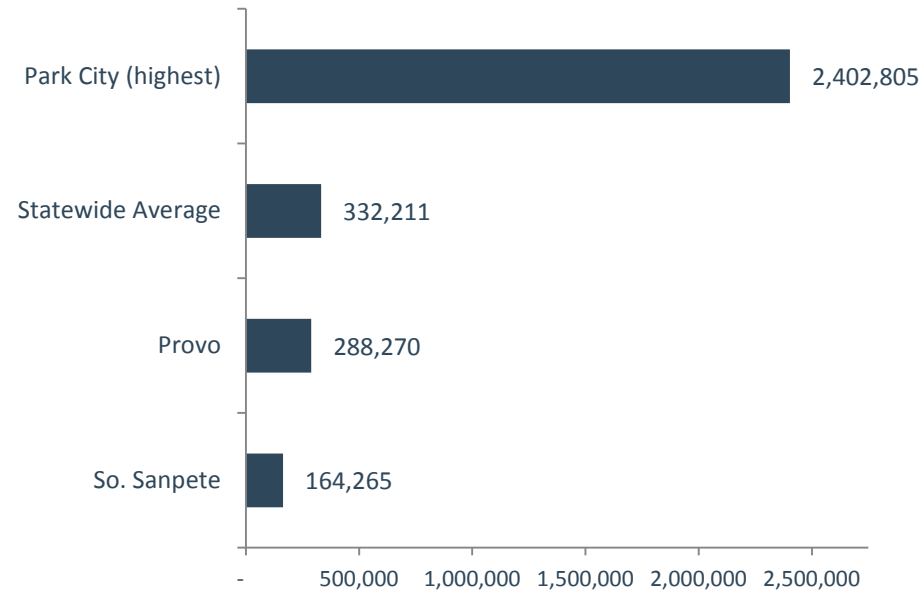
Source: Utah State Office of Education

ACT test scores are a key indicator of college readiness and play an important role in the acceptance process.

Average ACT scores in Provo School District have been higher than state and national averages in recent years.

It is important to note that while Provo's scores dipped in 2012, the District scores have rebounded and our students continue to indicate a high level of college readiness upon graduation.

Property Taxes: Tax Base and Rate Trends



Property value per student is estimated to be approximately **\$290,000** in FY 2014-15 (total assessed value in Provo divided by estimated enrollment).

Property value per student (often referred to as “yield per student”) is a useful metric for taxpayers to track. **If a district has an average per student yield, it stands to reason that district should have an average tax rate.**

Property values continue to recover from the recent recession. It will likely take several more years for property values to rebound to 2007 levels, meaning the District must make do with less, since substantially raising property tax rates would be difficult for Provo residents to endure.

Residential

Year	2013-14	2014-15
Home Value	\$250,000	\$250,000
Residential Exemption	45%	45%
Assessed Value	\$137,500	\$137,500
District Total Tax Rate	0.007094	0.006636
District Property Taxes	\$975.43	\$912.45
Taxes per \$1,000 of value:	\$3.90	\$3.65



Residential
Taxes per \$1,000
of Assessed
Value: **\$3.65**

Business

Year	2013-14	2014-15
Business Value	250,000	250,000
Assessed Value	250,000	250,000
District Total Tax Rate	0.007094	0.006636
District Property Taxes	\$1,773.50	\$1,659.00
Taxes per \$1,000 of value:	\$7.09	\$6.64



Business
Taxes per \$1,000
of Assessed
Value: **\$6.64**

Long-term Debt: as of June 30, 2014

GENERAL OBLIGATION BONDS

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2006 Series G.O. Bonds	School Building	9,400,000	4%	June 15, 2026	6,425,000
2007A Series G.O. Refunding Bonds	Bond Refunding	8,220,000	3.807%	June 15, 2015	726,000
2007B Series G.O. Bonds	School Building	25,600,000	4.00% to 4.50%	June 15, 2027	19,300,000
2012 Series G.O. Refunding Bonds	Bond Refunding	9,045,000	.56% to 1.29%	June 15, 2017	8,555,000
Total General Obligation Bonds Payable as of June 30, 2014					\$35,006,000

(Principle only)

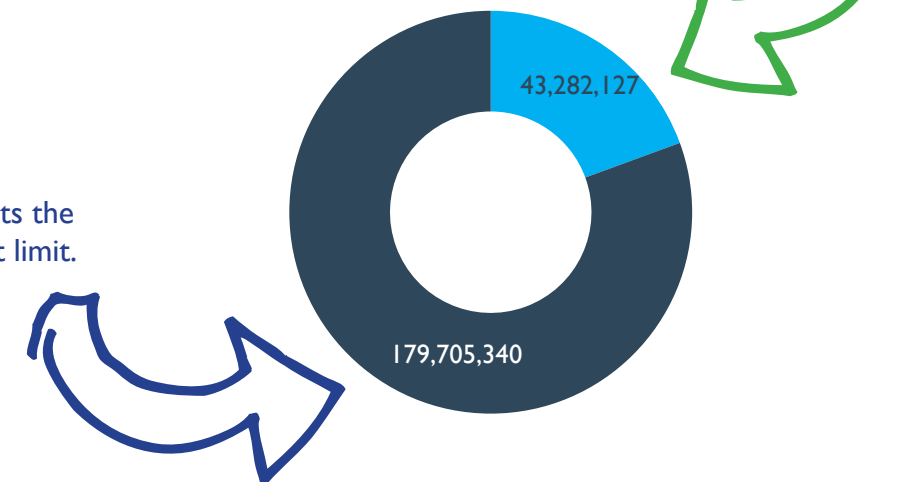
District Actual Debt & Debt Level

The approximate assessed value of taxable properties in Provo is \$4.49 billion, meaning the District's general obligation debt limit is approximately \$179.5 million (\$4.49 billion x 4%). It was noted previously that the District's general obligation debt is at 0.96% of the assessed market value of Provo - far less than what is allowed by law.

This figure is the combined general obligation bonds owed by the District, which includes principal and interest.

G.O. Debt vs. Debt Limit

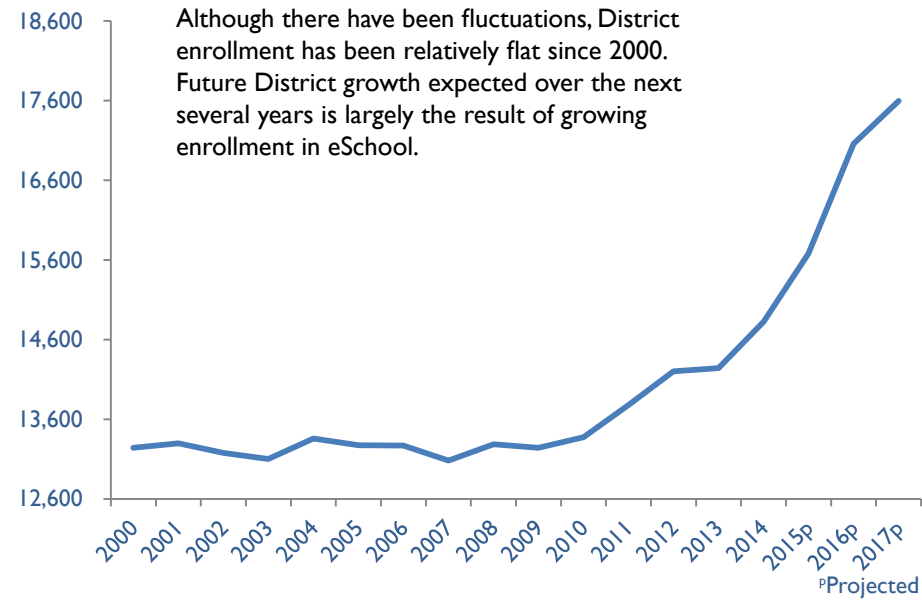
As of June 30, 2014



This figure represents the District's legal debt limit.

District Enrollment

2000 - 2017



Over the next several years, the school-age population in Utah is expected to grow dramatically, while in Provo it's projected to remain relatively flat.

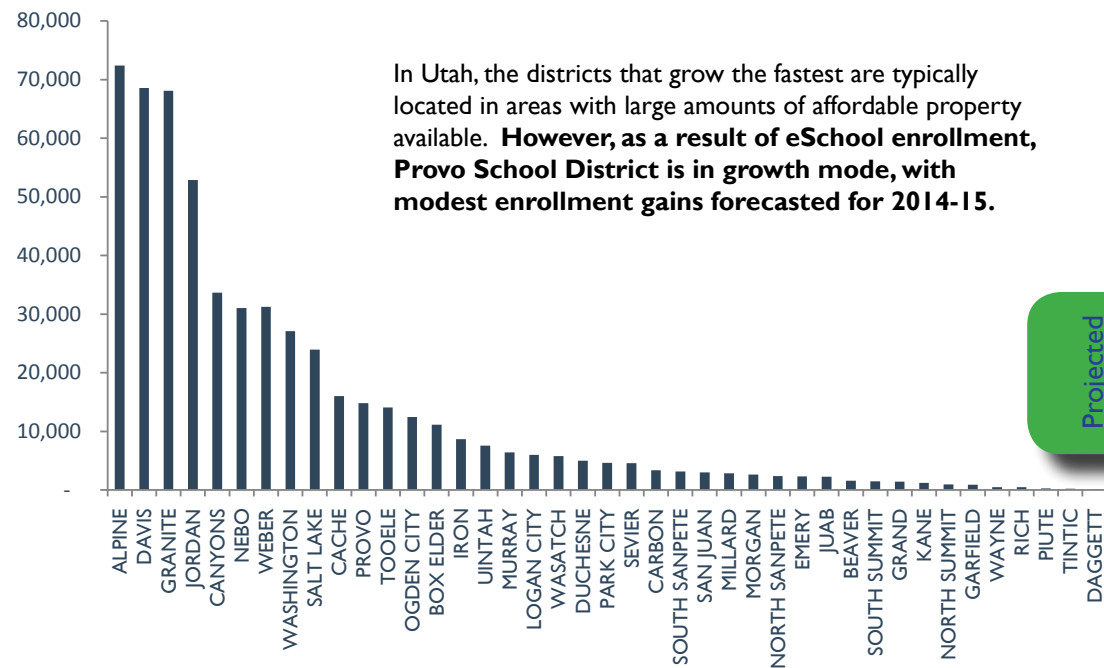
One reason for this is the fact that there is little available land in Provo, while neighboring school districts have much more available land to develop. This problem is compounded by the fact that Provo is a one-city, urban school district, and new growth in the state in recent years has typically been centered in suburban areas on the periphery of major cities. However, due to significant projected increases in eSchool growth we expect modest enrollment gains over the next several years.

Year Enrollment

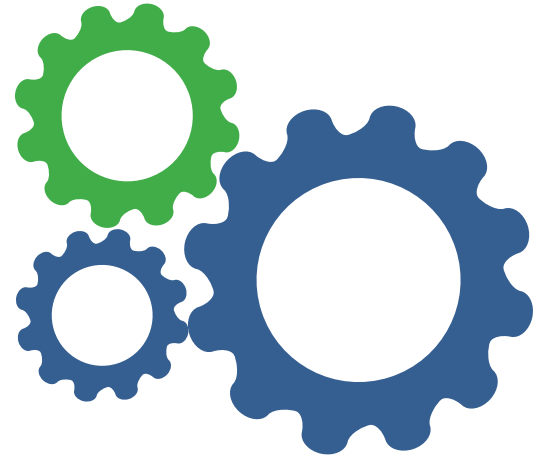
2000	13,241
2001	13,298
2002	13,177
2003	13,103
2004	13,359
2005	13,273
2006	13,272
2007	13,083
2008	13,288
2009	13,241
2010	13,376
2011	13,779
2012	14,202
2013	14,241
2014	14,824
2015p	15,679
2016p	17,058
2017p	17,595

Projected

Statewide Enrollment: Fall 2013



Organizational Section



The District Entity

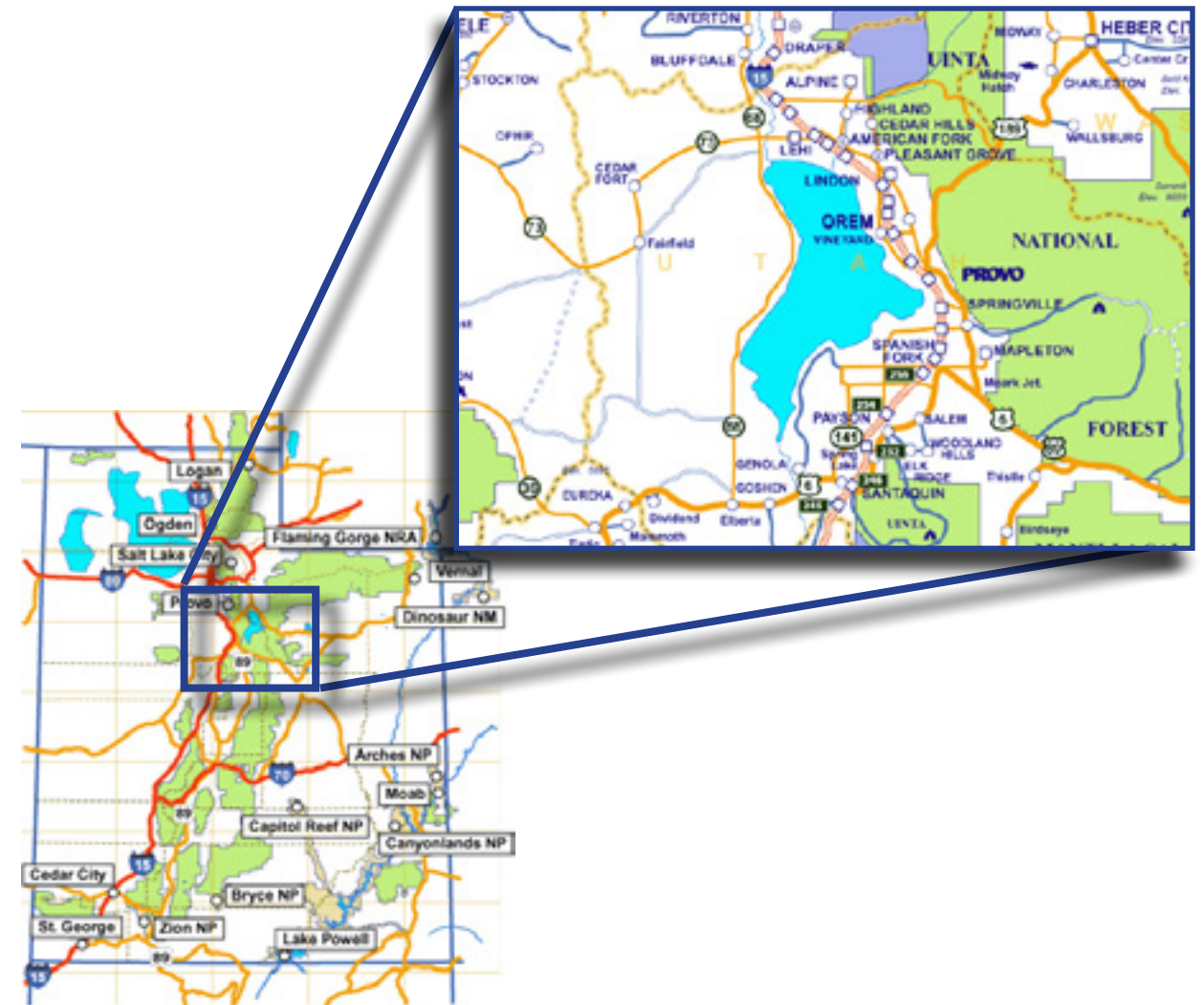
Legal and Fiscal Considerations

Provo City School District is a K-12 district residing within the boundaries of Provo City in Utah County, Utah. However, the District is an independent entity, with board members elected by Provo citizens in a general election. The District has the authority to levy taxes, issue debt, determine fees and approve and modify its budget. While the District places its greatest emphasis on answering to the citizens of Provo, it also is subject to oversight by the Utah State Office of Education (USOE). The USOE generally oversees the budget process, and the majority of the District's funding flows through this entity.

“The District places its greatest emphasis on answering to the citizens of Provo.”

Service Area

It was mentioned previously that the District resides wholly within Provo City boundaries. Provo, with a population of approximately 116,000 residents, is the county seat and business center for Utah County. The District consists of 19 schools: two high schools, one alternative high school, one adult high school, two middle schools, and 13 elementary schools. **As of October 1, 2013, the District had 14,824 students enrolled**, making it the 11th largest of Utah's 41 school districts.



Significant Laws *Affecting the Budget*

The following is a summary of the significant provisions of the laws of the State of Utah applicable to Utah School District budgets. This budget is adopted in compliance with these legal requirements.

53A-19-101. Superintendent of school district as budget officer — School district budget.

1. The superintendent of each school district is the budget officer of the district.
2. Prior to June 1 of each year, the superintendent shall prepare and file with the local school board a tentative budget. The tentative budget and supporting documents shall include the following items:
 - A. the revenues and expenditures of the preceding fiscal year;
 - B. the estimated revenues and expenditures of the current fiscal year;
 - C. an estimate of the revenues for the succeeding fiscal year based upon the lowest tax levy that will raise the required revenue, using the current year's taxable value as the basis for this calculation;
 - D. a detailed estimate of the essential expenditures for all purposes for the next succeeding fiscal year; and
 - E. the estimated financial condition of the district by funds at the close of the current fiscal year.
3. The tentative budget shall be filed with the district business administrator for public inspection at least 15 days prior to the date of its proposed adoption by the local school board.

53A-19-102. Local school boards budget procedures.

1. Prior to June 22 of each year, each local school board shall adopt a budget and make appropriations for the next fiscal year. If the tax rate in the proposed budget exceeds the certified tax rate defined in Subsection 59-2-924(2), the board shall comply with the Tax Increase Disclosure Act in adopting the budget.
2. Prior to the adoption of a budget containing a tax rate which does not exceed the certified tax rate, the board shall hold a public hearing on the proposed budget. In addition to complying with Title 52, Chapter 4, Open and Public Meetings, in regards to the hearing, the board shall do the following:
 - A. publish the required newspaper notice at least one week prior to the hearing; and
 - B. file a copy of the proposed budget with the board's business administrator for public inspection at least ten days prior to the hearing.
3. The board shall file a copy of the adopted budget with the state auditor and the State Board of Education.

53A-19-103. Undistributed reserve in school board budget.

1. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation (general fund) budget adopted by the board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget.
2. The board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation (general fund) budget by written resolution adopted by a majority vote of the board setting forth the reasons for the appropriation. The board shall file a copy of the resolution with the State Board of Education and the state auditor.
3. The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

53A-19-104. Limits on appropriations — estimated expendable revenue.

1. A local school board may not make any appropriation in excess of its estimated expendable revenue, including undistributed reserves, for the following fiscal year.
2. In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the district for the previous year.
3. In the event of financial hardships, the board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.
4. All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available

for appropriation in the budget of the following year.

5. A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.
6. An increase in an appropriation may not be made by the board unless the following steps are taken:
 - A. the board receives a written request from the district superintendent that sets forth the reasons for the proposed increase;
 - B. notice of the request is published in a newspaper of general circulation within the school district at least one week prior to the board meeting at which the request will be considered; and
 - C. the board holds a public hearing on the request prior to the board's acting on the request.

53A-19-106. Warrants drawn by business administrator.

The business administrator of a local school board may not draw warrants on school district funds except in accordance with and within the limits of the budget passed by the local school board.

53A-19-107. Emergency expenditures.

This chapter does not apply to appropriations required because of emergencies involving loss of life or great loss of property.

53A-19-108. Monthly budget reports.

1. The business administrator of each local school board shall provide each board member with a report, on a monthly basis, that includes the following information:
 - A. the amounts of all budget appropriations;
 - B. the disbursements from the appropriations as of the date of the report; and
 - C. the percentage of the disbursements as of the date of the report.

Financial & Budget Administration Policies

The following budget policies have been adopted by the Board of Education and are used to guide the preparation and administration of this budget.

I. Operating Budget Policies

A. The District will cover current expenditures with current revenues. The District will avoid budgetary procedures that cover current expenditures at the expense of meeting future years' expenditures, such as postponing expenditures, accruing future years' revenues, or rolling over short-term debt.

B. The budget will provide for adequate maintenance of capital, equipment, and for orderly replacement of capital facilities and equipment.

C. The District will maintain an online budgetary control system to assist in following the budget plan.

D. The District will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.

E. Where possible, the District will integrate performance measurement and productivity indicators with the budget.

F. The District will use a zero-based budgeting method, where all expenses must be justified each year.

2. Capital Improvement Budget Policies

A. The District will develop and administer a multi-year plan for capital improvements and update it annually.

B. The District will budget for major capital projects in accordance with the priorities of the Board of Education.

C. The District will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budgets.

D. The District will maintain all assets at a level adequate to protect the District's capital investment and to minimize future maintenance and replacement costs.

E. The District will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the board for approval.

F. The District will restrict any new or replacement construction to be consistent with state guidelines for school building utilization.

3. Debt Management Policies

A. The District will confine long-term borrowing to capital projects and purchases of equipment, as required by law.

B. Total general obligation debt will not exceed 4% of the reasonable fair market value of taxable property within the District.

C. The District will not use long-term debt for current operations.

D. The District will meet all debt service obligations when due.

E. The District will maintain communication with bond rating agencies about its financial condition. The District will follow a policy of full disclosure in every financial report and official statement.

F. The District will provide to the capital markets ongoing disclosure of annual financial information and material events that may affect the District's financial strength.

“The District uses a zero-based budgeting method, where all expenses must be justified each year.”

Financial & Budget Administration Policies *Continued*

4. Revenue Estimation Policies

A. The District business administrator will estimate annual revenues by an objective, analytical process. The District will not include revenue in the budget that cannot be verified with documentation of its source and amount.

5. Fund Balance and Reserve Policy

A. In order to maintain and protect the long-term financial capacity of the District, total fund balance and reserves in the General Fund will be maintained at or near 5% of total General Fund unrestricted revenues.

B. The capital fund will maintain a minimum balance of two million dollars for emergency repair situations.

6. Accounting, Auditing, and Financial Reporting Policies

A. The accounting system will report financial information, on a basis consistent with Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board.

B. Regular monthly and annual financial reports will present a summary of financial activity by fund.

C. An independent certified public accounting firm will be selected by the Board of Education and will perform an annual audit, and will publicly issue its opinion on the District's financial statements.

D. The District will seek to obtain and maintain a Certificate of Achievement for Excellence in Financial Reporting from the Association of School Business Officials International and the Government Finance Officers Association. The District will also seek to obtain and maintain the Meritorious Budget Award from the Association of School Business Officials International and the Distinguished Budget Presentation Award from the Government Finance Officers Association.

Some Notes on Policy Compliance

The District makes a concerted effort to follow all financial and budget policies. To assist in daily operations, it recently moved to a new, state of the art, financial system which assists greatly in the managing and control of budgetary and other financial functions. Monthly reports detailing expenditures, purchase requests, and other critical data are sent out to all budget owners in an effort to ensure strict adherence to the annual budget plan and that any decisions are made as a result of accurate and reliable data.

The District's capital project plan is vetted annually and approved by the Board. Our facilities team is proactive in identifying District maintenance/replacement needs and creating comprehensive project plans prior to requesting Board approval. All projects require multiple bids, which minimizes unnecessary costs placed on the District as part of our improvement plan.

The District Accounting Department regularly monitors our debt obligations and fund balances, to ensure that all obligations are met and that sufficient reserves exist for any unplanned District needs. As seen on later pages, the District is in a strong position regarding its legal debt limits.

Each year an independent audit of District finances and policies is conducted to validate and verify that all District and State policies are followed. The District has consistently been recognized for its financial transparency through the production of award-winning annual financial and budget documents by both the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA).

Budget Development & Review Process

The District uses an annual budget, with fiscal years beginning July 1st and ending June 30th each year.

Budget development is a year-round process, affecting the public, legislature, employees and the Board of Education. It begins in early fall after the annual report is prepared. At that time the Board reviews its long-term strategic plan and sets goals and objectives for the upcoming fiscal year. The Budget Department works closely with directors and principals to identify strategies and programs to achieve the Board-established goals and objectives for the upcoming fiscal year through the fall.

In January, the Board is presented a set of budget initiatives which the administration feels will accomplish the Board-established outcomes. The Board modifies, if necessary, the budget initiatives and forwards the budget initiatives for public comment. In addition to placing these short-term initiatives on the District website, the District has set up a dedicated email account to handle budget-related questions.

From January through May the Budget Department works with directors, principals, and department heads to develop a detailed budget for the upcoming fiscal year. During this time employee compensation is negotiated with several bargaining groups. The legislature determines the District's state funding level, and requirements are balanced against resources.

By late May, the proposed budget is presented to and discussed with the Board of Education. The Board votes to adopt the budget at a public hearing held in June. Once adopted, the budget document becomes the official operating plan of the District. If the Board should decide that a tax increase is required to accomplish its desired goals and objectives, it will conduct a public hearing in August.

Capital Budget Development

The development of the capital improvement budget occurs concurrently with creation of the rest of the District's budgets. Many of the short-term budget initiatives have an impact on the capital improvement list. Once the initiatives and goals are drafted, the impact on the capital projects budget is determined. A list of potential projects, in order of importance, is then given to the Board of Education and District management for review. This list is also presented to the public through regular board meetings.

Upon approval by the Board, the capital projects are officially adopted into the approved budget.

How Policies and Processes Affect Budget Development

Following clear policies and having effective processes is a critical component of the District's budget planning. These policies are crafted with substantial public input. In fact, public input is the #1 determinant when building the budget each year. It is our belief that no district in Utah does more to involve the public than Provo School District, although there is always room for improvement. Please see page 33 to learn about some of the ways the District utilizes public input when building the budget and forming policy.

"Budget development is a year-round process affecting the public, legislature, employees and Board of Education."

Budget Administration & Management Process

The District has mechanisms in place to ensure compliance with the adopted budget, and has a strong focus on transparency and accountability with regard to budget management. Every dollar of expenditures included in the budget is assigned to some person as a "cost center controller" for that particular piece of the budget. This person may be a general administrator, department administrator or building level administrator. These cost center administrators are responsible to control "their" budget, and are subject to disciplinary action for failure to properly control or manage their budget. Expenditures will not be incurred unless they are properly classified and authorized by the cost center controller and within the limits of available appropriations.

Balanced Budget Scenarios

Scenario One: Revenues = Expenditures

Scenario Two: Revenues > Expenditures

Scenario Three: Revenues + Appropriated Fund Balances = Expenditures

An online budget control system provides cost center budget status information on demand and helps encourage budgetary compliance. Additionally, monthly reports containing key budget metrics, expense details, and remaining balances are used to ensure budget administrators have adequate visibility regarding their budgets. Requisitions, purchase orders, etc. are reported as encumbrances against available appropriations at the time they are originated.

Cost center controllers are, with few exceptions, authorized to make changes (reallocations) within their budget with approval of the Budget Department. New program budgets or expansion of program budgets require Council and Board approval.

Have feedback? Please send an email to budget@provo.edu. This email account is checked regularly by District administrators.

Balanced Budget: Definition

The District considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the District might plan to spend fund balances from previous years on one-time or non-routine expenditures. The District considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in

"The District's budget is balanced under Scenario Three for FY 2015."

place to not build ongoing expenditures into this type of funding. This type of balanced budget is especially prevalent when capital projects are budgeted using proceeds from the issuance of bonds. The State of Utah requires that District expenditures do not exceed the adopted budget by individual fund each year.

For FY 2015, the District's budget is balanced under Scenario Three. As the economy continues to rebound from the recent recession and funding continues to be limited, the District has decided to continue to tap into its reserves in some funds, while other funds will be at or near break-even. These are planned spend-downs that are the result of one-time projects. Also, if the pending bond vote is ratified in November additional capital projects will need to be initiated in FY 2015. These projects will be finalized and approved by the Board upon bond ratification.

Budget Approval & Adjustment Process

1. For the fiscal year beginning July 1, the Business Administrator prepares a tentative budget which is presented to the Board of Education by the superintendent on or before the preceding June.
2. After study, deliberation, possible amendments, and a public hearing, the Board of Education legally adopts the final budget prior to June 22.
3. Once adopted, the budget can be amended by subsequent Board action. Reductions in or reallocations of appropriations may be approved by the Board after recommendation of the Superintendent, but increased appropriations by fund require a public hearing prior to amending the budget.
4. Adjustments in estimated revenue and appropriations for the prior fiscal year are included in the budget document and are approved by the Board as the revised budget.
5. As determined by the State Superintendent of Public Instruction, the level at which expenditures may not legally exceed appropriations is the total budget of a given fund.
6. At the end of a year, unencumbered appropriations lapse unless restricted by state or federal guidelines.
7. The District has a long-term building replacement and retrofit program which has been developed through a process that included a study and recommendations by a broad-based committee representing many experts in our community. This process included a structural engineering study of each building and a geotechnical analysis of each site. Also, each year every building is reviewed by representatives of the District's facilities staff, and the school principal and/or other representatives of the school.



Method of Classifying Revenue & Expenditures

District revenues and expenditures are tracked by fund, program, location (also known as a “cost center”), function, and object. Due to various reporting requirements, all of these classifications are included in this budget, with the exception of cost centers.

Funds are the most general way to classify expenditures. *Programs* might also be called projects, as each is funded and implemented to achieve a specific goal or set of objectives. For the most part, the District segregates its programs based on guidelines given by the Utah State Office of Education, although the District does have some discretion in determining programs and their corresponding codes.

Functions are a more general way to classify expenditures than programs. A function describes the activity for which a service is acquired or an expenditure is made. Functions refer to such classifications as instruction, support, maintenance, etc. The majority of the District's expenditures go toward the instruction function.

Objects are the most detailed of the classifications. Examples of objects include salaries, benefits, supplies, equipment, etc. However, the District accounts for objects at a much more detailed level than this general example. With a few exceptions, objects are the most detailed way revenues and expenditures are tracked.

Basis of Budgeting

The District operates within budget requirements for school districts as prescribed by state law and interpreted by the State Superintendent of Public Instruction. **Budgets are presented on a modified accrual basis** for all governmental funds. The Modified Accrual Basis is a government accounting method where revenue is recognized when it becomes available and measurable. Expenditures are typically recognized in the period in which the liability is incurred.

This is the same basis of accounting used in the District's audited financial statements.

All annual appropriations lapse at fiscal year-end, with the exception of those indicated as a fund balance reserve.

Revenue Projection Methodology

When projecting revenue for future years, the District relies heavily on its own internal data to estimate enrollment, which is the biggest driver of state revenue. Typically *regression analysis* is used to forecast general expected student enrollment for future years. A more detailed approach, using migration patterns, birth rates, and what is referred to as *survival rates*, is used to get a more detailed analysis for the next year. Detailed analysis for the coming year is normally done in the fall, and the Board of Education and management are given the results after that time. As a general rule, the District operates under the assumption that enrollment (and as a result revenue) will be relatively flat from year to year. However, given the explosive growth of Provo's eSchool enrollment the FY 2015 budget does account for a modest enrollment increase.

The District also consults state and federal agencies, such as the Utah State Office of Education, the Utah State Governor's Office of Budget and Management, the Utah State Tax Commission, and the United States Census Bureau. Information from several other smaller agencies is used to project future revenues when necessary.

The District's policy is to estimate annual revenues by an objective, analytical process. **The District does not include revenue in the budget that cannot be verified with documentation of its source and amount.** Information and documentation regarding revenue projection methods are made available to the public through a variety of means, including monthly board meetings, newsletters, and records kept on file at the District administration building.

Impact of Planning Processes on the Budget

Planning processes play a critical role in the District's budget development. Planning for the District's current master plan began in late 2003. At the time, it was obvious that buildings were in desperate need of renovations, and, in some cases, replacement. At the same time, District salaries were becoming less competitive than in competing districts, making it difficult to hire and retain good employees. A committee comprising District employees and local citizens began studying demographic information and building condition data. In September 2004, the committee presented five different scenarios for the master plan at a series of public open houses throughout the city.

“Long-term planning plays a critical role in the District's budget development process each year.”

As the District grappled with the difficult realities it faced, it became evident that a bond election would be necessary to pay for the most critical needs in the District. In 2006, voters approved a \$35 million bond and leeway, which would help pay for critical upgrades and replacements to schools, in addition to helping boost sagging compensation for employees.

The bond projects, finalized as of June 30, 2009, were critical pieces of the District's master plan, as was the rebuilding of Farrer Elementary using federal stimulus funds, allowing the District to move ahead on its long-term capital improvement plan.

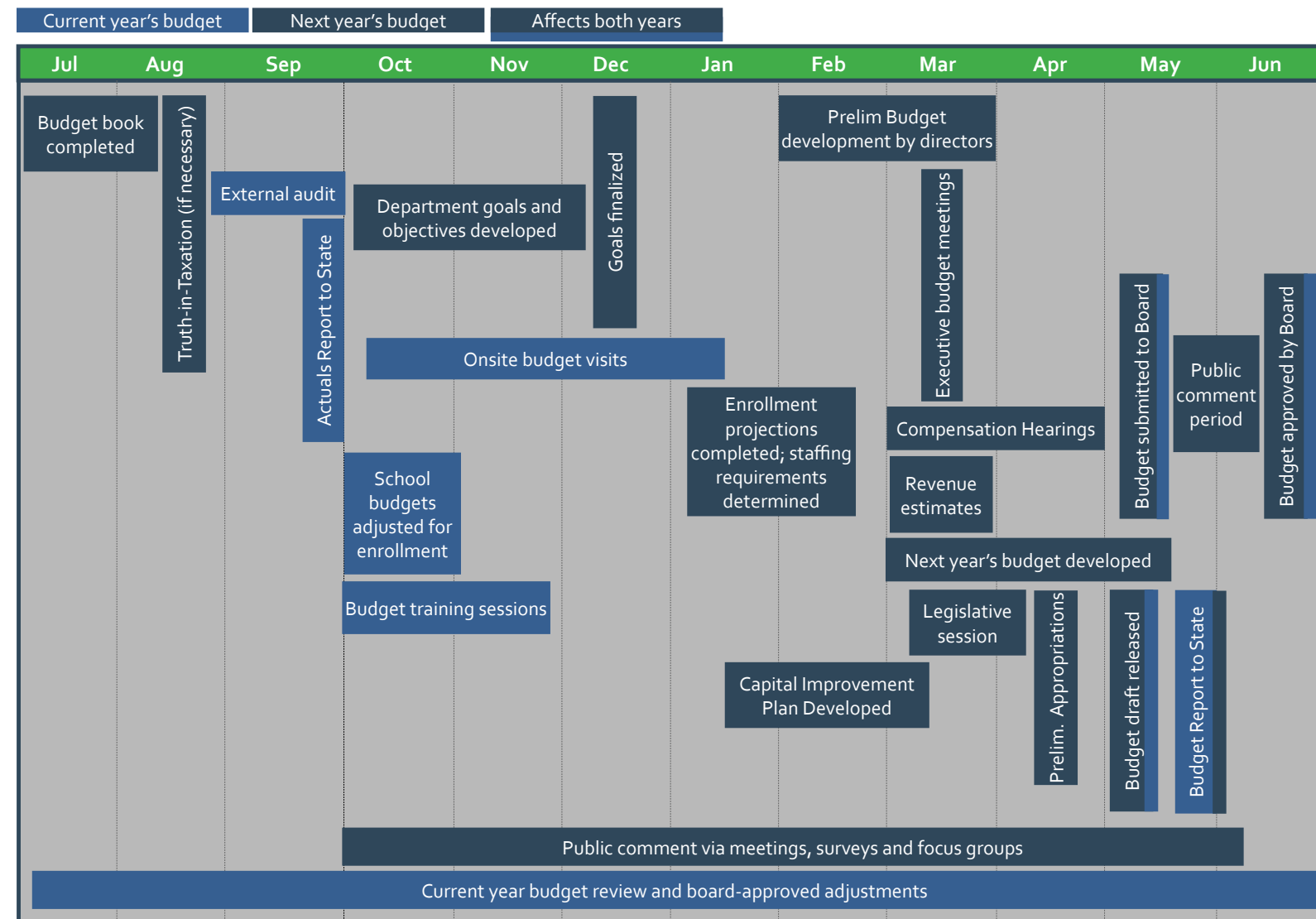
Other key areas of the plan involve capital improvements funded through local property taxes and improved employee compensation. **The District's short-term capital improvement plan for FY 2015 is covered in greater detail in the capital projects section of this book.** The master plan has been the driving force behind many of the improvements to the District over the past several years, and it continues to play a key role in future planning. These improvements include larger initiatives such as the replacement of Provo High School's athletic facilities to less significant projects such as school roof unit replacements and asphalt repairs.

Recently, the Board of Education, armed with information and preferences from the public and local experts, have decided to once again put a bond election to vote in order to implement the next phase of the District's 20 year improvement plan. Although the District is utilizing proceeds from the tax credit bonds available through the federal stimulus bill (discussed in more detail in the financial section of this book), additional funds will allow the District to renovate or replace several of the older school buildings in the district. Through the bond election, public survey on budget initiatives, community meetings, Board of Education meetings and other correspondence, Provo citizens have stressed their support for safe and modern buildings in the District. If the bond election in November is ratified it will mark an exciting next step in the District school facilities improvement plan.

Another key planning process employed by the District is the public input aspect of the budget development. Public surveys, discussed later in this section, are critical in the budget development process. After the results are made available to the Board of Education and District staff, budget priorities are set. These priorities are then made available for public review (via the District's website, mailings and public meetings) before any budgets are officially developed. The District also conducts employee surveys to help set direction in key personnel-related areas.

The District's planning processes affect not only the coming year, but several years into the future. The 20/20 Initiative, launched in late 2010, is a long-term plan that was developed with substantial input from the public, Board, staff and local business leaders. The Initiative is discussed in greater detail later in this book.

Have feedback? Please send an email to budget@provo.edu. This email account is checked daily by District administrators, and a prompt response is guaranteed.



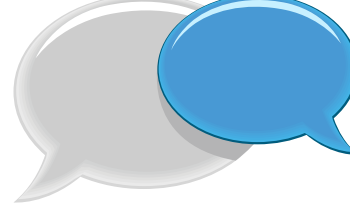
The District uses an annual budget, with fiscal years beginning July 1st and ending June 30th each year. Budget development is a year-round process, affecting the public, legislature, employees and the Board of Education.

Key Budget Dates:

- July 15 Previous year Final budget and current year Original budget submitted to State Office of Education
- Sep 30 External audit completed
- Oct 1 Annual Enrollment report is released
- Feb 28 Future year enrollment projections/staffing needs calculated
- Late March State Legislative revenue estimates released
- Late May Preliminary budget presented to Board of Education
- June 22 Official budget approved by the Board of Education

Public input is critical for the District to be successful, and the District makes every effort possible to involve the public in every step of the budget process. For more on this, please refer to the next page. One emerging communication channel is the use of social media.

Budget Process: Stakeholder Involvement



Stakeholder feedback is essential to a transparent, forward-thinking budget. The District believes that, while it's easy to claim transparency, consistent actions that back up claims leads to transparency. Perhaps most important, effective communication goes both ways.

There are several tools the Board and staff use to communicate with the public. Below are some of the most important steps taken to ensure that each year's budget is built with the students, parents and the general public at the forefront of the process.

Direct Mail Surveys

It's expensive to reach all 117,000 residents in Provo, so historically District survey attempts have been combined with mailings that were already planned. While the recent economic environment has made it cost-prohibitive to consistently participate in direct mail surveys, the District makes a concerted effort to reach out to all city residents to ensure they have the opportunity to have their voices heard.

District Survey Panel

Beginning in 2010, the District solicited names of parents to be a part of a survey panel. The panel allows for near-instantaneous feedback on critical District decisions, with topics ranging from the budget to overall satisfaction. The panel allows the District to make critical decisions in a dynamic environment.

"It's our belief that no public entity in Utah is more transparent than Provo City School District."

Phone Surveys

Periodically, the District will conduct phone surveys, typically by outsourcing the project to a reputable marketing research firm. Phone surveys are expensive, but they can provide a very unbiased view of public opinion.

Employee Surveys

Happy employees work harder and are more dedicated. Often, one of the things that frustrate employees is the feeling that their voices aren't being heard. To ensure all District employees know their voice and opinion make a difference, the District conducts regular surveys with its employees so each and every employee has a voice.

Public Committees

There are several committees in the District that help guide the direction of schools, departments and the budget. These steering committees meet as often as each week, and they are critical to the District.

Public Meetings

The oldest form of public involvement is the public meeting. The District holds monthly board meetings that allow a specific time for citizens to voice their concerns and support. The District makes every reasonable effort to ensure no citizen is denied the right to provide feedback.

Social Media

In 2012, the District launched a Facebook page to provide a two-way dialog channel with Provo citizens. Several individual programs in the District, including eSchool and Food Services, maintain active and vibrant social media presences.



Long-range 20/20 Plan: Seven Guiding Principles

The "20/20 Plan" replaced the District's long-term goals, which were to:

- Provide a high-quality education to the children of Provo
- Build confidence in seeking input from stakeholders
- Increase the fidelity of long-term District management

The plan will include revised and comprehensive performance measures to show progress and areas in need of improvement. All short-term goals will support the 20/20 Plan, which is already being developed with public, Board and staff input. Implementation began in FY 2011 and will continue in FY 2015. The 20/20 Plan will have a profound impact on the culture, performance and budget of the District in the years to come.

1. Pursuit of Excellence

We are absolutely and unequivocally dedicated to highly effective teaching with superior learning outcomes. We have high expectations for the adults who lead, support and teach our students, as well as for student learning. We strive for excellence at all levels of our organization.

2. Lifelong Learning

We believe our increasingly complex future requires us to expect and encourage the development of individuals as learners and thinkers. This is critical to being part of the human conversation. Because our primary mission is educating children and instilling in them a love for learning, we recognize that continued learning is essential for all members of our educational community.

3. Individual Potential

We believe potential is magnified when individuals are treated with dignity and respect and are given broad opportunities to develop their talents and gifts.

4. Inclusion of All

We value all individuals and believe that by removing barriers each can be included in the full spectrum of educational and developmental opportunities.

5. Family Partnerships

We recognize families as vital partners in the education of children. The educational needs of children can best be met through a strong partnership with families. We welcome families into their children's schools, and encourage and expect their full participation in the education of their children.

6. Civic Engagement

We believe the primary purpose of public education is to prepare students to govern themselves and sustain our democratic way of life. We hold this public trust sacred. We will model and cultivate reasoned discourse and will expect trust, respect, civility, and humility in our interactions.

7. Literacy

We believe literacy is the gateway to all other learning and therefore deserves our special attention.

20/20

- 1. We commit** that every classroom has a highly effective teacher and that every school has a highly effective principal. We commit to employ individuals whose highest priority is being of service to children.
- 2. We will** cultivate and reward excellence in all areas of our organization.
- 3. We will** focus on high quality academics at each level and will graduate students with the skills, attitudes and dispositions necessary to be successful in college or a career.
- 4. We commit** to personal responsibility, mutual respect, cooperation and civility.
- 5. We will** ensure opportunities that inspire the full range of human potential, including critical reasoning, creativity, innovation and life-long learning.
- 6. We will** ensure that each student can read, write and think critically.
- 7. We will** be deliberate in the education of minorities, disadvantaged students, and students with special needs.
- 8. We will** actively engage parents in the education of their children.
- 9. We commit** to efficiency, transparency, accountability and sustainability in our finances and general District operations.

20/20

District-wide Goals: *Long-Term*

The District's FY 2015 District-wide goals, listed below, represent the first phase of the District's long-term strategic plan, the 20/20 Initiative. All Districtwide and departmental goals were developed to support the Initiative.

I. Continuous Academic Improvement and Transparency

- Student expectation to make one year's growth each year.
- Enhance approaches for students performing below grade level
- Implement School Improvement Plan (SIP) at each school
- Increase use of student achievement data
- Post achievement goals and results on websites
- Continue to support immersion, speciality, and college-level programs
- Review high school procedures to ensure post high school readiness

2. Support for Teachers and Teaching Aligned with Research, Best Practices, and Teacher Identified Needs

- Develop a professional development program based on staff surveys and administrative input
- Refine the state evaluation system
- Continue support for Level 1 teachers in attaining Level 2 licenses through Entry Years Enhancement
- Teacher instructional coaching will continue
- Form a variety of teacher-dominated, subject-specific district committees to generate solutions
- Human Resources will assist with teacher needs and overall compliancy

3. Improved Certainty and Stability in the Direction of the District

- Continuation of project to define and clarify appropriate regulations and practices
- Build district capacity to provide support to schools, leadership to district, and overall compliancy
- Report regularly to community through the creation and posting of District Progress Report
- Establish a comprehensive set of communication practices with students, parents, and community
- Develop "The Provo Way" as a means of operationalizing components of the 20/20 Initiative
- Plan instructional support at the beginning of each school year
- Maintain safety for students and staff

Goals continued on next page

District-wide Goals Continued: *Long-term*

4. Financial Prioritization, Long-Term Planning and Transparency

All District planning must support the teaching and learning process
Reduce current expenditures within the District operating budget by 1%
Continue to demonstrate transparency through outreach to the Provo community
Refine Full-Time Equivalent (FTE) staff allocations within the Human Resources Department
Develop long term plans for current immersion programs

5. Teamwork, Professional Conduct, and Civility

Ensure a culture of productivity and effectiveness
Partner with parents in the education of children
Foster better communication and problem solving through the "Civility" policy
Demonstrate professional behavior aligned to the Professional Behavior Norms
Maintain open communication between the Board, District and community

District-wide Goals: *Achievements and Successes*

At the end of each year the District publishes a progress report detailing student and program achievements as they relate to the Board of Director goals. This report is published in January of each year. Below are some of the highlights from Provo City School District's FY2012 -13 accomplishments.

I. Continuous Academic Improvement and Transparency (Board Goal #1)

- I. Highly Effective Teachers and Principals
A committee of parents, teachers, and administrators served on a joint committee to develop an improved teacher evaluation system which was implemented in FY2013 -14.
- II. College and Career Readiness
CTE participation increased from 1,368 participants to 5,944
Concurrent Enrollment credits earned increased from 3,519 to 3,749
Graduates entering higher education increased from 426 to 431
- III. Students on Grade Level
The percentage of K-2 students on grade level in Reading increased by 2%
- IV. Proficiency on State Assessments
The District saw increases across the board in English, Math, and Science proficiency scores on state assessments.

2. Support for Teachers and Teaching Aligned with Research, Best Practices, and Teacher Identified Needs (Board Goal #2)

- I. Increase in teacher's coached from 326 to 422.
- II. Professional Development survey response rate of 42%.
- III. In FY2011-12 (most recent data available) certified staff retention rate of 93%, classified staff retention of 95%, and administrative staff retention rate of 96%.

3. Improved Certainty and Stability in the Direction of the District (Board Goal #3)

- I. Safe Schools
46 administrators trained on safe schools and compliance.
Implementation of an anti-bullying campaign in 2012.
Initial tracking of bullying incidents began in 2013.
Installation of security systems in all District schools by the end of 2014.
- II. Efficient District Office
Total money savings of \$1,158,000 due to spending cuts and changes in resource usage.
Assimilation of \$893,000 in Federal cuts.
- III. Community Engagement
5 Superintendent messages shared on the District website, compared to 0 the year before.
Double the number of hiring committees at the District.
Over triple the number of daily logins to the Employee Resource Portal compared to the prior year.
- IV. Other Achievements
66% "Satisfied" response rate on survey feedback regarding the District website.
Nearly four times as many policies and procedures approved/revised compared to the prior year as part of the ongoing Policy review project.

Achievements continued on next page

District-wide Goals Continued: *Achievements and Successes*

4. Financial Prioritization, Long-Term Planning and Transparency (Board Goal #4)

I. Long-term Planning

Generated and Implemented new plans for facility upkeep/replacement, budgeting, curriculum materials replacement, technology, property tax, salary, and emergency response in the first quarter of FY2012 -13.

II. Fund Balance

An increase of roughly \$500k in total District fund balance over the previous year.

III. Annual Energy Costs

The District saw our energy costs increase by roughly 6.5% over the previous year.

IV. Per Student Funding

Per student funding from local taxes dropped, however funding from the State saw an increase of 2%

V. Dual Immersion

Added an additional elementary school to the District dual immersion program.

Increased the number of DI languages from 3 to 4.

Saw an increase in dual immersion students from 578 to 907 in FY2012-13.

Increased the number of non-Provo Dual Immersion students by 32%

VI. eSchool

Saw dramatic increases in the number of students enrolled full-time, dual enrolled in-district students, and non-resident students over the previous year.

VII. Financial Awards

Recognized by the GFOA and ASBO for the Annual Financial Report, Popular Financial Report, and Budget documents.

5. Teamwork, Professional Conduct, and Civility (Board Goal #5)

I. Parent Involvement

An increase in new parent volunteers of 115% over the previous year.

II. School Board Recognition

Recognition of 12 students, 11 schools, 5 administrators, 2 parents/community members, 16 classified employees, and 23 teachers for excellence in FY2012 -13.

III. District Culture

Conducted an employment climate survey in December 2012.

IV. HR/Employee Committees

Increased the number of policy, liaison, salary, and insurance/wellness committee meetings from 21 the previous year to 46 in FY2012-13

FY 2015 Goals by Department

20/20 Implementation

Business Administration

Award winning financial documents (Budget Book, CAFR, Public Summary, all State Reports)

Finalize ALIO financial system implementation

Improve Finance Department internal transparency through the implementation of monthly reporting and other methods

Create a Business Office Handbook

Prepare for upcoming Bond construction and purchasing needs

Career & Technical Education

Develop scheduling consistency regarding course names, credit types, and content

Complete a successful 6 year CTE/Counseling state review

Implement Science Essentials to improve science proficiency levels of district students

Curriculum & Assessment

Connect teacher resources to Google & Agilix to support Utah Core Standards

Promote STEM courses and align to district science & math initiatives

Implement & assess new SAGE computer adaptive testing system

Create an annual teacher professional development program plan

Support quality teachers through mentors, coaches, education effectiveness projects

Manage the successful transfer of CAS to Provo Peaks Elementary

FY 2015 Goals by Department

20/20 Implementation

Food Services

Improve teamwork, professional conduct, and civility through better District Office/School communications, celebrating successes, and conducting business in a highly professional manner
Provide support for nutrition employees, best practices, and staff-identified needs through administrative support, regular professional development opportunities, effective evaluations, and by attracting and retaining highly qualified employees
Provide continuous training and practice improvement through implementing SafeSchools training, monthly manager trainings, additional USOE and SNAU area trainings, as well as creating better marketing and merchandizing for the child nutrition program
Improve the long-term planning of the program via a 3 year technology rotation plan, ALIO functionality refinement, and improved school kitchen and lunchroom safety programs.

Maintenance

Complete non-routine capital projects on-time and on or under budget
Work with Business Department to develop a more robust long-term capital replacement program
Improve school and grounds safety by coordinating with Student Services and Provo Police Department
Improve properties and save costs by improving grounds maintenance processes
Develop a more equitable formula for allocating janitorial hours and supplies budgets
Improve response time of maintenance request tickets by 15%
Improve site visibility by implementing a replacement program for outdated/aging signs and banners

Personnel

Finalize implementation of ALIO position control functionality
Create a formal District-wide grievance policy
Implement a 3 year HR plan
Assume responsibility for processing Risk Management functions from Business department
Implement SafeSchool training programs for all district departments
Generate a handbook for all principals on major policies regarding personnel issues
Conduct a job study to investigate teacher contract leaves of absence

FY 2015 Goals by Department

20/20 Implementation

Special Programs

Increase technology offerings in new and innovative ways that meet budget requirements
Refine classification of specific learning disabilities
Expand transitions for mild/moderate populations
Implement UVA project for 5 pilot schools
Medicaid claim requests completed monthly

Student Services

Improve qualifying and monitoring of 504 eligible students
Improve safety & security of schools, students, and patrons through improving building security and active shoot situation drills
Better align district to support the Foundation through better donor involvement in elementary schools, improved donor recognition, and improved principal/donor relations
Increase eSchool enrollment to 2,100 students
With the guidance of the Board, oversee the expansion of the Foundation involvement in the District

Student Transportation

Review the walk boundary to decrease time and mileage on daily routes
Decrease repair costs by replacing 2 aging buses
Full training for all bus drivers and aides monthly

Mission Statement

“In partnership with parents and community, we cultivate highly effective learning environments where all students engage, think, and learn in order to contribute, create and innovate for a lifetime.”

Connecting the Short and Long Terms

With a mission statement, long-term goals, short-term goals, department goals, etc., determining what the District actually hopes to accomplish can seem confusing. Below is a simple graphic illustrating how the District’s goals are connected.

As mentioned previously, the 20/20 Plan will supplement the current long-term goals, which are to *provide a high-quality education to the children of Provo, build confidence in seeking input from stakeholders, and increase the fidelity of long-term District management.* The Plan will also include specific, targeted performance measures for all departments and schools.

The Long-range 20/20 Plan includes financial and non-financial goals and objectives. One of the largest components of the District’s long-range plan is the development of a high-quality online school, which falls mainly under 20/20 initiative #3. More information regarding the District’s online school, eSchool, is presented on the next page.



Innovation: eSchool

Provo City School District is committed to offering more education choices for parents and students. One of the most exciting programs offered by the District is eSchool. As seen in previous enrollment graphics, much of the District’s future growth is expected to come from eSchool. While the District is targeting Provo students primarily, a new state law enacted July 1, 2011 provides a way for students to take online courses from any provider that meets State requirements.

Because eSchool has the largest course catalog in Utah, and exclusive technology and language courses not offered anywhere else in the State, students from outside of Provo are expected to enroll in eSchool. The District anticipates between 15%-20% of eSchool students will be non-Provo residents.

eSchool is a strategic initiative of the 20/20 Plan and is a critical focus in FY15 and beyond.



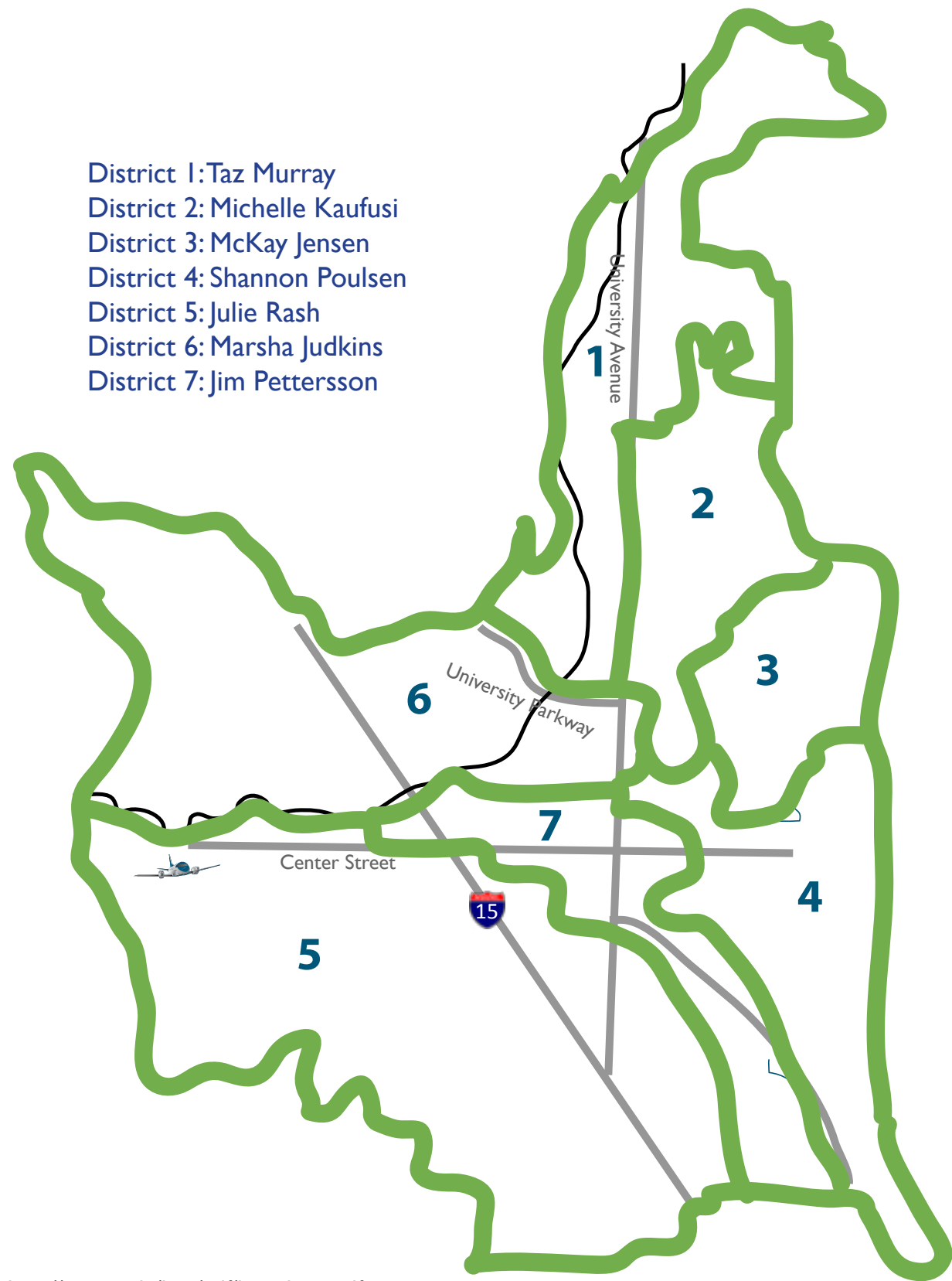
eSchool At-a-Glance:

A strategic action of Provo School District’s 20/20 Initiative, eSchool provides Provo and Utah students with choice and flexibility.

Some unique aspects of eSchool include:

- The most online courses in Utah, with over 400 as of July 2014
- The fastest growing online K-12 school in Utah in FY12
- An exclusive agreement with PowerSpeak and Middlebury College to provide innovative language courses delivered on a virtual platform unmatched anywhere in Utah
- A newly-launched Utah Tech Academy that allows students to take courses that prepare them for college and a high-tech workplace
- Substantial cost savings over traditional brick-and-mortar courses

Voter Precincts: 2014-15



<http://provo.edu/boe/pdf/boardmap.pdf>

District Elementary School Boundaries: 2014-15



District Departments

The District is divided into several departments. While each department might have its own mission, goals and objectives, each supports the overall mission of the District. Each department is responsible for specific components of the District's overall goals and objectives. The following is a brief description of the departments that operate in the District:

Curriculum & Assessment

The Curriculum and Learning Office of Provo City School District provides support to teachers, administrators, and parents in enabling students to gain academic skills and knowledge necessary for their successful futures. Local, state, and federal resources provide teaching materials for students and teachers, professional development targeted to instructional improvement for new and experienced teachers, analysis of student performance data, tutoring services for at-risk learners, and enriched learning opportunities for students of all abilities. Their key focus is literacy enhancement for all students with additional energy directed to mathematics, science, and other critical areas of learning.

Student Services

The mission of Student Services is to provide support to students and families. Student Services is responsible for support services throughout the district including police, nurses, social workers, attendance officers, safe schools, and other programs.

Student Services provides equal access to education and promotes educational excellence by providing support to schools, helping to meet the needs of families, assisting students with unresolved needs, and providing opportunities for students to stay in school.

Student safety, gang prevention, drug prevention, discipline, school choice, and the Foundation are also handled by Student Services.

Food Services

Food Services (Child Nutrition) falls under business administration. The Child Nutrition Department is committed to providing a safe, nutritious meal to every student, continually improving our programs, the children's meal time experience and our communication and involvement with parents.

Transportation

The Transportation Department also falls under business administration, and works to transport children to and from school in a safe, efficient and positive environment. Each driver and assistant is expected to become familiar with, and closely follow, District procedures and the rules of the road. Questions regarding bus routes or specific transportation events are handled by this department.

Maintenance

Maintenance helps facilitate learning by providing a safe and pleasant learning environment in the buildings and on the school grounds in the District. Safe, clean, well-lit and comfortable buildings is the department's main goal. It is believed that students learn better in a pleasant and environmentally-friendly building.

Personnel

The Personnel Department is given the responsibility to find, recruit and retain qualified teachers and support staff that are committed to District goals. This department also ensures that employees working in the District meet the academic and licensing standards set by the state and federal government. Personnel also works to maintain personnel records and pertinent information on all past and present employees, distribute the agreed upon wages and benefits to employees according to negotiated agreements and the law, and develop and enforce policy related to the successful personnel operation of the District.

District Departments: *Continued*

The Personnel Department is also in charge of allocating full-time equivalents (FTEs) to schools and handling payroll duties for the District.

Career and Technology Education

The mission of Career and Technology Education (CTE) is to provide all students a seamless education system, driven by a Student Education Occupation Plan (SEOP), through competency-based instructions culminating in essential life skills, certified occupational skills and meaningful employment and/or entrance into a higher education institution for advanced preparation.

CTE classes provide every student with the opportunity to explore a variety of career areas in their middle and high school years that will equip him/her with the academic knowledge, technical and employment skills vital for entry into the evolving workforce of the 21st century.

Special Programs

Special Programs consists of three programs: Title I-A, Special Education and Technology. The focus of these programs includes:

- Closing the achievement gap between high and low-performing children, especially the achievement gaps between minority and non-minority students, and between disadvantaged children and their more advantaged peers.
- Providing special education service providers and students with greater access to classroom-based materials and resources including adaptive devices, networks, hardware, software, and other classroom materials that support the achievement of individual student goals of students with disabilities.

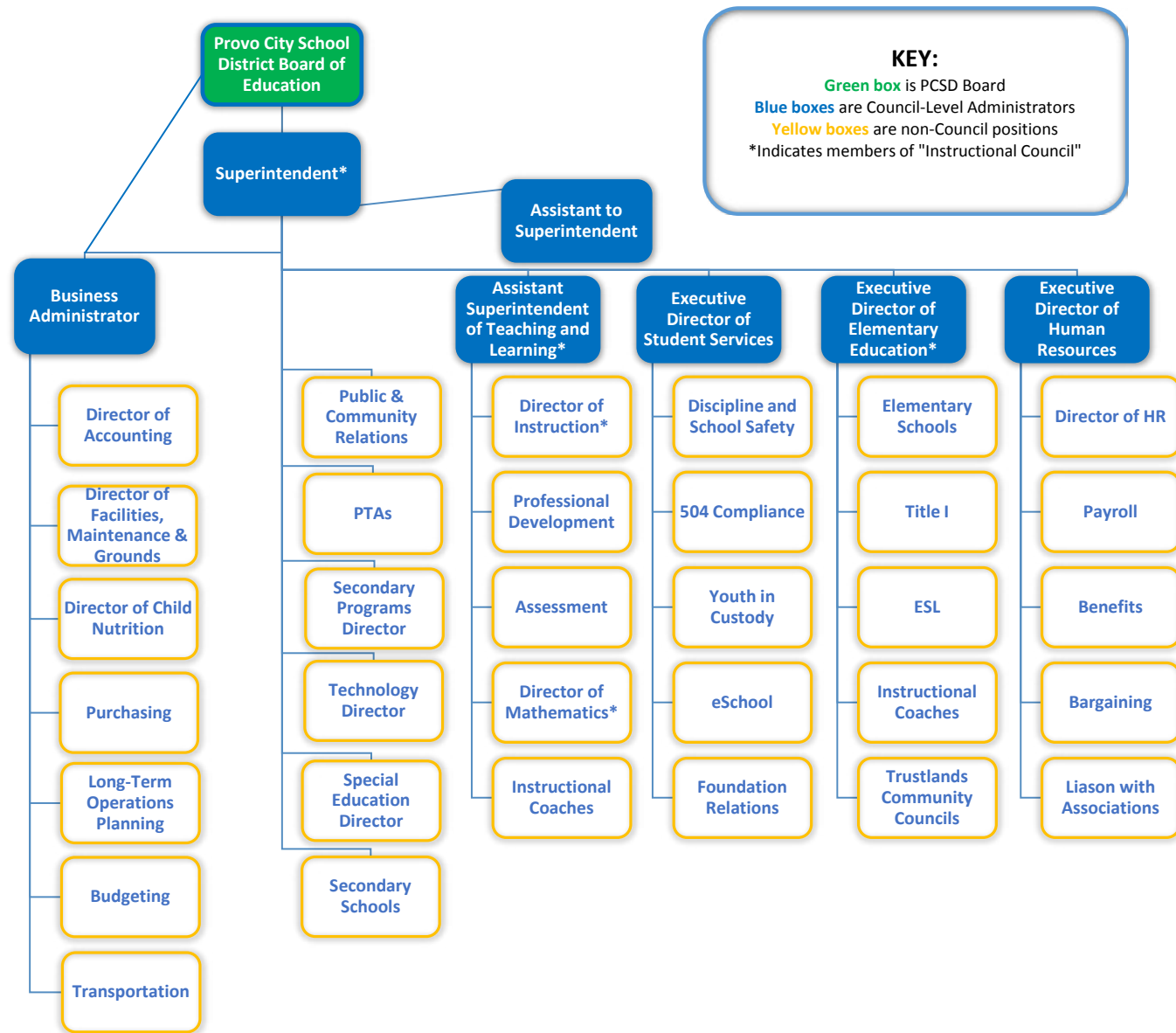
- Developing long-term strategies for improving student academic achievement, including technology literacy, through the effective use of technology in the classroom, and building the capacity of teachers to integrate technology effectively into curricula, instruction, and assessment.

Business Administration

The Business Department is responsible for facilitating financial information and reporting it accurately. It coordinates the annual financial audit with the District's external auditors, and completes financial reports for the state legislature, office of education, and other entities. Key components of the Business Department include accounting, finance/budgeting, accounts payable, accounts receivable, food services, transportation and the warehouse.



Organizational Chart



KEY:
 Green box is PCSD Board
 Blue boxes are Council-Level Administrators
 Yellow boxes are non-Council positions
 *Indicates members of "Instructional Council"

This organizational chart is a visual depiction of the way work is distributed within Provo City School District. It is also meant to be a tool to help enhance our working relationship with the citizens of Provo and students of the District.

Additionally, the chart is used to create clear channels of communication in order to better accomplish our goals and objectives.

It is important to note that many District projects are accomplished using cross-functional teams.

Staffing Levels by Function: FY 2007 to FY 2015 (proposed)

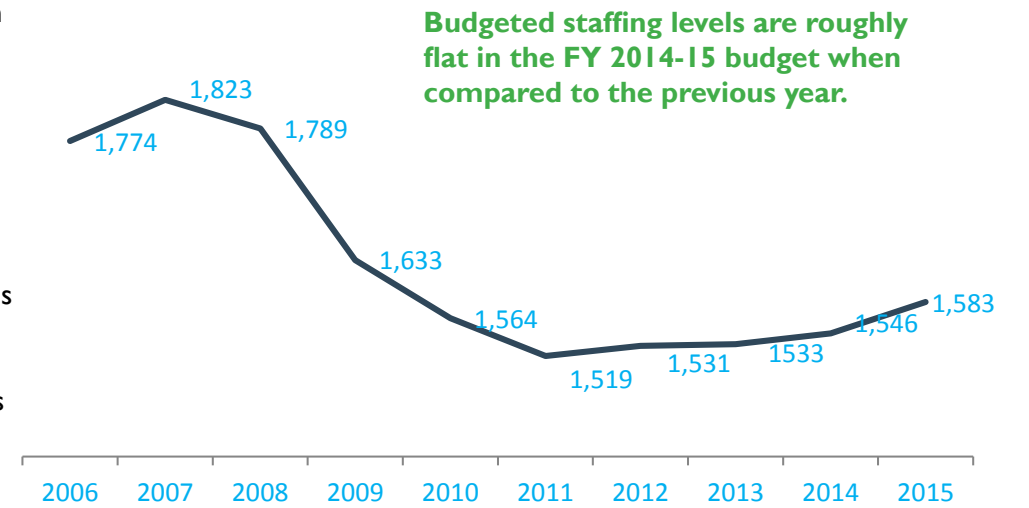
Function	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 ^P
Instruction	1,141	1,148	1,000	984	977	984	998	1,005	1,002
Students	54	52	52	51	49	50	50	50	50
Instructional Staff	33	38	40	41	31	32	32	32	27
General Administration	24	20	16	15	16	17	17	17	17
School Administration	80	74	74	70	70	70	70	72	65
Business and Central	25	22	20	26	27	26	26	26	41
Operation and Maintenance	152	139	148	148	95	95	95	95	133
Transportation	50	60	44	46	44	46	46	46	66
Other Support	11		1	1	25	26	26	26	0
Food Services	91	90	92	82	92	92	80	84	77
Community Services	173	135	146	100	93	93	93	93	103
Total FTEs	1,823	1,789	1,633	1,564	1,519	1,531	1,533	1,546	1,583

^PProposed

As a service organization, employee compensation is the biggest single expense incurred by the District. As a result, when cuts need to be made, it's difficult to spare all positions.

For 2014-15 the Board of Education and management have made the decision to try to keep average class-sizes at 28.9, the same figure as FY 2013-14. Some growth is budgeted to account for projected enrollment increases, as seen in the chart to the right. The District has set a goal to reduce elementary class sizes over the next few years to just under 27 students per teacher, which will result in higher FTE levels in future years.

Staffing Levels by FTE: FY 2007 to FY 2015



District Funds: *Description*

The District's budget is divided into seven funds. A fund is a set of accounts set aside for a specific purpose in accordance with laws and regulations. Essentially, it is a segregation of accounting and financial resources, each with cash and other assets, liabilities, and equity/residual balance. The District follows the fund guidelines as established by Generally Accepted Accounting Standards.

Each fund is used to account for a specific type of activity. The General Operating (or just "General") fund is the largest. Following is a brief description of each fund:

General Fund (Major Fund)

This fund is the chief operating fund of the District. It is used to account for all financial resources of the school district except those required to be accounted for in another fund. By law, the District may have only one general fund.

Capital Projects Fund (Major Fund)

This fund is used to account for resources and payments for the acquisition of capital facilities and equipment.

Debt Service Fund (Major Fund)

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Student Activities Fund

This special revenue fund accounts for activities at the school-level, including sports, clubs, and instruction-related programs.

Non K-12 Fund

No budget is allocated to this fund for FY15, but historically this special revenue fund was used to account for activities not related to regular, K-12 operations. Adult education, pre-school and recreation are examples of programs that operated in this fund.

Food Service Fund

This is a governmental fund used to account for revenues and expenses related to school food services.

Building Reserve Fund

This special reserve fund is authorized by Utah state law to be used to accumulate funds to meet capital outlay costs.

Major Funds
General Fund Capital Projects Fund Debt Service Fund
Non-major Funds
Student Activities Fund Non K-12 Fund* Food Services Fund Building Reserve Fund

*Not appropriated for use in 2014-15.

Relationship Between Funds & District Departments

The decision to account for specific expenditures by various funds used by the District depends upon accounting guidelines and state mandates. Below is a table illustrating the relationship between District departments and District funds in terms of budgeted expenditures.

Department	Funds			
	General	Capital Projects	Debt Service	Non-major ¹
Superintendent/Board				
Learning Curriculum and Assessment				
Career and Technical Education				
Special Education Services				
Food Service				
Transportation				
Student Services				
Human Resources				
Business/Finance				
Facilities				
Technology				

¹Non-major funds appropriated for use by the District: Student Activity, Food Service, and Building Reserve Funds

Note: all funds are appropriated for use in FY 2014-15 except Non K-12.

Expenditure Functions: *Explained*

One of the most useful ways to understand how the District spends the public's money is to identify expenditures by functions. A function describes the activity for which a service is acquired or an expenditure is made. Below is a description of the expenditure functions used by the District.

Instruction

This function includes those activities dealing directly with the instruction of students. If expenditures can be clearly and directly traced to instruction of students they are labeled as instructional. Teachers salaries and benefits, substitute teacher costs and supplies intended for the classroom are examples of instructional costs.

Student Support Services

This function covers those activities related to promoting and improving school attendance and counseling. The costs necessary to manage and provide health and nursing services are included in this function. Salaries and benefits of certified and education support personnel are covered by this function, as are supplies, services, and equipment required to cover these activities.

Instructional Support Services

This function encompasses activities related to directing, managing, and supervising instructional programs in the District. It includes areas such as media and curriculum. Costs associated with this function include school media center and curriculum staff salaries and benefits, supplies and materials, equipment, and purchased services.

General Administration Support Services

This function covers the costs associated with the overall administration of the District. It includes the Board of Education, the Superintendent, and other District-level directorships. Costs include salaries and benefits, and supplies, services and equipment necessary to support District-wide management.

School Admin Support Services

This function covers those expenditures that go toward directing, managing, and supervising a school. Examples include the principal and clerical positions. Supplies, equipment and professional services that assist these positions are also included in this function.

Central Support Services

This function supports those activities that support other administrative and instructional functions, including fiscal services, human resources, planning, and administrative information technology.

School Food Services

This function encompasses the activities associated with providing meals and snacks to children. It includes directing and managing food services, preparing and serving food, operating and maintaining kitchen equipment, the purchase of food and supplies, and warehousing and transporting food to schools.

Expenditure Functions: *Continued*

Maintenance & Operation

This function covers costs and activities associated with the maintenance and operation of physical buildings and grounds. Custodial and maintenance position salaries and benefits, along with supplies and equipment are typical costs associated with this function.

Student Transportation

This function covers the costs of providing management and operation services for regular bus routes used to transport children to and from school and on field trips, and associated salaries, benefits, supplies, and equipment.

Other Support

This function covers essential support positions at the District-wide level, including salaries and benefits of technology and information technology personnel. Supplies, equipment and services associated with these positions are also included in this function.

Community Services

This function covers community services typically outside of regular, K-12 education. Examples include adult education, pre-school, and community agency partners. Costs include salaries and benefits of staff members, and the associated supplies and materials required by those positions.

Recreation

This function covers those activities associated with the management and coordination of community recreation services and the rental of school buildings.

Facilities & Construction

This function includes costs associated with the acquisition, remodel, and construction of buildings. Capital improvement costs, including materials, salaries and benefits, are included in this function. Also included are material and contract costs associated with bond construction.

Debt Service

This function covers bond, principal, interest, and paying agent costs and fees.

FinancialSection

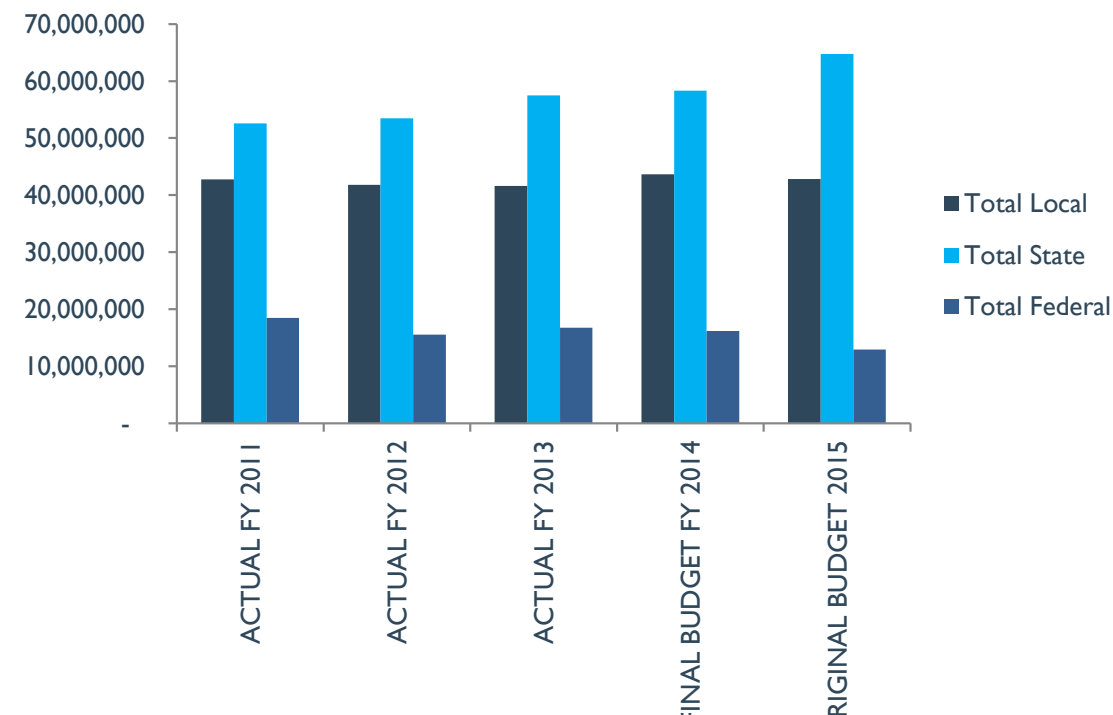


Major Revenue Sources

The District's revenues can be broadly classified as coming from three sources: local, state, and federal. The largest revenue source is the State of Utah, followed by local revenue, which includes property taxes, and federal revenue, made up of several grants of various sizes.

Revenue by Source: FY 2011 - FY 2015

SUMMARY: ALL FUNDS	ACTUAL FY 2011	ACTUAL FY 2012	ACTUAL FY 2013	FINAL BUDGET FY 2014	ORIGINAL BUDGET 2015
Total Local	42,763,889	41,796,613	41,641,477	43,630,495	42,835,505
Total State	52,601,369	53,467,124	57,509,778	58,314,606	64,762,957
Total Federal	18,491,842	15,539,003	16,756,452	16,207,468	12,948,926
	<u>113,857,100</u>	<u>110,802,740</u>	<u>115,907,707</u>	<u>118,152,569</u>	<u>120,547,388</u>



Revenue Projection Assumptions: FY 2015

The District is always as conservative as possible when estimating revenues. Accordingly, several assumptions were made when projecting revenue for FY 2015. For example, in the past the District assumed federal revenue would be flat or slightly decreased for each coming year. However, federal sequestration has eliminated some federally-funded programs and decreased many others.

“The District always sets its goals and objectives before property values or rates are known.”

As a general rule, the District relied on the following assumptions when projecting FY 2015 revenues:

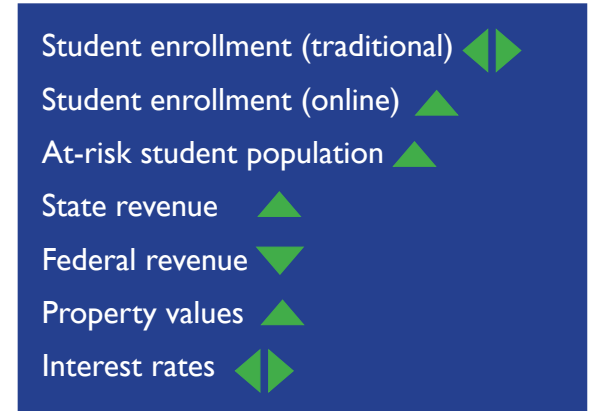
- Flat to decreasing “brick and mortar” student enrollment growth (student enrollment is by far the largest determinant of funding)
 - Moderate increases in online eSchool enrollment (online school enrollment is funded differently by the State than traditional programs in many cases)
 - Decreases in federal revenue due to reduced funding trends
 - Increasing “at-risk” student population, which helps drive federal revenue and could offset some federal funding cuts
- Interest rates flat or climbing very slowly
- Slightly increasing property values
- Participation fees, such as school lunch prices, will bring in some additional revenues, although price increases will affect demand
- Flat or slight increases in donations to the District foundation

Local revenues are projected to be relatively flat in FY 2015, due to flat property taxes and reductions in indirect cost revenue. The District's property tax rate is down in FY 2015, and as a result tax revenue are flat in this year's budget because we don't believe property values will fully offset the decrease in tax rate.

State revenue had shown strong growth in years leading up to the recent recession, as a robust state economy along with a supportive legislature, fueled heavy education funding increases. However, the recession that hit much of the world economy also hit Utah, meaning substantial cuts to state revenue. This trend continued for three years. However, things are looking up for the coming year.

In FY 2015 revenues from state sources are projected to increase dramatically. The State increased the Weighted Pupil Unit (WPU), the largest funding source the State awards, by 2.5%. Additionally, increases in enrollment as a result of eSchool should result in higher state funding.

Key Revenue Assumption Indicators for FY 2015



Major Revenue Sources: *State of Utah*

The State of Utah is the largest revenue source of the school district, with revenues of \$64.7 million budgeted for FY 2015.

State revenue is divided among approximately 50 programs. The largest component of state funding is the Minimum School Program (MSP), which acts as a series of large block grants (or programs) provided by the State to support local level educational services.

The Weighted Pupil Unit (WPU), part of the Minimum School Program, is a measure of student enrollment based on a pro-rated amount of days in attendance per student. The WPU is \$2,971 in FY 2015, which is up from \$2,899 in FY 2014 (2.5% increase). Utah's economy is rated among the best in the nation as of July 2014, and that improves the District's financial position.

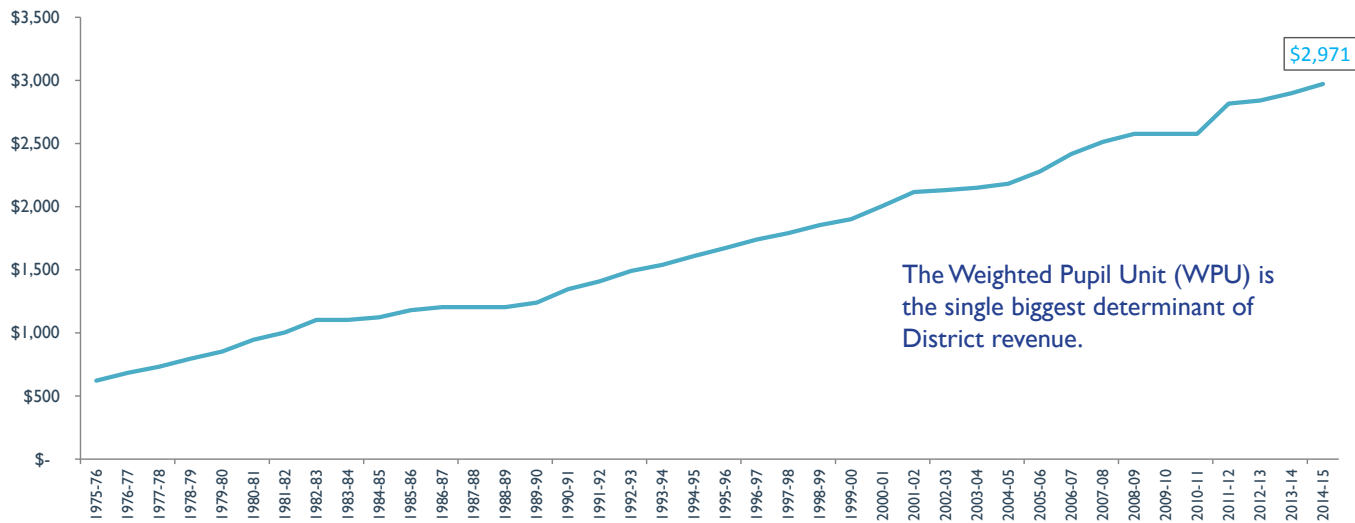


Approximately 78% of revenue from the State, or \$51 million, comes directly from WPU figures.

The WPU was developed as a mechanism to equally distribute state revenue among school districts and charter schools. The WPU is not a plan of expenditure, or budget, for the school district or charter school to follow but a mechanism to derive total program

cost and distribute revenues. Through this mechanism, the State provides 'reasonably equal educational opportunities' for all public school children in Utah (Source: Utah State Office of Education).

Because so much of the District's funding comes as a result of enrollment-driven WPU figures, most of the analysis for future revenues involves predicting future enrollment levels.



Major Revenue Sources: *State of Utah*

Weighted Pupil Unit (WPU)

Year	WPU Amount	Change	% Change
1975-76	\$621	\$	----
1976-77	\$683	62	10.0%
1977-78	\$732	49	7.2%
1978-79	\$795	63	8.6%
1979-80	\$852	57	7.2%
1980-81	\$946	94	11.0%
1981-82	\$1,003	57	6.0%
1982-83	\$1,103	100	10.0%
1983-84	\$1,103	0	0.0%
1984-85	\$1,124	21	1.9%
1985-86	\$1,180	56	5.0%
1986-87	\$1,204	24	2.0%
1987-88	\$1,204	0	0.0%
1988-89	\$1,204	0	0.0%
1989-90	\$1,240	36	3.0%
1990-91	\$1,346	106	8.6%
1991-92	\$1,408	62	4.6%
1992-93	\$1,490	82	5.8%
1993-94	\$1,539	49	3.3%
1994-95	\$1,608	69	4.5%
1995-96	\$1,672	64	4.0%
1996-97	\$1,739	67	4.0%
1997-98	\$1,791	52	3.0%
1998-99	\$1,854	63	3.5%
1999-00	\$1,901	47	2.5%
2000-01	\$2,006	105	5.5%
2001-02	\$2,116	110	5.5%
2002-03	\$2,132	16	0.8%
2003-04	\$2,150	18	0.8%
2004-05	\$2,182	32	1.5%
2005-06	\$2,280	98	4.5%
2006-07	\$2,417	137	6.0%
2007-08	\$2,514	97	4.0%
2008-09	\$2,577	63	2.5%
2009-10	\$2,577	0	0.0%
2010-11	\$2,577	0	0.0%
2011-12	\$2,816	239	9.3%
2012-13	\$2,842	26	0.9%
2013-14	\$2,899	57	2.0%
2014-15	\$2,971	72	2.5%



The Weighted Pupil Unit (WPU) will increase \$72 in FY 2014-15 from \$2,899 to \$2,971

Major Revenue Sources: State of Utah

Weighted Pupil Unit (WPU)

Description of Large State Programs: WPU Sources

Funding resulting through the Weighted Pupil Unit (WPU) is comprised of several individual state programs of varying size. All combined, the District anticipates receiving \$50.8 million, or roughly 78% of total state revenues from WPU-related state programs in FY 2015. This is an increase over FY 2014 and is due primarily to an increase to the WPU from the State and because some state programs have been consolidated into WPU sources.

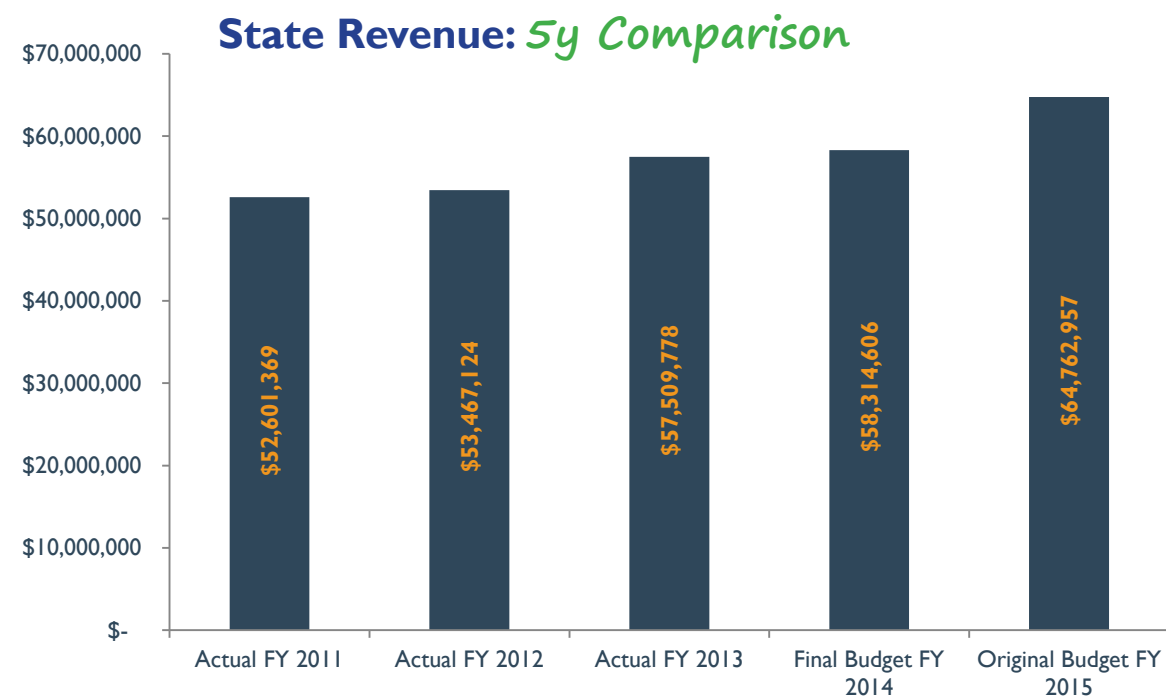
The largest individual state funding source, referred to as “**Regular School Programs**,” is projected to be \$37.8 million for the District in FY 2015. This source is based on the WPU amount and the District’s levied property taxes. The District uses this funding source to pay part of the overall cost of teachers.

Special Education is the second-largest state funded program the District operates, with \$8.1 million in WPU revenues projected for FY 2015. This program is restricted to be used on students considered disabled.

Career and Technical Education is a WPU-related state program designed to provide vocational training and opportunities for secondary students in the District. The District must substantially match funding received through the state with local revenue in order to qualify, and expects to receive approximately \$2.1 million in FY 2015.

The District also anticipates receiving nearly \$3.3 million to pay for “**Professional Staff**.” This is tied to the other WPU-related funding sources and is designed to cover administrative overhead costs.

The District also receives money through the WPU to facilitate **Class-size Reduction**. Along with state money, the District must also levy local property taxes to help pay for this program. The District anticipates receiving nearly \$2.8 million from state sources for this program in FY 2015.

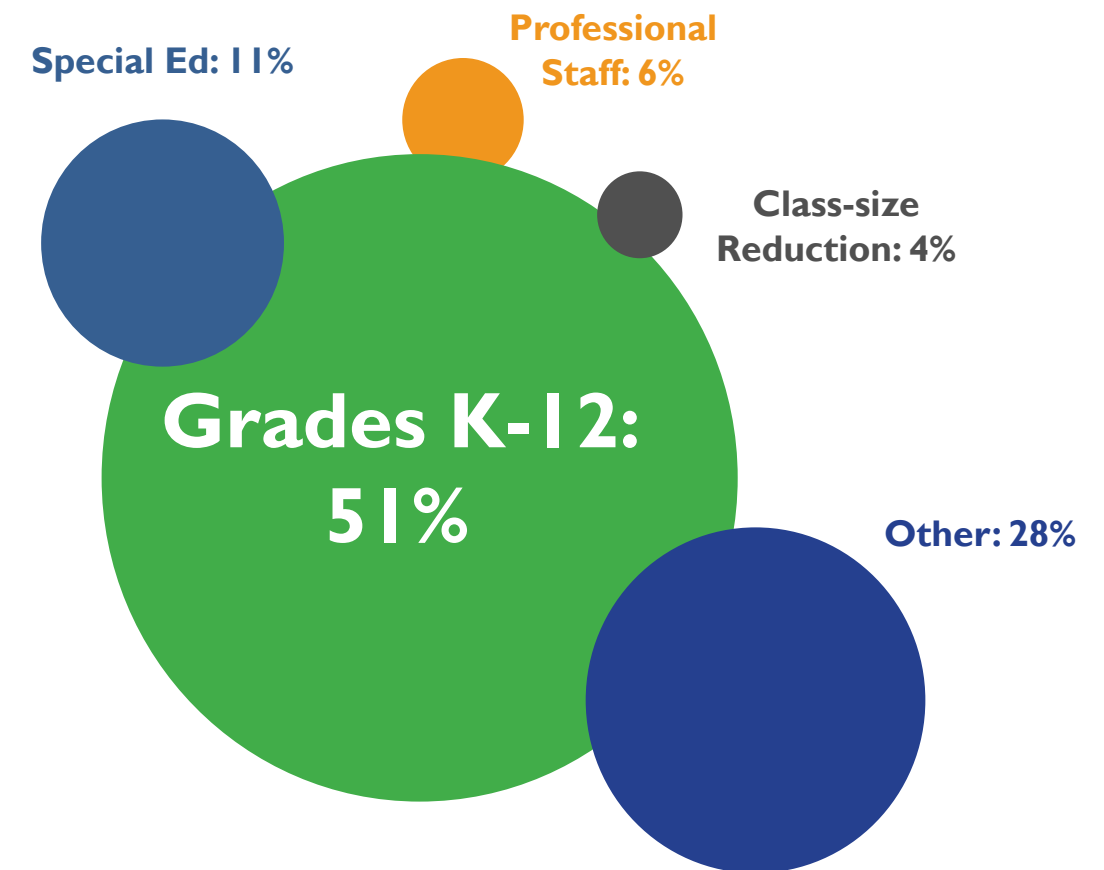


Major Revenue Sources Continued: State of Utah

Many state revenue sources have been consolidated over the past three fiscal years as a result of Utah State Legislature actions. The top four programs make up 72% of the overall state revenue budget, with approximately 40 programs combining to make up the remaining 28%.

Program	% of Total
Grades K-12	51%
Special Education	11%
Professional Staff	6%
Class-size Reduction	4%
Other State (approx. 40 additional)	28%

Distribution of State Revenue: FY 2014



Major Revenue Sources: Local

Property Tax

The District levies property taxes to provide operating funds for the District. Each year, the District receives a certified tax rate from Utah County, and from that is able to set tax rates. The Basic Program tax rate is set by the State of Utah, and individual school districts set other rates with maximum levies set by law.

Property taxes are the District's second largest funding source, and the largest component of local revenues at approximately 80%. For FY 2015, the overall tax rate is proposed to be .006636, a decrease of .000458.

The District's goals and objectives for the coming year are determined before final property assessed values are known.

“Property taxes are the District's second largest funding source.”

The majority of local funding consists of revenue from five different taxes that a local school board may levy. Each district must impose a

minimum Basic property tax levy and contribute the proceeds of that levy to the cost of providing educational services. The more Basic Levy revenue collected, the less state funding – from the Uniform School Fund – is required. More information on property taxes received by the District can be found in the Informational section of this book.

Property Taxes by Levy FY 2014 to FY 2015

	FY 2014	FY 2015	Change
Basic Program (53A-17a-135)	0.001535	0.001419	-0.000116
Voted Leeway (53A-17a-133)	0.001300	0.001228	-0.000072
Board Leeway (53A-17a-164)	0.001518	0.001445	-0.000073
Gen Oblig Debt (11-14-19/53A-17a-145/53A-21-103)	0.001380	0.001268	-0.000112
Voted Capital (53A-16-110)	0.001361	0.001276	-0.000085
Total - All Funds	0.007094	0.006636	-0.000458

Major Revenue Sources: Local

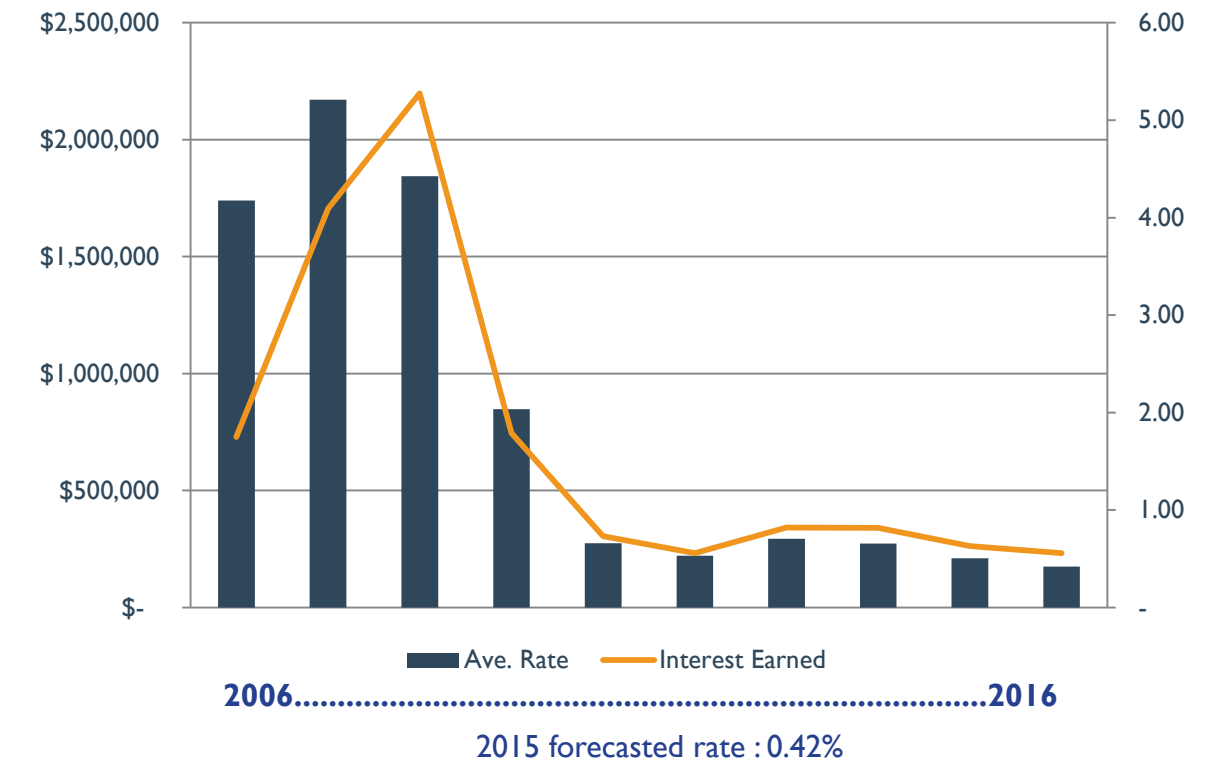
Other Local Revenue

District management has placed a strong emphasis on sound cash management. Among other things, this means as grant expenditures are made, reimbursement from the federal government or awarding agency is requested as soon as possible, with quarterly reimbursement requests typical. However, historically low rates will continue to adversely impact the District's interest income in 2015 meaning less flexibility and difficulty launching innovative programs.

The graph below shows the rates of return and the District's actual interest income (or budgeted & projected amounts for FY 15 and FY 16) for the past several years. Rates have declined rapidly and then remained at historically low rates, which means the District receives substantially less interest income from its investments than in previous years. Interest income is typically not restricted for specific use, so declining rates mean less money that goes into the classroom for general purposes, such as teacher pay, instructional assistants, and supplies.

In the summary budgets, other local revenues are often combined with property taxes. These other local revenues include earnings from investments (interest earned), and income from students, such as school lunches. We do not expect large changes in rates over the coming years and, as a result, interest earned is projected to remain relatively flat in FY 2015.

The District's investment activities are governed by the Utah State Money Management Act, which limits the types of investments the District can participate in. The District invests mainly in what's referred to as the Utah Public Treasurer's Investment Fund (PTIF – often referred to as “the Pool”), which provides security, stability and competitive returns. The “Pool” is diversified, with no more than 5% of assets invested with a single issuer.

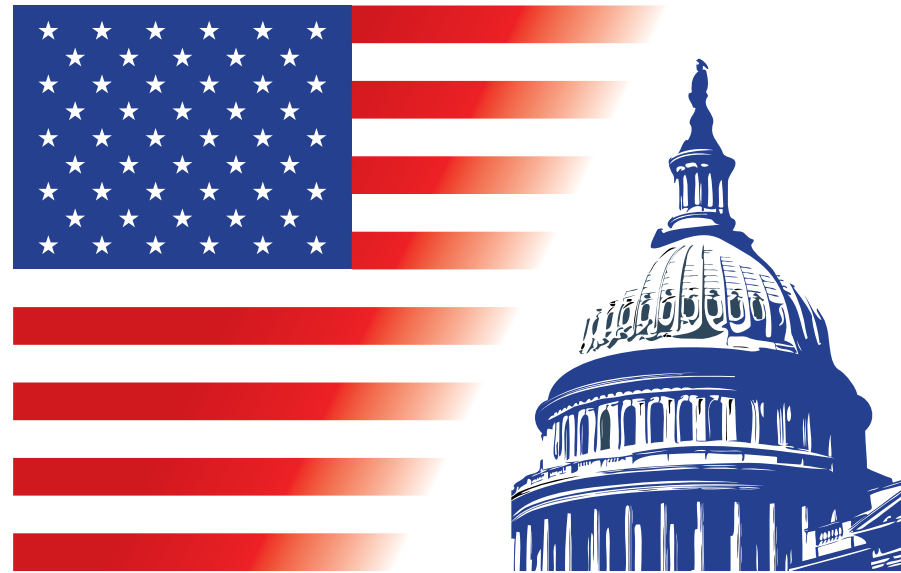


Major Revenue Sources: *Federal*

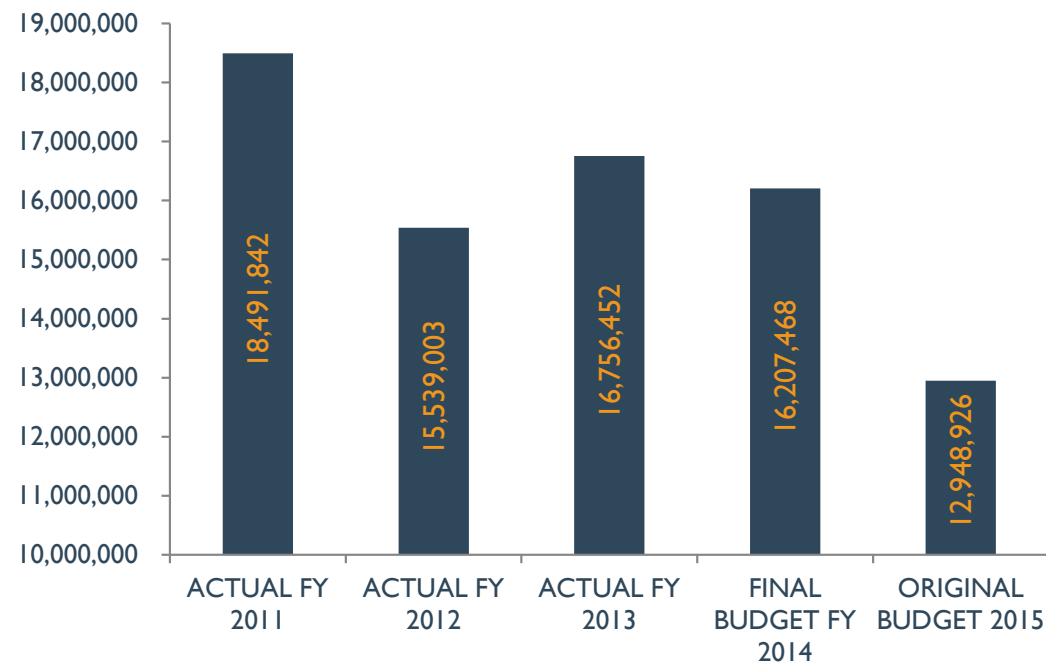
The federal government provides direct and flow-through support to specific programs in the District. For FY 2015 it's anticipated that the District will receive just under \$13 million in federal revenue.

The largest programs the District operates with federal funding are IDEA, Title I, Improving Teacher Quality, 21st Century Community Learning Centers and the school lunch program. These five programs make up roughly 80% of all the federal grants the District receives.

Much of the federal funding available to the District falls under the No Child Left Behind Act of 2001. According to the Department of Education, "No Child Left Behind is based on stronger accountability for results, more freedom for states and communities, proven education methods, and more choices for parents." The District's mission, goals and objectives are all geared toward the aim of no child being left behind in Provo.



Federal Revenue: *FY 2011 to FY 2015 (projected)*



Major Revenue Sources: *Federal*

Largest Federal Funding Sources

The following five programs make up approximately 80% of all District federal grants for FY 2015. The remainder of federal revenue is made up of a number of smaller grants. Most federal grants, large and small, are first awarded to the Utah State Office of Education, which then awards districts based on enrollment, demographics, and demonstrated need.

Federal Food Programs

The District is expected to receive nearly \$3.5 million in FY 2015 to assist with providing quality, nutritious meals to children most in need. The funding is determined by the amount of meals served to students, multiplied by a reimbursement amount that is predetermined by the federal government. The District has seen steady growth in the amount of free and reduced price lunch waivers from students in recent years, resulting in increases to federal revenues. In the Food Services program, the District receives more revenue from federal sources than local sources.

“Most federal grants are first awarded to the Utah State Office of Education, which then awards districts based on enrollment, demographics, and demonstrated need.”

Title I

This grant, part of No Child Left Behind, is funded by the government to help ensure that all children receive fair and equal opportunities to obtain a high-quality education.

The funding of this grant is contingent upon the number of low-income students in the District. The District is projected to receive just over \$3.1 million in Title I funding in FY 2015.

IDEA

In terms of funding amount, this grant is similar in size to Title I. It too is part of No Child Left Behind. It is designed to help disabled individuals receive improved opportunities for success, with a substantial focus on technology to meet this goal. The District anticipates receiving \$2.4 million from this grant in FY 2015.

Improving Teacher Quality

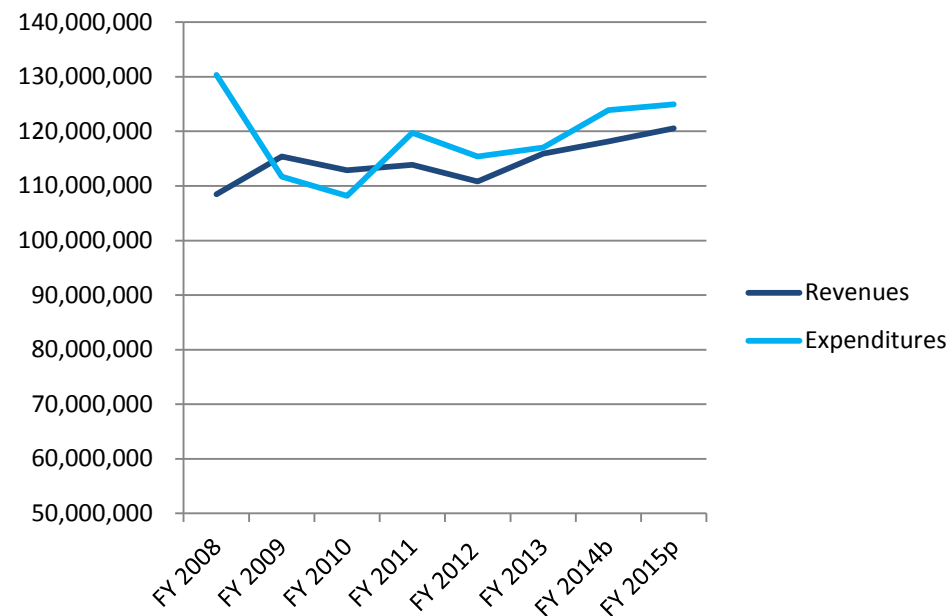
This grant is designed to help improve the quality of education in the classroom. Part of No Child Left Behind, the objectives of this grant are carried out by increasing the number of teachers who are considered to be “highly-qualified,” and by holding districts accountable for academic achievement. The District is projected to receive over \$628,000 from this grant in FY 2015. Funding for this budget has been cut dramatically the past two years.

21st Century Community Learning Centers

This grant, also part of No Child Left Behind, is actually several smaller grants that are awarded to the District to help it provide quality instruction outside of regular school hours. The awarding of 21st Century grants is very competitive. Much of the funding is determined by the number of low-income students enrolled. Schools without substantial low-income enrollments typically aren't considered for these grants. All combined, the District anticipates receiving \$1.1 million in 21st Century grants for FY 2015.

Financial Schedules and Charts

Including Supplementary Financial Information



Revenue and Expenditure Summary: FY 2008 to FY 2015

Fiscal Year	Revenue	Expenditures	Net
FY 2008	108,457,783	130,329,831	(21,872,048)
FY 2009	115,371,844	111,686,096	3,685,748
FY 2010	112,884,403	108,158,033	4,726,370
FY 2011	113,857,100	119,725,864	(5,868,764)
FY 2012	110,802,740	115,367,457	(4,564,717)
FY 2013	115,907,707	117,051,103	(1,143,396)
FY 2014 ^b	118,152,569	123,866,278	(5,713,709)
FY 2015 ^p	120,547,388	124,963,305	(4,415,917)

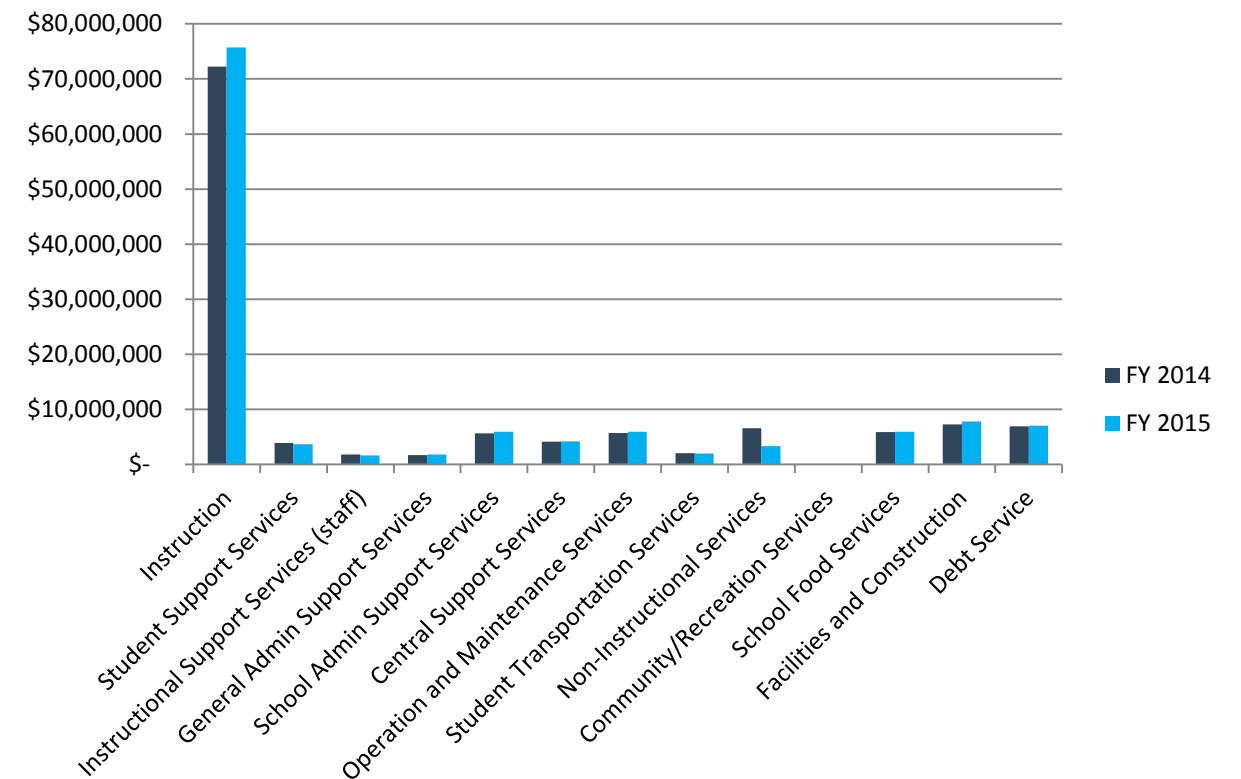
^bFinal Budget

^aProjected (Original Budget)

Expenditure Comparison by Function: All Funds

FY 2014 to FY 2015

Function	FY 2014	FY 2015	% Change
Instruction	\$72,259,692	\$75,716,809	5%
Student Support Services	3,887,685	3,647,741	-7%
Instructional Support Services (staff)	1,804,423	1,656,416	-9%
General Admin Support Services	1,699,492	1,801,791	6%
School Admin Support Services	5,656,346	5,924,202	5%
Central Support Services	4,135,536	4,216,766	2%
Operation and Maintenance Services	5,687,517	5,937,231	4%
Student Transportation Services	2,052,092	1,999,096	-3%
Non-Instructional Services	6,594,492	3,313,976	-99%
Community/Recreation Services	-	-	0%
School Food Services	5,878,810	5,916,629	1%
Facilities and Construction	7,259,941	7,786,395	7%
Debt Service	6,950,253	7,046,253	1%
Total	\$123,866,279	\$124,963,305	1%



FY 2015 Budget Summary, Revenue by Source and Expenditures by Object: *All Funds*

FY 2015 Budget Summary: Revenues by Source and Expenditures by Object

Revenues by Source	Other Governmental				Total
	General	Funds	Debt Service	Capital Projects	
Property Taxes	\$ 19,835,667	\$ -	\$ 6,417,235	\$ 5,779,709	\$ 32,032,611
Earnings on Investment	340,185	5,000	-	-	345,185
Other Local Revenue	5,521,740	4,815,658	-	120,311	10,457,709
State Sources	64,087,957	675,000	-	-	64,762,957
Federal Sources	9,454,901	3,494,025	-	-	12,948,926
Total Revenues:	99,240,450	8,989,683	6,417,235	5,900,020	120,547,388

Expenditures by Function	Other Governmental				Total
	General	Funds	Debt Service	Capital Projects	
Instruction	\$ 72,059,427	\$ 3,657,382	\$ -	\$ -	\$ 75,716,809
Student Support Services	3,647,741	-	-	-	3,647,741
Instructional Support Services (staff)	1,656,416	-	-	-	1,656,416
General Admin Support Services	1,801,791	-	-	-	1,801,791
School Admin Support Services	5,924,202	-	-	-	5,924,202
Central Support Services	4,216,766	-	-	-	4,216,766
Operation and Maintenance Services	5,248,438	-	-	688,793	5,937,231
Student Transportation Services	1,999,096	-	-	-	1,999,096
Non-Instructional Services	-	-	-	-	-
Other Support Services	-	-	-	-	-
School Food Services	-	5,916,629	-	-	5,916,629
Community/Recreation Services	3,313,976	-	-	-	3,313,976
Facilities and Construction	-	-	-	7,786,395	7,786,395
Debt Service	-	-	6,506,253	540,000	7,046,253
Total Expenditures:	99,867,853	9,574,011	6,506,253	9,015,188	124,963,305

Excess (Deficiency) of Revenues Over (Under) Expenditures

Other Financing Sources (Uses) and Other Items

Net Change in Fund Balance

Figures may vary slightly due to rounding.

Expenditures by Fund and Object: *FY 2015*

Expenditures by Fund and Object: FY 2015

Object	General	Capital Projects	Debt Service
Salaries	\$ 56,601,381	\$ 653,864	\$ -
Benefits	27,937,791	301,863	-
Purchased/Professional Services	6,453,450	113,000	-
Purchased Property Services	374,788	6,904,881	-
Other Purchased Services	782,943	4,825	-
Supplies	6,891,841	247,944	-
Equipment	392,665	221,811	-
Other Objects	432,993	567,000	6,506,253
Total:	99,867,852	9,015,188	6,506,253

Object	Student Activities	Non K-12	Food Services
Salaries	\$ -	\$ -	\$ 1,970,499
Benefits	-	-	757,889
Purchased/Professional Services	321,830	-	2,000
Purchased Property Services	49,877	-	100,000
Other Purchased Services	794,540	-	5,750
Supplies	1,846,994	-	2,452,913
Equipment	25,000	-	259,600
Other Objects	619,141	-	367,978
Total:	3,657,382	-	5,916,629

Note: There are no expenditures budgeted for the Building Reserve Fund, so it is not included in this schedule. Figures may vary slightly due to rounding. The Non K-12 fund is not appropriated for us in FY 2015.

Summary of Budgets, All Funds: FY 2011 to FY 2015

Summary of Budgets, All Funds: FY 2011 - FY 2015

Summary: All Funds	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 42,763,889	\$ 41,796,613	\$ 41,641,477	\$ 43,630,495	\$ 42,835,505
Total State	52,601,369	53,467,124	57,509,778	58,314,606	64,762,957
Total Federal	18,491,842	15,539,003	16,756,452	16,207,468	12,948,926
TOTAL REVENUES	113,857,100	110,802,740	115,907,707	118,152,569	120,547,388
Salaries	55,464,569	55,935,530	55,800,280	57,637,703	59,225,745
Employee Benefits	23,932,153	24,199,627	26,411,832	28,117,524	28,997,543
Purchased Professional/Tech Svcs	3,789,212	4,859,011	5,845,333	7,324,970	6,890,280
Purchased Property Services	12,288,082	6,606,108	4,466,164	6,351,381	7,429,546
Other Purchased Services	1,618,957	2,069,895	2,028,174	1,732,237	1,588,058
Supplies	10,513,667	11,414,725	11,911,846	11,962,924	11,439,692
Property	3,514,494	1,732,895	1,359,804	1,411,345	899,076
Other Objects	8,604,730	8,549,666	9,227,669	9,328,195	8,493,365
TOTAL EXPENDITURES	119,725,864	115,367,457	117,051,103	123,866,278	124,963,306
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,868,764)	(4,564,717)	(1,143,396)	(5,713,709)	(4,415,918)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	29,427	10,362	801,156	33,200	29,000
NET CHANGE IN NET ASSETS / FUND BALANCE	(5,839,337)	(4,554,355)	(342,240)	(5,680,509)	(4,386,918)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	48,765,759	42,926,425	38,372,070	38,029,830	32,349,321
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	3	-	-	-	-
NET ASSETS / FUND BALANCE - Ending	\$ 42,926,425	\$ 38,372,070	\$ 38,029,830	\$ 32,349,321	\$ 27,962,403

Figures may vary slightly due to rounding.

Summary of Budgets, General Fund: FY 2011 to FY 2015

Summary of Budgets, General Fund: FY 2011 - FY 2015

Summary: General Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 22,682,823	\$ 24,764,037	\$ 23,511,066	\$ 26,633,150	\$ 25,697,592
Total State	51,001,740	51,556,199	55,110,921	57,679,606	64,087,957
Total Federal	14,610,869	11,381,865	12,616,532	12,733,443	9,454,901
TOTAL REVENUES	88,295,432	87,702,101	91,238,519	97,046,199	99,240,450
Salaries	50,624,270	51,504,415	51,454,214	55,074,054	56,601,382
Employee Benefits	22,359,152	22,695,439	24,790,842	27,086,238	27,937,791
Purchased Professional/Tech Svcs	3,202,732	4,291,331	5,265,288	6,403,805	6,453,450
Purchased Property Services	301,514	488,434	176,792	474,925	374,788
Other Purchased Services	848,127	1,043,732	1,104,911	928,567	782,943
Supplies	6,562,837	7,161,036	7,452,602	7,412,842	6,891,841
Property	1,441,074	903,268	728,128	644,385	392,665
Other Objects	1,090,463	917,967	1,037,008	1,060,051	432,993
TOTAL EXPENDITURES	86,430,169	89,005,622	92,009,785	99,084,867	99,867,853
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,865,263	(1,303,521)	(771,266)	(2,038,668)	(627,403)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	(76,904)	7,662	64,784	29,200	25,000
NET CHANGE IN NET ASSETS / FUND BALANCE	1,788,359	(1,295,859)	(706,482)	(2,009,468)	(602,403)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	25,419,285	27,207,646	25,911,787	25,507,581	23,498,113
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	2	-	-	-	-
NET ASSETS / FUND BALANCE - Ending	\$ 27,207,646	\$ 25,911,787	\$ 25,205,305	\$ 23,498,113	\$ 22,895,710

Figures may vary slightly due to rounding.

Summary of Budgets, Capital Projects Fund:
FY 2011 to FY 2015

Summary: Capital Projects Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	8,056,026	2,687,621	4,033,562	5,908,000	5,900,020
Total State	-	-	-	-	-
Total Federal	-	-	-	-	-
TOTAL REVENUES	8,056,026	2,687,621	4,033,562	5,908,000	5,900,020
Salaries	1,099,431	607,414	588,163	649,105	653,864
Employee Benefits	402,872	233,371	254,062	318,710	301,863
Purchased Professional/Tech Svcs	146,460	97,952	82,100	437,335	113,000
Purchased Property Services	11,679,400	5,860,801	4,034,836	5,661,579	6,904,881
Other Purchased Services	9,217	14,006	13,340	5,375	4,825
Supplies	10,594	175,445	109,875	286,253	247,944
Property	1,842,230	702,123	484,187	556,609	221,811
Other Objects		79,886	552,918	570,000	567,000
TOTAL EXPENDITURES	15,190,204	7,770,998	6,119,482	8,484,966	9,015,188
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,134,178)	(5,083,377)	(2,085,919)	(2,576,966)	(3,115,168)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	(2,000,000)	900,000	4,309,440	2,000,000	2,000,000
NET CHANGE IN NET ASSETS / FUND BALANCE	(9,134,178)	(4,183,377)	2,223,521	(576,966)	(1,115,168)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	14,401,671	5,267,494	1,084,117	3,307,638	2,730,672
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	1	-	-	-	-
NET ASSETS / FUND BALANCE -	5,267,494	1,084,117	3,307,638	2,730,672	1,615,503

Figures may vary slightly due to rounding.

Summary of Budgets, Debt Service Fund:
FY 2011 to FY 2015

Summary: Debt Service Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 6,263,180	\$ 6,282,882	\$ 6,345,627	\$ 6,422,000	\$ 6,417,235
TOTAL REVENUES	6,263,180	6,282,882	6,345,627	6,422,000	6,417,235
Other Objects	6,425,229	6,421,121	6,444,480	6,410,253	6,506,253
TOTAL EXPENDITURES	6,425,229	6,421,121	6,444,480	6,410,253	6,506,253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(162,049)	(138,239)	(98,853)	11,747	(89,018)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	-	-	91,281	-	-
NET CHANGE IN NET ASSETS / FUND BALANCE	(162,049)	(138,239)	(7,572)	11,747	(89,018)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	995,609	833,560	695,321	687,749	699,496
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	-	-	-	-	-
NET ASSETS / FUND BALANCE -	833,560	695,321	687,749	699,496	610,478

Figures may vary slightly due to rounding.

Summary of Budgets, Student Activity Fund:
FY 2011 to FY 2015

Summary: Student Activity Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 3,449,587	\$ 3,641,399	\$ 3,556,586	\$ 3,540,345	\$ 3,666,226
Total State	-	-	-	-	-
Total Federal	-	-	-	-	-
TOTAL REVENUES	3,449,587	3,641,399	3,556,586	3,540,345	3,666,226
Salaries	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Purchased Professional/Tech Svcs	340,339	361,348	408,500	471,830	321,830
Purchased Property Services	49,141	39,693	26,879	64,877	49,877
Other Purchased Services	746,047	987,990	895,801	794,540	794,540
Supplies	1,821,290	1,632,807	1,878,936	2,031,994	1,846,994
Property	14,004	-	-	25,000	25,000
Other Objects	527,394	674,222	656,694	619,141	619,141
TOTAL EXPENDITURES	3,498,215	3,696,060	3,866,810	4,007,382	3,657,382
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(48,628)	(54,661)	(310,225)	(467,037)	8,844
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	-	-	-	-	-
NET CHANGE IN NET ASSETS / FUND BALANCE	(48,628)	(54,661)	(310,225)	(467,037)	8,844
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	1,935,098	1,886,470	1,831,809	1,521,584	1,054,547
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	-	-	-	-	-
NET ASSETS / FUND BALANCE -	1,886,470	1,831,809	1,521,584	1,054,547	1,063,391

Figures may vary slightly due to rounding.

Summary of Budgets, Non K-12 Fund:
FY 2001 to FY 2015

Summary: Non K-12 Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 1,162,826	\$ 3,289,129	\$ 3,249,615	\$ -	\$ -
Total State	1,072,698	1,233,109	1,356,857	-	-
Total Federal	660,316	673,905	660,557	-	-
TOTAL REVENUES	2,895,840	5,196,143	5,267,029	-	-
Salaries	1,922,784	1,996,485	1,976,521	-	-
Employee Benefits	589,608	647,530	704,637	-	-
Purchased Professional/Tech Svcs	86,577	95,194	82,392	-	-
Purchased Property Services	139,322	103,321	117,825	-	-
Other Purchased Services	10,931	10,715	6,734	-	-
Supplies	175,088	205,561	226,527	-	-
Property	10,625	10,491	-	-	-
Other Objects	38,508	21,404	31,094	-	-
TOTAL EXPENDITURES	2,973,443	3,090,701	3,145,729	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(77,603)	2,105,442	2,121,300	-	-
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	106,331	(2,000,000)	(2,000,000)	-	-
NET CHANGE IN NET ASSETS / FUND BALANCE	28,728	105,442	121,300	-	-
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	46,805	75,534	180,976	-	-
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	1	-	-	-	-
NET ASSETS / FUND BALANCE -	75,534	180,976	302,276	-	-

Figures may vary slightly due to rounding.

Summary of Budgets, Building Reserve Fund:
FY 2011 to FY 2015

Summary: Building Reserve Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ -	\$ -	\$ -	\$ -	\$ -
Total State	-	-	-	-	-
Total Federal	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-
Salaries	-	-	-	-	-
Employee Benefits	-	-	-	-	-
Purchased Professional/Tech Svcs	-	-	-	-	-
Purchased Property Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
Supplies	-	-	-	-	-
Property	-	-	-	-	-
Other Objects	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	2,000,000	1,100,000	(1,668,000)	(2,000,000)	(2,000,000)
NET CHANGE IN NET ASSETS / FUND BALANCE	2,000,000	1,100,000	(1,668,000)	(2,000,000)	(2,000,000)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	3,940,240	5,940,240	7,040,240	5,372,240	3,372,240
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	-	-	-	-	-
NET ASSETS / FUND BALANCE -	5,940,240	7,040,240	5,372,240	3,372,240	1,372,240

Note: The Building Reserve fund was not used by the District until FY 2009; figures may vary slightly due to rounding.

Summary of Budgets, Food Services Fund:
FY 2011 to FY 2015

Summary: Food Services Fund	Actual FY 2011	Actual FY 2012	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Total Local	\$ 1,149,447	\$ 1,131,545	\$ 945,021	\$ 1,127,000	\$ 1,154,432
Total State	526,931	677,816	1,042,000	635,000	675,000
Total Federal	3,220,657	3,483,233	3,479,363	3,474,025	3,494,025
TOTAL REVENUES	4,897,035	5,292,594	5,466,383	5,236,025	5,323,457
Salaries	1,818,084	1,827,216	1,781,383	1,914,544	1,970,499
Employee Benefits	580,521	623,287	662,291	712,576	757,889
Purchased Professional/Tech Svcs	13,104	13,186	7,052	12,000	2,000
Purchased Property Services	118,705	113,859	109,832	150,000	100,000
Other Purchased Services	4,635	13,452	7,388	3,755	5,750
Supplies	1,943,858	2,239,876	2,243,906	2,231,835	2,452,913
Property	206,561	117,013	147,489	185,350	259,600
Other Objects	523,136	435,066	505,476	668,750	367,978
TOTAL EXPENDITURES	5,208,604	5,382,955	5,464,817	5,878,810	5,916,629
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(311,569)	(90,361)	1,567	(642,785)	(593,172)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	-	2,700	3,651	4,000	4,000
NET CHANGE IN NET ASSETS / FUND BALANCE	(311,569)	(87,661)	5,217	(638,785)	(589,172)
NET ASSETS / FUND BALANCE BEGINNING (From Prior Year)	2,027,050	1,715,481	1,627,820	1,633,037	994,252
Adjustment to Beginning Net Assets/ Fund Balance (Add Explanation)	-	-	-	-	-
NET ASSETS / FUND BALANCE -	1,715,481	1,627,820	1,633,037	994,252	405,080

Figures may vary slightly due to rounding.

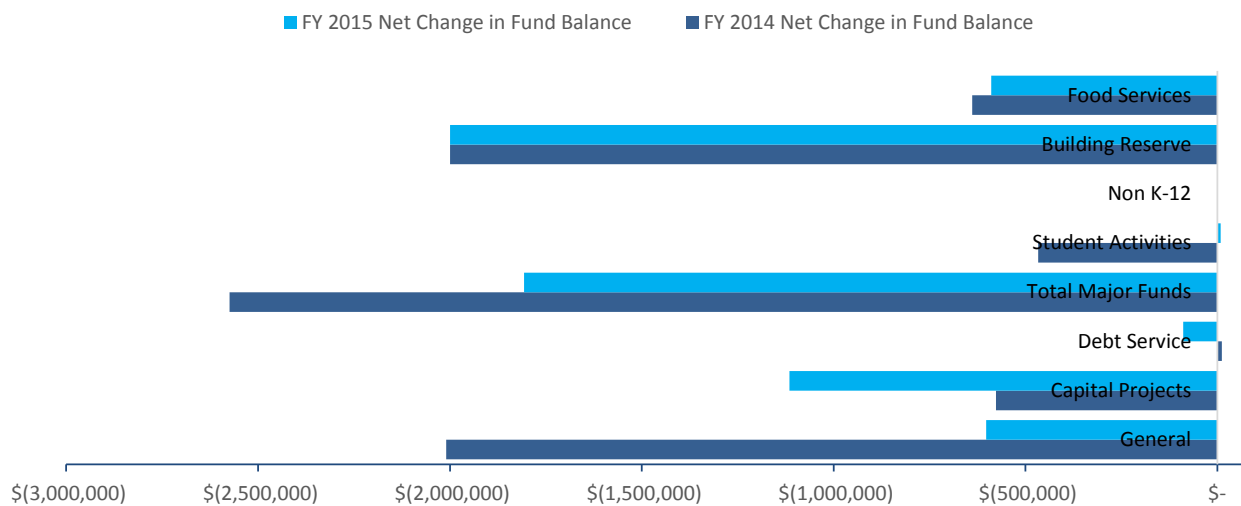
Fund Balance: Adjustment Schedule

FY 2014 to FY 2015

Major Funds	FY 2014			FY 2015		
	Beginning Balance	Net Change in Fund Balance	Final Budget Ending Balance	Beginning Balance	Net Change in Fund Balance	Ending Balance
General	25,507,581	(2,009,468)	23,498,113	23,498,113	(602,403)	22,895,710
Capital Projects	3,307,638	(576,966)	2,730,672	2,730,672	(1,115,168)	1,615,503
Debt Service	687,749	11,747	699,496	699,496	(89,018)	610,478
Total Major Funds	\$29,502,968	(\$2,574,687)	\$26,928,280	\$26,928,280	(\$1,806,589)	\$25,121,691
Non-major Funds						
Student Activities	1,521,584	(467,037)	1,054,547	1,054,547	8,844	1,063,391
Non K-12	0	0	0	0	0	0
Building Reserve	5,372,240	(2,000,000)	3,372,240	3,372,240	(2,000,000)	1,372,240
Food Services	1,633,037	(638,785)	994,252	994,252	(589,172)	405,080
Total Non-major Funds	\$8,526,862	(\$3,105,822)	\$5,421,040	\$5,421,040	(\$2,580,328)	\$2,840,712
Total All Funds	\$38,029,829	(\$5,680,509)	\$32,349,320	\$32,349,320	(\$4,386,918)	\$27,962,403

Fund Balance Definition

Fund balance (or equity) is defined as the difference between the assets and liabilities of a fund, or, in simpler terms, the resources remaining from prior years that are available to be budgeted in the current year. Fund balance is terminology that is applicable to “fund level” reporting of individual governmental funds and is based on the modified accrual basis of accounting, which is the basis of accounting used by the District. It is used as a measure of the amount available to budget or spend in the future, and it’s typically accounted for as either designated or undesignated. Utah state law limits the undesignated amount in the General fund to no more than 5% of the total expense budget of that fund.



Statement of Changes to Fund Balance (Equity)

General Fund: (\$602,403)

The District is projected to spend down just over \$600,000 of its General fund residual balances during FY 2015. Non-routine expenditures make up most of the spend-down, including the funding of Other Post Employment Benefits (OPEB) programs. The spend down of fund balance amounts to less than 1% of the total revenues of this fund.

Capital Projects Fund: (\$1,115,168)

The Capital Projects fund balance is projected to decrease by over \$1,100,000 in FY 2015. This amount is due to a non-routine increase in capital projects, as the District is taking advantage of low construction costs that have continued from the prior year. Additionally, several projects originally scheduled to be completed in FY 2014 have been pushed back into FY 2015 resulting in higher expenses for the coming year.

Debt Service Fund: (\$89,018)

The debt service fund balance will slightly decrease in FY 2015. This is due to planned expenses related to fulfilling the school district’s debt obligations.

Student Activities Fund: \$8,844

The student activities fund balance will not change by a material amount in FY 2015.

Non K-12 Fund: (\$0.00)

This fund isn’t appropriated for use in FY 2015. Prior years’ expenses in this fund have now been completely shifted to other district funds.

Building Reserve Fund: (2,000,000)

For FY 15, planned large-scale capital renovations are taking place at sites throughout the District. A portion of these projects will be funded through the Building Reserve Fund, which is in place to handle these types of capital improvements. Pulling funds from the Building Reserve Fund is considered a non-routine event and a vote by the Board of Education must take place each time it occurs.

Food Service Fund: (\$589,172)

This fund balance decrease is the result of non-routine kitchen upgrades at several schools and heavy inflation on food costs. The District’s food service fund balance will be at approximately 15% of total revenues in this fund after this spend down, which is considered appropriate.

Summary of Fund Balances

Overall, District fund balances are projected to decrease by \$4,386,918 in FY 2015. The vast majority of this decrease is a planned spend down of current fund balances and planned capital projects coming from District reserves. This spend down is due primarily to non-routine expenditures, although it’s important to note that if funds don’t increase, especially in the General and Capital Projects funds, then substantial budget cuts will have to occur in FY 2016 and beyond.

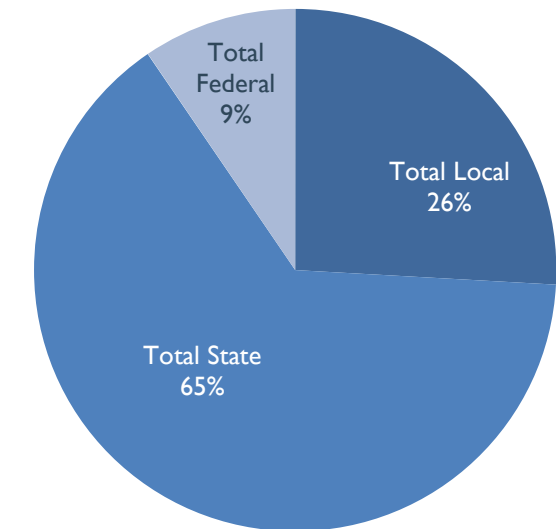
Revenue and Expenditure Budgets by Source: *General Fund*

Major Revenue and Expenditures by Fund Major Funds

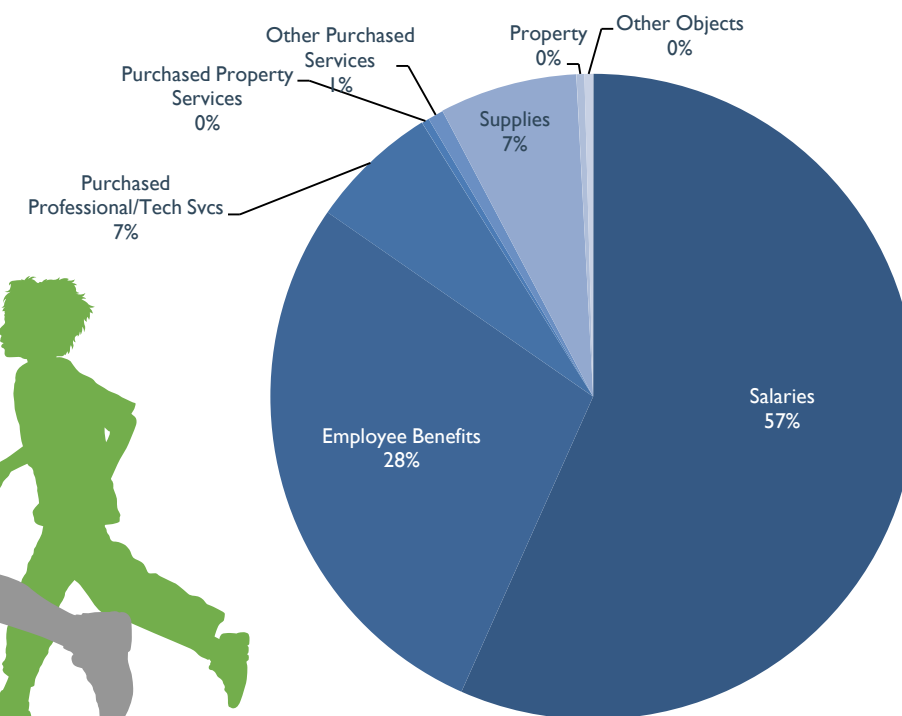


General Fund Revenue: *FY 2015*

The District's largest General fund revenue source is the State of Utah, followed by local sources (mainly property taxes), followed by federal revenue.



General Fund Expenditures: *FY 2015*



As a service organization, the District spends most of its budget on employee compensation. As health care costs continue to rise, it's anticipated that the percentage of benefits to salaries will also rise.

Major Revenue Sources, General Fund:
FY 2013 through FY 2015

Revenues from State Sources	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Regular School Program K-12	\$ 28,772,143	\$ 29,824,742	\$ 34,022,228
Professional Staff	3,029,455	3,090,000	3,347,955
Special Education -- Add-On	4,404,526	4,593,914	4,945,553
Special Education -- Self-Contained	1,715,352	1,818,751	2,001,146
Special Education -- Pre-school		939,630	1,004,786
Extended Year Program -- Severely Disabled	24,948	25,445	31,257
Special Education -- State Programs	143,038	145,247	148,340
Career & Technology Ed -- Add-On	1,893,853	1,932,000	2,048,755
Adult High School	-	343,243	393,286
Class Size Reduction (State Funds)	2,434,552	2,486,000	2,767,713
Enhance for Accelerated Stud Prog	55,207	56,444	59,088
Advanced Placement	46,102	47,135	50,199
Concurrent Enrollment	80,298	80,298	81,952
At-Risk Enhancement	701,057	682,962	758,476
At-Risk -- MESA	-	-	-
At-Risk -- Gang Prevention	71,726	80,102	-
At-Risk -- Youth-in-Custody	1,147,158	1,236,925	1,078,252
Critical Languages	194,100	165,000	165,000
(3640 - Extended Day Kindergarten)	46,886	-	-
Interventions for Student Success	238,791	207,223	216,809
Social Security and Retirement	534,779	538,000	546,203
Pupil Transportation	1,147,945	979,461	1,656,998
School Nurses	22,863	20,916	21,605
School Land Trust Program	677,907	879,479	945,240
Voted Leeway	1,326,271	757,013	1,667,186
Board Leeway	203,331	242,987	304,347
K-3 Reading Achievement	362,575	365,534	385,767
Other State Sources MSP	313,558	267,724	269,753
Total Minimum School Program Generated	49,588,421	51,806,175	58,917,894
Other Revenues from State Sources			
Other Revenues From State Sources (Non-MSP)	1,195,721	1,502,202	1,153,200
Driver Education (State Driver Training Tax)	48,981	-	-
Library Books & Electronic Resources	12,336	12,286	12,379
Supplementals / Other Bills	3,888,008	4,045,959	3,769,207
Revenues From Other State Agencies	377,454	312,984	235,277
Total State Revenue	55,110,921	57,679,606	64,087,957

Major Revenue Sources, General Fund:
FY 2013 through FY 2015

Revenues from Local Sources	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Property Taxes	\$ 19,574,339	\$ 21,395,000	\$ 19,835,667
Tuition From Pupils or Parents	4,948	65,000	72,500
Tuition From Other LEAs Outside the State	7,304	10,000	10,000
Transportation Fees From Pupils or Parents	211,936	162,770	162,770
Earnings on Investments	306,624	340,185	340,185
Student Activities	202,599	61,414	111,414
Other Revenues From Local Sources	2,945,895	4,318,164	4,870,854
Contributions and Donations from Private Sources	257,421	264,000	277,500
Miscellaneous	-	16,617	16,702
Total Local Revenue	23,511,066	26,633,150	25,697,592
Revenue from Federal Sources			
Restricted Revenue Direct From Federal	855,310	350,348	385,449
Restricted Federal Through State	261,708	173,632	38,000
Programs for the Disabled (IDEA)	5,641,335	5,750,925	2,470,159
Career & Technology Education	187,811	178,420	178,420
ARRA Programs	-	-	-
Other Restricted Federal Through State	1,461	104,514	98,039
Federal Received Through Other Agencies	981,565	1,224,134	1,234,142
No Child Left Behind (NCLB)	4,687,342	4,951,470	5,050,692
Total Federal Revenue	12,616,532	12,733,443	9,454,901
TOTAL REVENUES, GENERAL FUND	91,238,519	97,046,199	99,240,450

Figures may vary slightly due to rounding.

Major Expenditures, General Fund:
FY 2013 through FY 2015

General Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Instruction			
Salaries - Teachers	\$ 32,257,236	\$ 33,422,438	\$ 35,607,648
Salaries - Teacher Aides and Paraprofessionals	4,710,196	4,806,682	5,182,936
Salaries - All Other	735,526	491,906	594,711
Total Salaries (100)	<u>37,702,958</u>	<u>38,721,026</u>	<u>41,385,295</u>
Retirement	7,649,074	7,860,573	8,389,184
Social Security	2,619,967	2,824,888	2,872,690
Insurance (Health/Dental/Life)	6,341,978	6,920,437	7,468,793
Other Benefits	2,446,905	2,294,502	2,333,394
Total Benefits (200)	<u>19,057,924</u>	<u>19,900,400</u>	<u>21,064,061</u>
Purchased Professional and Technical Services	4,258,181	4,405,409	5,569,874
Purchased Property Services	(123,217)	102,763	85,519
Other Purchased Services	506,358	391,248	348,186
Supplies	3,668,005	3,593,532	2,949,884
Textbooks	6,388	17,197	8,615
Property (Instructional Equipment)	264,409	382,271	326,665
Other Objects	760,490	680,892	294,466
Dues and Fees	22,522	57,570	26,861
TOTAL INSTRUCTION (1000)	<u><u>66,124,018</u></u>	<u><u>68,252,308</u></u>	<u><u>72,059,426</u></u>

Function: Student Support			
Salaries - Attendance and Social Work Personnel	199,591	298,745	265,896
Salaries - Guidance Personnel	777,458	792,212	752,304
Salaries - Health Services Personnel	158,327	250,593	102,713
Salaries - Psychological Personnel	366,340	404,480	399,740
Salaries - Secretarial and Clerical	241,690	210,070	233,585
Salaries - All Other	593,292	596,453	565,021
Retirement	465,689	548,178	544,030
Social Security	166,140	184,304	181,949
Insurance (Health/Dental/Life)	364,611	372,210	396,452
Other Benefits	23,393	21,527	21,786
Purchased Professional and Technical Services	136,853	156,116	156,805
Other Purchased Services	9,146	6,260	4,141
Supplies	17,684	21,259	15,324
Other Objects	22,391	25,279	7,995
TOTAL STUDENT SUPPORT (2100)	<u><u>3,542,606</u></u>	<u><u>3,887,686</u></u>	<u><u>3,647,741</u></u>

Figures may vary slightly due to rounding.

Major Expenditures, General Fund:
FY 2013 through FY 2015

General Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Instructional Staff Support			
Salaries - Media Personnel - Certificated	\$ 210,160	\$ 199,079	\$ 205,034
Salaries - Secretarial and Clerical	378,784	319,873	312,565
Salaries - Media Personnel - Noncertificated.	396,976	395,615	408,112
Salaries - All Other	121,629	164,763	199,570
Retirement	212,154	206,493	240,760
Social Security	79,446	316,134	102,315
Insurance (Health/Dental/Life)	102,215	86,093	108,680
Other Benefits	11,074	40,199	21,781
Purchased Professional and Technical Services	1,269	2,096	2,096
Purchased Property Services	120	500	500
Other Purchased Services	6,438	3,000	4,000
Supplies	48,593	69,846	50,862
Library Books	541	369	-
Periodicals	-	-	-
Other Objects	543	363	141
Dues and Fees	-	-	-
TOTAL INSTRUCTIONAL STAFF SUPPORT (2200)	<u><u>1,569,942</u></u>	<u><u>1,804,423</u></u>	<u><u>1,656,416</u></u>

Function: District Admin Support			
Salaries - District Board and Administration	290,386	297,895	307,006
Salaries - Supervisors and Directors	436,313	534,111	441,355
Salaries - Secretarial and Clerical	203,469	158,087	191,913
Salaries - All Other	28,932	27,212	147,782
Retirement	197,696	222,697	256,585
Social Security	68,096	74,542	86,360
Insurance (Health/Dental/Life)	120,797	118,640	137,751
Other Benefits	9,590	8,971	11,184
Purchased Professional and Technical Services	28,796	77,377	80,000
Purchased Property Services	-	-	-
Other Purchased Services	32,750	25,315	25,315
Supplies	65,857	68,872	68,873
Property	-	45,000	10,000
Other Objects	31,246	12,636	9,528
Dues and Fees	31,234	28,138	28,138
TOTAL DISTRICT ADMINISTRATION (2300)	<u><u>1,545,161</u></u>	<u><u>1,699,493</u></u>	<u><u>1,801,790</u></u>

Figures may vary slightly due to rounding.

Major Expenditures, General Fund:
FY 2013 through FY 2015

General Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: School Admin Support			
Salaries - Principals and Assistants	\$ 2,401,582	\$ 2,492,194	\$ 2,574,876
Salaries - Secretarial and Clerical	1,187,682	1,399,029	1,464,002
Salaries - All Other	29,470	82,650	84,316
Retirement	785,736	838,183	895,739
Social Security	257,623	276,809	283,404
Insurance (Health/Dental/Life)	473,949	511,252	553,540
Other Benefits	35,934	30,865	53,503
Purchased Professional and Technical Services	-	-	-
Other Purchased Services	19,016	14,882	4,339
Supplies	5,097	10,483	10,483
Dues and Fees	800	-	-
TOTAL SCHOOL ADMIN SUPPORT (2400)	5,196,890	5,656,347	5,924,202

Function: Central Support			
Salaries	\$ 1,498,352	\$ 2,026,372	\$ 2,020,965
Retirement	305,953	417,298	450,826
Social Security	106,399	149,165	147,182
Insurance (Health/Dental/Life)	201,207	263,198	287,954
Other Benefits	15,438	16,658	16,497
Purchased Professional and Technical Services	276,676	460,435	599,200
Purchased Property Services	21,667	1,455	1,455
Other Purchased Services	258,379	326,618	324,146
Supplies	109,254	262,625	318,641
Property	-	190,250	27,000
Other Objects	3,882	2,787	3,400
Dues and Fees	6,379	18,675	19,500
TOTAL CENTRAL SUPPORT (2500)	2,803,586	4,135,536	4,216,766

Figures may vary slightly due to rounding.

Major Expenditures, General Fund:
FY 2013 through FY 2015

General Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Maintenance and Operations Support			
Salaries - Operation and Maintenance	\$ 1,601,263	\$ 1,493,365	\$ 1,601,885
Salaries - All Other	(52,701)	8,510	25,874
Retirement	250,904	245,066	271,065
Social Security	113,719	115,816	127,326
Insurance (Health/Dental/Life)	199,710	285,816	234,151
Other Benefits	15,448	15,661	16,138
Purchased Professional and Technical Services	16,158	34,177	9,311
Purchased Property Services	65,401	66,757	66,848
Other Purchased Services	55,582	39,436	49,593
Supplies	2,553,435	2,697,888	2,846,247
Property	246,250	-	-
Other Objects	402	-	-
TOTAL MAINTENANCE AND OPERATIONS (2600)	5,065,572	5,002,492	5,248,438

Function: Student Transportation			
Salaries - Secretarial and Clerical	\$ 33,600	\$ 38,078	\$ 43,095
Salaries - Supervisors	95,748	18,533	-
Salaries - Bus Drivers	805,994	843,372	789,010
Salaries - Mechanics and Other Garage Employees	181,607	163,412	165,295
Salaries - Other (Trainers, etc.)	9,315	5,946	5,086
Retirement	264,618	199,788	219,481
Social Security	80,740	84,225	87,378
Insurance (Health / Accident / Life)	160,054	169,347	181,811
Other Benefits	11,263	9,307	11,423
Purchased Property Services	61,716	57,000	55,000
Student Allowance	-	-	-
Payments in Lieu of Transportation - Subsistence	-	-	-
Communications (Telephone and Other)	1,572	500	1,500
Travel / Per Diem	4,334	3,300	3,300
Motor Fuel	232,085	222,868	225,000
Other Supplies	192,911	194,140	175,500
Equipment	0	16864	29,000
Miscellaneous Expenditures	22,644	25,412	7,218
Training	-	-	-
TOTAL STUDENT TRANSPORTATION (2700)	2,158,202	2,052,092	1,999,097

Figures may vary slightly due to rounding.

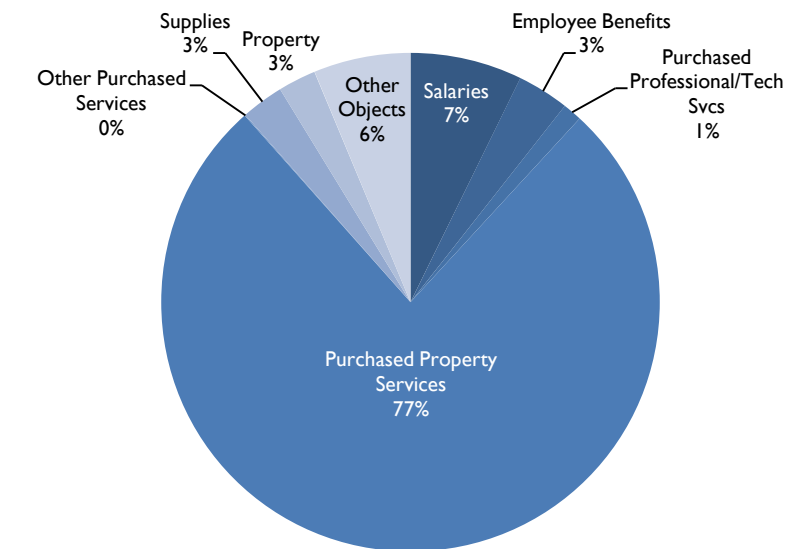
Major Expenditures, General Fund:
FY 2013 through FY 2015

General Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Other Support Services			
Salaries	\$ 427,142	\$ -	\$ -
Retirement	79,554	-	-
Social Security	30,915	-	-
Insurance (Health / Accident / Life)	58,012	-	-
Other Benefits	4,238	-	-
Purchased Professional and Technical Services	-	-	-
Purchased Property Services	12,013	-	-
Other Purchased Services	13,341	-	-
Supplies	192,904	-	-
Property	192,987	-	-
TOTAL OTHER SUPPORT SERVICES (2900)	1,011,105	-	-
Function: Noninstructional Services			
Salaries	\$ 1,128,855	\$ 1,094,501	\$ 1,909,087
Retirement	200,824	213,938	518,081
Social Security	81,544	82,304	164,236
Insurance (Health/Dental/Life)	166,947	180,611	223,406
Other Benefits	11,288	11,360	20,955
Purchased Professional and Technical Services	547,355	1,237,531	36,164
Purchased Property Services	139,093	82,687	165,466
Other Purchased Services	197,995	101,643	18,423
Supplies	371,887	85,364	222,412
Equipment	12,443	10,000	-
Other Objects	134,474	166,469	35,746
Dues and Fees	-	-	-
TOTAL NON-INSTRUCTIONAL SERVICES (3300)	2,992,704	3,266,408	3,313,976
TOTAL EXPENDITURES, GENERAL FUND	\$ 92,009,785	\$ 95,756,785	\$ 99,867,852
OTHER FINANCING			
OTHER FINANCING SOURCES (USES)			
Transfers In From Other Funds	-	-	-
Transfers Out to Other Funds	-	-	-
Proceeds From Sale of Capital Assets	23,518	29,200	25,000
Other	41,266	-	-
TOTAL OTHER FINANCING	64,784	29,200	25,000

Figures may vary slightly due to rounding.

Revenue and Expenditure Budgets by Source: Capital Projects Fund

Capital Projects Fund: FY 2015



Note: All revenue in the Capital Projects Fund comes from local sources - most notably property taxes. Total FY 2015 revenues for this fund are \$5,900,020.

Major Revenue Sources, Capital Projects Fund: FY 2013 through FY 2015

Major Revenue Sources: Capital Projects Fund

Revenues from Local Sources	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Property Taxes	\$ 3,885,035	\$ 5,784,000	\$ 5,779,709
Earnings on Investments	-	-	-
Other Revenues from Local Sources	148,527	124,000	120,311
TOTAL REVENUES, CAPITAL PROJECTS FUND	\$ 4,033,562	\$ 5,908,000	\$ 5,900,020

Figures may vary slightly due to rounding.

Major Expenditures, Capital Projects Fund: FY 2013 through FY 2015

Capital Projects Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Operation and Maintenance of Facilities			
Salaries	\$ 76,179	\$ 71,400	\$ 103,815
Retirement	12,425	6,630	15,135
Social Security	5,532	4,080	7,676
Insurance (Health/Dental/Life)	10,475	-	17,500
Other Benefits	747	-	751
Purchased Professional and Technical Services	52,525	23,200	33,000
Purchased Property Services	375,003	110,837	36,837
Other Purchased Services	6,732	4,825	4,325
Supplies	109,804	218,253	247,944
Property	185,560	31,800	35,500
Other Objects	19	-	-
TOTAL OPERATION AND MAINTENANCE OF FACILITIES	835,000	471,025	502,483
Function: Operation and Maintenance of Facilities (10% of Basic)			
Equipment	\$ 129,181	\$ 214,000	\$ 186,311
TOTAL OPERATION AND MAINTENANCE OF FACILITIES (10%)	129,181	214,000	186,311
Function: Student Transportation (10% of Basic)			
School Buses	\$ -	\$ -	\$ -
TOTAL STUDENT TRANSPORTATION (10%)	-	-	-
Function: Building Acquisition and Construction (10% of Basic)			
Construction and Remodeling	\$ 846,203	\$ 1,295,872	\$ 1,620,435
Furniture and Fixtures	169,446	310,809	-
TOTAL BUILDING ACQUISITION AND CONSTRUCTION (10%)	1,015,649	1,606,681	1,620,435
Function: Debt Services (10% of Basic)			
Interest	\$ -	\$ 80,000	\$ 80,000
Redemption of Principal	-	460,000	460,000
TOTAL DEBT SERVICES (10%)	-	540,000	540,000
Function: Building Acquisition and Construction (Non 10% of Basic)			
Salaries	\$ 511,984	\$ 577,705	\$ 550,050
Retirement	97,370	135,000	117,763
Social Security	36,569	48,000	38,942
Insurance (Health/Dental/Life)	85,825	120,000	99,922
Other Benefits	5,119	5,000	4,174
Purchased Professional and Technical Services	29,575	414,135	80,000
Purchased Property Services	184,480	228,600	302,924
Construction and Remodeling	2,629,150	4,026,270	5,034,685
Other Purchased Services	6,608	550	500
Supplies - New Buildings	72	68,000	-
Buildings	-	-	-
Other Equipment	-	-	-
Other Objects	473,426	30,000	27,000
Interest	79,473	-	-
TOTAL BUILDING ACQUISITION/CONSTRUCTION (Non 10%)	4,139,652	5,653,260	6,255,960
TOTAL EXPENDITURES, CAPITAL PROJECTS FUND	6,119,482	8,484,966	9,105,189
OTHER FINANCING SOURCES (USES)			
Transfers In From Other Funds	3,668,000	2,000,000	2,000,000
Transfers Out to Other Funds	-	-	-
Other Financing Sources & Uses	641,440	-	-
TOTAL OTHER FINANCING SOURCES	4,309,440	2,000,000	2,000,000

Major Revenue and Expenditures, Debt Service Fund:
FY 2013 through FY 2015

Debt Service Fund	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Property Taxes	\$ 6,345,627	\$ 6,422,000	\$ 6,417,235
TOTAL REVENUE, DEBT SERVICE	<u>6,345,627</u>	<u>6,422,000</u>	<u>6,417,235</u>
Expenditures by Object			
Interest	\$ 1,581,699	\$ 1,414,000	\$ 1,270,000
Redemption of Principal	4,766,000	4,941,000	5,181,000
Miscellaneous Expenditures	<u>96,781</u>	<u>55,253</u>	<u>55,253</u>
TOTAL EXPENDITURES, DEBT SERVICE	<u>\$ 6,444,480</u>	<u>\$ 6,410,253</u>	<u>\$ 6,506,253</u>

Figures may vary slightly due to rounding.

Major Revenue and Expenditures by Fund
Non-major Funds



Major Revenue and Expenditures, Student Activity Fund
FY 2013 through FY 2015

Student Activity Fund	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
REVENUES FROM LOCAL SOURCES			
Earnings on Investments	\$ 5,736	\$ 5,000	\$ 5,000
Student Fees	855,954	959,296	997,794
School Vending	33,629	27,500	29,756
Community Services Activities	710,387	689,674	622,257
Other Revenues From Local Sources	<u>1,950,880</u>	<u>1,858,875</u>	<u>2,011,419</u>
TOTAL REVENUE FROM LOCAL SOURCES	<u>3,556,586</u>	<u>3,540,345</u>	<u>3,666,226</u>
TOTAL REVENUE, STUDENT ACTIVITY FUND			
	<u>3,556,586</u>	<u>3,540,345</u>	<u>3,666,226</u>
Function: Instruction			
Purchased Professional and Technical Services	408,500	471,830	321,830
Purchased Property Services	26,879	64,877	49,877
Other Purchased Services	895,801	794,540	794,540
Supplies	1,878,936	2,031,994	1,846,994
Property	-	25,000	25,000
Other Objects	<u>656,694</u>	<u>619,141</u>	<u>619,141</u>
TOTAL EXPENDITURES, STUDENT ACTIVITY FUND	<u>3,866,810</u>	<u>4,007,382</u>	<u>3,657,382</u>

Figures may vary slightly due to rounding.

Major Revenue, Non K-12 Fund
FY 2013 through FY 2015

Non-K-12 Fund	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
REVENUES FROM LOCAL SOURCES			
Property Taxes	\$ 2,623,760	\$ -	\$ -
Tuition from Pupils or Parents	55,195	-	-
Earnings on Investments	23,476	-	-
Other Revenues From Local Sources	<u>547,185</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES FROM LOCAL SOURCES	<u>3,249,615</u>	<u>-</u>	<u>-</u>
REVENUES FROM STATE SOURCES			
Preschool-Handicapped	987,401	-	-
Adult Education	319,656	-	-
Revenues from Other State Agencies	<u>49,800</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES FROM STATE SOURCES	<u>1,356,857</u>	<u>-</u>	<u>-</u>
REVENUES FROM FEDERAL SOURCES			
Special Ed - Preschool	98,466	-	-
Adult Education	78,199	-	-
English Language Education	25,000	-	-
Other Revenues From Federal Sources	<u>458,893</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES FROM FEDERAL SOURCES	<u>660,557</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, NON-K-12 FUND	<u>5,267,029</u>	<u>-</u>	<u>-</u>

Figures may vary slightly due to rounding.

Major Expenditures, Non K-12 Fund: (no budget expenditures in this fund for FY 2015; schedules included for historical perspective only)
FY 2013 through FY 2015

Non-K-12 Fund Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Community Services			
Salaries	\$ 1,976,521	\$ -	\$ -
Retirement	352,948	-	-
Social Security	144,777	-	-
Insurance (Health/Dental/Life)	187,395	-	-
Other Benefits	19,517	-	-
Purchased Professional and Technical Services	82,392	-	-
Purchased Property Services	117,825	-	-
Other Purchased Services	6,734	-	-
Supplies	226,527	-	-
Property	-	-	-
Other Objects	31,094	-	-
Dues and Fees	-	-	-
TOTAL COMMUNITY SERVICES	<u>3,145,729</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES, NON-K-12 FUND	<u>3,145,729</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
OTHER FINANCING SOURCES (USES)			
Transfers In from Other Funds	-	-	-
Transfers Out to Other Funds	(2,000,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>

Figures may vary slightly due to rounding.

Other Financing Sources (Uses), Building Reserve Fund
FY 2013 through FY 2015

There are no revenues or expenditures in this fund as all transactions are done through interfund transfers. According to Utah law, "local school boards may make expenditures from the fund only if public notice is given stating the purpose for which the expenditures are to be made."

Building Reserve Fund	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
OTHER FINANCING SOURCES (USES)			
Transfers In from Other Funds	\$ -	\$ -	\$ -
Transfers Out from Other Funds	<u>(1,668,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,668,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>

Major Revenue, Food Service Fund:
FY 2013 through FY 2015

Food Services Fund	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
REVENUES FROM LOCAL SOURCES			
Sales to Students	\$ 816,266	\$ 1,002,000	\$ 1,012,407
Sales to Adults	108,358	75,000	93,025
Other Revenues From Local Sources	20,396	50,000	49,000
Gains (Losses From Sale of Capital Assets)	-	4,000	4,000
TOTAL REVENUES FROM LOCAL SOURCES	945,021	1,131,000	1,158,432
REVENUES FROM STATE SOURCES			
School Lunch	1,042,000	635,000	675,000
TOTAL REVENUES FROM STATE SOURCES	1,042,000	635,000	675,000
REVENUES FROM FEDERAL SOURCES			
Lunch Reimbursement	413,954	340,000	350,000
Lunch Reimbursement (Free and Reduced Meals)	2,205,131	1,883,000	1,883,000
Special Milk Reimbursement	10	25	25
Breakfast Reimbursement	579,137	475,000	475,000
Child and Adult Care Food Program	55,996	476,000	476,000
Other Child Nutrition Program Revenue	69,206	150,000	160,000
Donated Commodities	155,929	150,000	150,000
TOTAL REVENUES FROM FEDERAL SOURCES	3,479,363	3,474,025	3,494,025
TOTAL REVENUES, FOOD SERVICES FUND	5,466,383	5,240,025	5,327,457

Figures may vary slightly due to rounding.

Major Expenditures, Food Service Fund:
FY 2013 through FY 2015

Expenditures	Actual FY 2013	Final Budget FY 2014	Original Budget FY 2015
Function: Food Services			
Salaries	\$ 1,781,383	\$ 1,914,544	\$ 1,970,499
Retirement	308,816	340,738	366,360
Social Security	130,933	146,468	149,838
Insurance (Health/Dental/Life)	204,781	206,224	222,104
Other Benefits	17,761	19,146	19,587
Purchased Professional and Technical Services	7,052	12,000	2,000
Purchased Property Services	109,832	150,000	100,000
Other Purchased Services	7,388	3,755	5,750
Non-Food Supplies	274,669	180,000	195,894
Food	1,969,237	2,051,835	2,257,019
Property	147,489	185,350	259,600
Other Objects	504,773	668,250	366,978
Dues and Fees	703	500	1,000
TOTAL EXPENDITURES, FOOD SERVICES FUND	5,464,817	5,878,810	5,916,629

Figures may vary slightly due to rounding.

Capital Projects & Debt Service *Supplementary Information*



Capital Expenditures: *Definition*

The District defines capital expenditures as “*tangible property of a more or less permanent nature with a useful life of at least three years, and costing at least \$20,000.*” Examples of capital expenditures include buildings, copy machines, buses, land, and computer/information technology equipment. Capital expenditures can occur in any fund with the exception of the Debt Service fund. However, the vast majority occur in the Capital Projects fund. The Capital Projects fund is almost exclusively funded through local property taxes.

Significant Capital Expenditures: *Non-routine*

The District’s significant, non-routine capital expenditures are represented in the tables on page 105-106. For FY 2015, there are no significant square footage increases, although some projects are substantial investments in the District’s capital projects and operations funds.



Other Significant Capital Expenditures: *Non-routine*

The short-term capital improvement list includes other significant non-routine capital expenditures. These expenditures are voted on by the Board of Education in February for the coming fiscal year. These expenditures are determined based on recommendations from District staff. Public comment is sought each year on the proposed capital projects, and a detailed budget for each specific project is available for public review.

For FY 2015, the standard Capital Improvement list includes projects totaling \$3,771,450. Most of the projects will begin on or around July 1, 2014, and be completed by June 30, 2015. An additional \$2,493,670 in building improvements is slated using non-capital projects funds (donations and operational funds).

Effect on Operations: *Major Capital Projects*

Financial

There is no material financial impact on operations resulting from the FY 2015 capital improvement list. This is due to the fact that non-eSchool enrollment within the District isn't growing, and any new buildings or square footage will result in the closing of old buildings. Over the next three years, there will be an impact to operational costs as a result of energy efficiency gains. Over the long-term, there could be significant operational savings as new schools are built larger, meaning other schools could close when a rebuilt school opens. Increased utility costs due to larger buildings would be offset by school closures and more energy efficiency in new buildings. In 2012 dollars, closing one elementary school could result in \$550,000 of ongoing operational savings. While teacher costs are variable based on student enrollment, savings to fixed costs such as administration, custodial, transportation and utilities could be realized.

Ongoing Annual Operational Savings from Capital Improvement Projects				
Time Range ¹	Compensation	Maintenance/ Utilities	Other Non- compensation	Total
FY 2014	\$ -	\$ -	\$ -	\$ -
Short-term (2-5 years)	-	50,000	-	50,000
Long-term (5+ years) ²	485,000	270,000	148,000	903,000

¹All savings are annual and are reflected in FY 2012 dollars; in other words, no adjustment for inflation is shown.
²Long-term savings include \$553,000 in ongoing savings from closing one elementary school and additional district-wide utilities savings resulting from HVAC and energy efficiency projects.

Non-financial

The short-term capital projects list represent a significant investment of public tax dollars. Besides the financial aspect of these investments, there are also non-financial benefits that come from these projects, including:

- School and classroom environments more conducive to effective learning
- Community beautification
- Less impact on the environment (new schools are substantially more energy-efficient)
- Smaller class sizes
- Safer and cleaner buildings and grounds
- Improved public perception leading to increased enrollment in an increasingly competitive marketplace (students have more education choices than ever before. Safe, clean, and efficient buildings give the District a competitive advantage when attracting students)

Capital Improvement Plan: *Long-term Outlook*

The District continues its targeted and aggressive capital improvement schedule, which is part of the master plan of 2003. **Capital improvements are funded through three major sources: the capital outlay tax levy, building reserve fund, and general obligation bonds.** In 2006, Provo voters approved a \$35 million bond and leeway. While most of the funding for the bond was received during FY 2007, the projects were completed by January 30, 2009.

Qualified School Construction Bonds (QSCB) are part of the federal stimulus bill of 2009. The District was awarded \$6.4 million in QSCB funding to help fund the rebuild of Farrer Elementary into Provo Peaks Elementary. These funds were actually tax credit bonds, which allowed the District to fund part of the school at very low interest rates, further allowing the District to move ahead of the long-term capital improvement schedule.

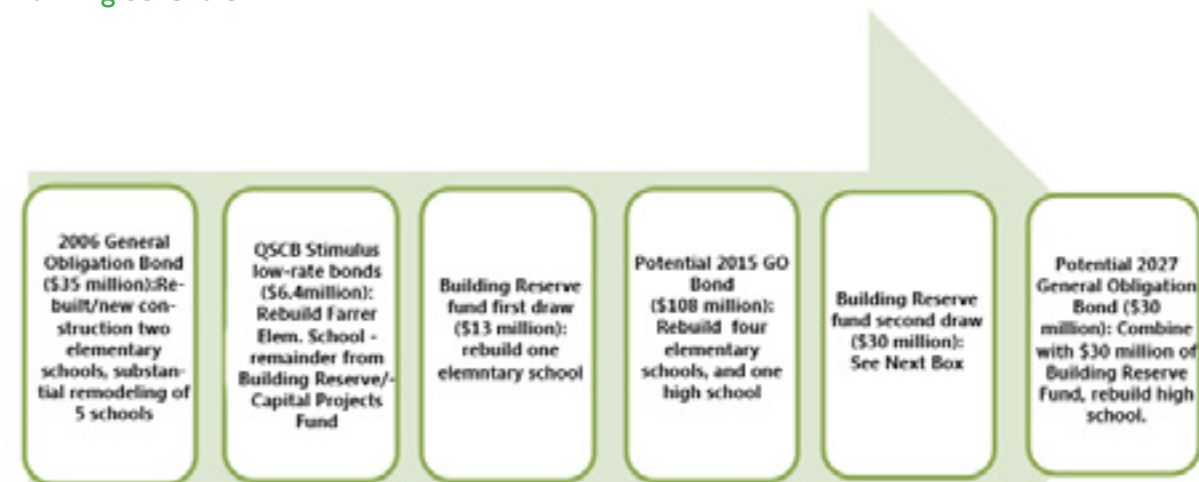
“All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan.”

The rest of the cost to rebuild the school came from the Capital Projects property tax levy. The rebuild of Farrer was a part of the District's overall long-term master plan; the QSCB funds just moved the project forward earlier than originally planned. All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan.

The 2015 projects will start on or around July 1, 2014, and be completed by June 30, 2015. Most of the FY 2015 projects are improvements to existing square footage (e.g. HVAC efficiency projects). The District anticipates the passing of an

additional bond and leeway in November of 2014. These funds will allow the district to aggressively update several schools' aging infrastructure and provide a better learning environment for our students. Maintaining safe, efficient and modern buildings is a critical need. However, it's important to minimize the impact of these large expenditures on the classroom. Even after the passing of the bond, the additional tax burden on the community will still be less than surrounding districts.

Long-term Capital Improvement Plan Funding Schedule



Short-term Capital Improvement List: *FY 2014-15*

FY 14-15 Major Maintenance and Repair List

<u>Loc</u>	<u>Loc Desc</u>	<u>Description</u>	<u>Cost</u>
101	Canyon Crest	Roof Replacement	170,000
101	Canyon Crest	Playground Equipment Repair	55,000
404	Centennial MS	Interior Painting of Common Areas	70,000
404	Centennial MS	HVAC maintenance for VAV, various actuator replacements	50,000
404	Centennial MS	Window replacement and waterproofing for west wing	95,000
610	East Bay Post High	Door openers on all overhead doors	23,000
610	East Bay Post High	ATV w/snow removal equipment	9,800
610	East Bay Post High	Remobilization budget for classroom portable	20,000
102	Edgemont	General HVAC & Electrical maintenance for FY15	45,000
408	Dixon MS	HVAC upgrades	375,000
408	Dixon MS	Masonry repairs at main entrance	75,000
408	Dixon MS	Secured entrance Upgrade	40,000
408	Dixon MS	ATV w/snow removal equipment	9,800
408	Dixon MS	Carpet main corridors, paint selected common area halls	70,000
	CUE Portable	Portable classroom lease	16,000
104	Franklin	Replace carpet for 4 classrooms	10,300
104	Franklin	Redesign front office for line of sight to front entrance	26,250
118	Lakeview	Replace water softener & accessory equipment	28,000
134	Westridge	Portable classroom lease	16,000
704	Provo HS	General HVAC & Electrical maintenance for FY15	100,000
704	Provo HS	Elevator lift repairs and maintenance	9,300
704	Provo HS	Bldg D Maintenance	80,000
103	Provo Peaks	Renovation of office areas on north side for CAS students	112,500
120	Provost	General HVAC & Electrical maintenance for FY15	55,000
122	Rock Canyon	General HVAC & Electrical maintenance for FY15	20,000
122	Rock Canyon	Replace water softener	11,800
124	Sunset View	General HVAC & Electrical maintenance for FY15	60,000
712	Timpview HS	Common hallway painting & finishing upgrades	77,000
712	Timpview HS	Commons area/fill-in recessed area & install VCT flooring	33,600

Short-term Capital Improvement List: *FY 2014-15*

712	Timpview HS	Carpet replacement in 13 areas/entry mat	58,100
132	Wasatch	Playground equipment	55,000
132	Wasatch	Wasatch Site Security Upgrades	232,000
134	Westridge	Portable classroom maintenance/awnings	40,000
134	Westridge	Greasetrap removal and replacement & associated asphalt	14,000
38	District Services	Superintendent's Contingency	50,000
38	District Services	Phone system upgrades - current system is out of date	20,000
38	District Services	General Contingency	600,000
38	District Services	Custodial Equipment upgrades & 1 fleet vehicle	95,000
38	District Services	Wireless networking improvements at schools	20,000
38	District Services	Switch needs at misc schools	15,000
38	District Services	UPS batteries for FY15	20,000
38	District Services	Final Google Connections	40,000
38	District Services	General Maintenance Playgrounds	55,000
38	District Services	2014 Bond Budget	30,000
38	District Services	Two New Buses	225,000
	Various Schools	Secured Entrance Standardization	214,000
	Various Schools	Asphalt & Concrete Maintenance for FY15	225,000
TOTAL			\$3,771,450

Building Reserve Projects (Major Remodels and Renovations)

<u>Loc Desc</u>	<u>Description</u>	<u>Cost</u>
134 Westridge	Main/south parking redesign & west side fire access lane	189,000
712 Timpview HS	FY14 Transfer - HVAC Phase 1 Repairs (from Program 0758)	304,670
712 Timpview HS	Track & synthetic field replacement	2,000,000
TOTAL		\$2,493,670

Debt Obligations

As of June 30, 2014

GENERAL OBLIGATION BONDS

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2006 Series G.O. Bonds	School Building	9,400,000	4%	June 15, 2026	6,425,000
2007A Series G.O. Refunding Bonds	Bond Refunding	8,220,000	3.807%	June 15, 2015	726,000
2007B Series G.O. Bonds	School Building	25,600,000	4.00% to 4.50%	June 15, 2027	19,300,000
2012 Series G.O. Refunding Bonds	Bond Refunding	9,045,000	.56% to 1.29%	June 15, 2017	8,555,000
Total General Obligation Bonds Payable as of June 30, 2014					\$ 35,006,000

LEASE AGREEMENTS

2013 Software	Equipment	\$ 45,375.00	0.00%	July 20, 2018	33,532
Total obligations under lease agreements, June 30, 2014					\$ 33,532

COMBINED GENERAL OBLIGATION BONDS

Combined G.O Bonds

Year Ending June 30	Principal	Interest	Debt Service Fund
2015	5,181,000	1,200,284	6,381,284
2016	5,375,000	1,083,438	6,458,438
2017	3,650,000	975,718	4,625,718
2018	1,750,000	882,563	2,632,563
2019	1,850,000	812,563	2,662,563
2020-2024	10,525,000	2,779,188	13,304,188
2025-2027	6,675,000	542,375	7,217,375
	\$35,006,000	\$8,276,127	\$43,282,127

Annual Required Contribution for Other Post Employment Benefits (OPEB): **\$2,230,000**

Debt Obligations (continued)

As of June 30, 2014

Arrow - Endpoint Software

Year Ending June 30	Principal	Interest	General Fund
2015	\$ 7,985	\$ 1,090	\$ 9,075
2016	\$ 8,245	\$ 830	\$ 9,075
2017	\$ 8,513	\$ 562	\$ 9,075
2018	\$ 8,789	\$ 286	\$ 9,075
Total Minimum Lease Payments Amount Representing Interest Present Value of Minimum Lease Payments			36,300
			(2,768)
			\$ 33,532

Department of Energy Loan

ARRA for THS chiller

Year Ending June 30	Principal	Interest	Capital Fund
2015	19,104	7,623	26,727
2016	19,732	6,995	26,727
2017	20,381	6,345	26,727
2018	21,052	5,675	26,727
2019	21,744	4,982	26,727
2020-2024	119,934	13,699	133,633
2025	19,724	321	20,045
	\$241,671	\$45,641	\$287,312

Lease Revenue Bond

(QSCB)

Year Ending June 30	Principal	Interest	Municipal Building Authority Fund
2015	460,000	68,167	528,167
2016	460,000	62,509	522,509
2017	460,000	56,851	516,851
2018	460,000	51,193	511,193
2019	460,000	45,535	505,535
2020-2024	2,300,000	142,803	2,442,803
2025-2026	942,000	71,199	1,013,199
	\$5,542,000	\$498,255	\$6,040,255

Debt Obligations (continued)

As of June 30, 2014

COMBINED MATURITIES ON ALL LONG-TERM BORROWINGS

Year Ending June 30	Principal	Interest	Total
2015	5,668,089	1,277,164	6,945,253
2016	5,862,977	1,153,771	7,016,748
2017	4,138,894	1,039,476	5,178,370
2018	2,239,841	939,716	3,179,557
2019	2,331,744	863,079	3,194,824
2020-2024	12,944,934	2,935,690	15,880,624
2025-2027	7,636,724	613,895	8,250,619
	<u>\$40,823,203</u>	<u>\$8,822,790</u>	<u>\$49,645,993</u>

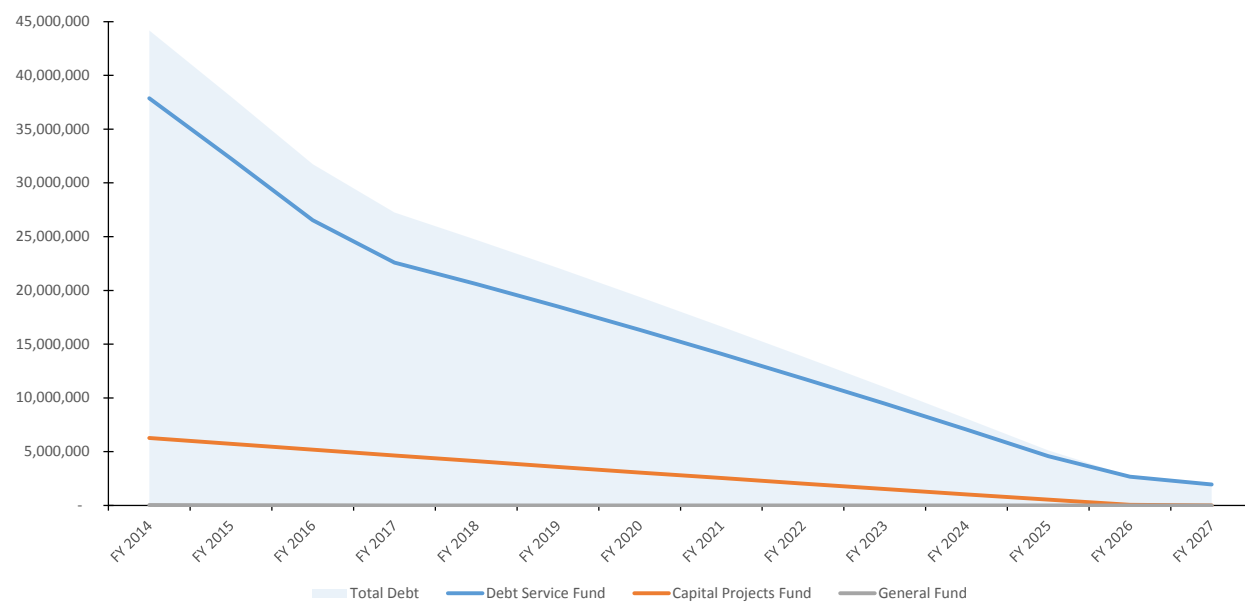
Debt Obligations: Summary by Fund

As of June 30, 2014

	General	Other Governmental	Debt Service	Capital Projects	Summary: All Funds
General Obligation Bonds	\$ -	\$ -	\$ 43,282,127	\$ -	\$ 43,282,127
Arrow Endpoint Software	\$ 36,300	\$ -	\$ -	\$ -	\$ 36,300
Department of Energy Loan	\$ -	\$ -	\$ -	\$ 287,312	\$ 287,312
Lease Revenue Bond	\$ -	\$ 6,040,255	\$ -	\$ -	\$ 6,040,255
COMBINED LONG-TERM BORROWINGS	<u>\$ 36,300</u>	<u>\$ 6,040,255</u>	<u>\$ 43,282,127</u>	<u>\$ 287,312</u>	<u>\$ 49,645,994</u>

Outstanding Principal and Interest: Summary by Fund

As of June 30, 2014



General Obligation Debt: Actual to Limit

The approximate adjusted assessed value¹ of taxable properties in Provo is \$4.49 billion, meaning the District's general obligation debt limit is approximately \$179.5 million (\$4.49 billion x 4%). It was noted previously that the District's general obligation debt is at 0.96% of the assessed market value of Provo - far less than what is allowed by law.

Although it is conservative in its debt practices and avoids excessive, unnecessary debt, the District still must ensure buildings are safe and properly maintained. Long-term debt is often the best option to pay for long-term assets. In the previous decade, the condition of some District buildings fell below what the current administration considered appropriate, as priorities and attention were shifted away from building maintenance.

The current administration has been very progressive in creating a 20-year building replacement plan. Part of this plan was the passing of a bond in 2006. Additionally, as part of the 2009 Federal Stimulus Bill the district was awarded \$6.4 million in tax credit bonds. These tax credit bonds, mentioned previously, were available to the District at an extremely low interest rate, making it possible to accelerate the construction of Provo Peaks Elementary, which replaced the aging Farrer building on the east side of the city. Provo Peaks opened its doors in August 2011. In order to continue to address our aging infrastructure, the District anticipates the passing of an additional general obligation bond in November 2014. These funds will be used to replace five additional schools.

Through the bond election, public survey on budget initiatives, community meetings, Board of Education meetings and other correspondence, Provo citizens have stressed their support for safe and modern buildings in the District.

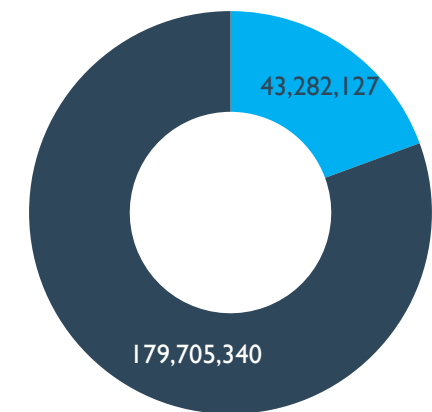
Impact of Debt on Operations

There is no direct impact of the District's current debt on regular operations. For example, choosing to go to the public for a bond election won't raise class sizes, lower teacher pay, etc. The main reason for this is the fact that long-term debt is funded through a separate tax levy than the General fund.

What can be said, however, is choosing to allow buildings to fall into disrepair has a negative impact on the learning environment the District provides. By properly maintaining buildings, and replacing buildings when repairs would cost more than is feasible, the District provides a safe learning environment for students, while also being conservative and mindful of taxpayers. The District's 20 year building replacement plan, referenced above, accomplishes this goal.

G.O. Debt vs. Debt Limit

As of June 30, 2014



¹Adjusted assessed value is the combined residential and business property value in the area of taxation (in this case Provo City) less adjustments for redevelopment and an allowance for doubtful collections.

Informational Section



Demographic & Economic Profile

Provo - Utah County - Utah



Provo: Past and Present

Provo City is situated in Utah Valley, an area just south of Salt Lake City that traditionally was home to part of the Ute Indian tribe. The Utes settled in villages close to Utah Lake both for protection from northeastern tribes and to obtain fish, their primary food source. Fathers Escalante and Dominguez, the first non-American Indians to visit the area, entered Utah Valley in 1776. However, due to the Spanish focus on colonization efforts elsewhere, they failed to establish permanent settlement in the area.

During the first decades of the 19th century, many fur trappers and traders hunted beaver in Utah Valley. Etienne Provost - a French-Canadian trapper - working out of Taos in present-day New Mexico is perhaps the first white man to have seen the Great Salt Lake. In 1824 he led a company into the Great Basin. While camping, they encountered a band of Shoshone Indians. The mountain men were invited into the Shoshone camp, but were told it was bad luck to have metallic objects nearby. As Provost's men laid their weapons aside, the Shoshone attacked them. Only Provost and a few of his entourage escaped.

Highly admired by his contemporaries and considered to be a knowledgeable, skillful, and successful mountain man, Provo City, Provo River, and Provo Canyon are named after him.

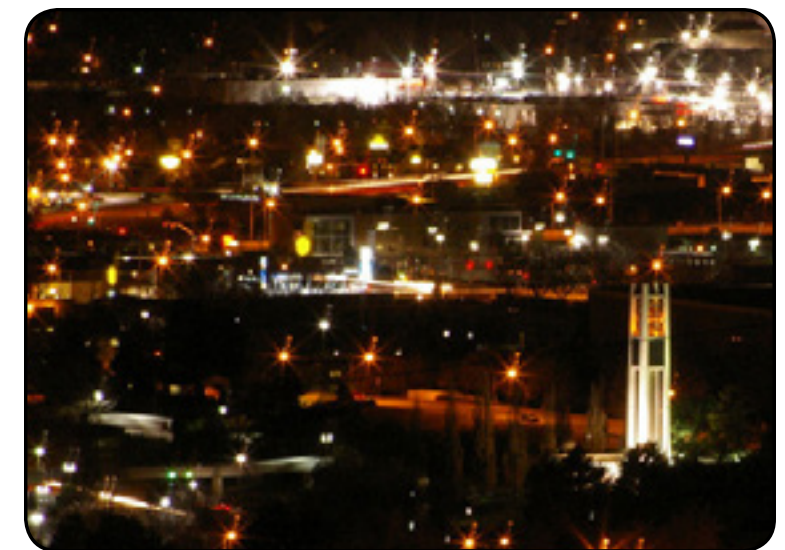
Mormon pioneers established Provo as a permanent settlement in 1849. It became the second largest city in the territory until Ogden became a major railroad hub in the 1870s. In 1875, the settlers established Brigham Young Academy, the beginnings of today's Brigham Young University. Attracting national attention for both its academic and athletic programs, it is the largest church-affiliated institution of higher learning in the nation today.

“With a population of 116,000 and a land area of 43 square miles, Provo is the county seat of Utah County”

Throughout the city's history, Provo has served as Utah Valley's center of industry, commerce, and government. One bustling example is the Provo Woolen Mills. Since sheep thrived in Utah's climate and a mill site was readily available on the Provo River to supply water and power to a plant, the Provo Woolen Mills opened in 1872 as Utah's first large factory. The LDS Church and private donations paid for its construction and, upon completion, it employed upwards of 150 people.

Many of its workers were skilled immigrant laborers from British textile factories. Later, the Provo factory turned to young women to run the looms. It specialized in heavy woolens; blankets, shawls, yarns, and flannels with about one-third of them being exported. The Provo Woolen Mills experienced ebbs and flows, continuing to operate until 1932.

With a population of 116,000 and a land area of 43 square miles, Provo, which uses a mayor-council form of government, is the county seat of Utah County and home to the county offices and courts. It also has one of the highest population densities in the state of Utah. Its close proximity to the mountains and Utah Lake gives its residents superior recreational opportunities throughout both the winter and summer months.



Provo: Past and Present Continued

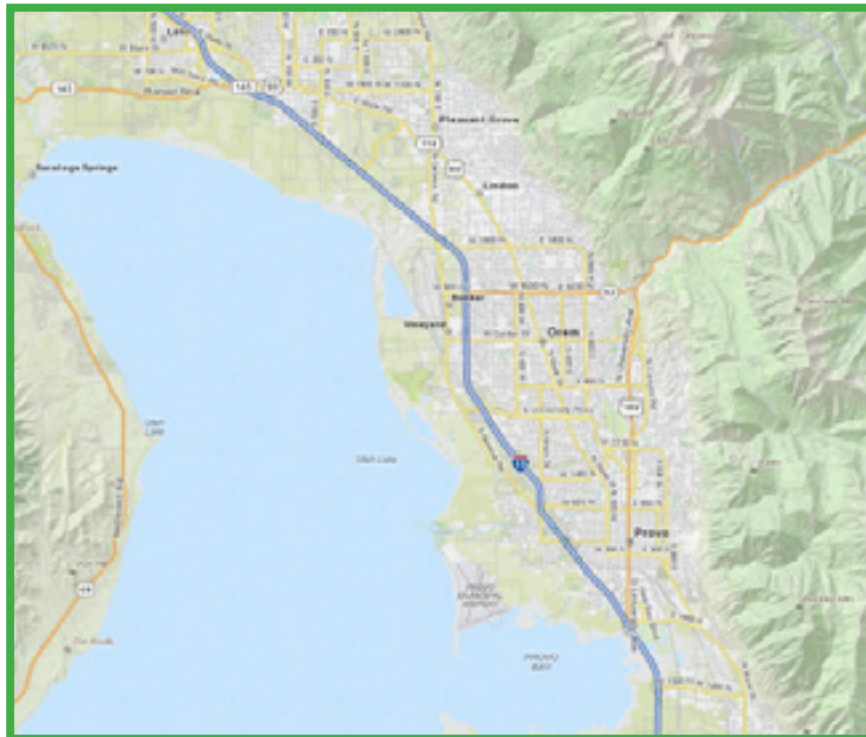
With a population of 116,000, Provo is located in north-central Utah, approximately 45 miles south of Salt Lake City. Provo is the county seat of Utah County, which has seen explosive growth in recent years. In 2000, the U.S. Census Bureau counted Utah County's population at 371,894. In 2012, the U.S. Census indicated that Utah County's population had grown to over 540,000.

Utah County is part of what is referred to as the Wasatch Front, which is made up by Weber, Davis, Salt Lake and Utah Counties. With approximately 2.2 million residents, the Wasatch Front accounts for 80% of Utah's population.

Although Provo City continues to grow at a moderate pace, the percentage of Utah County residents residing in Provo continues to decrease as the northern and southern parts of the county are seeing explosive growth. In 2000, Provo made up 28% of the county population. But in 2012, Provo made up less than 22% of the population – even though Provo had grown at a moderate rate during this period. In addition, the percentage of Provo residents enrolled in the Provo School District continues to fall, as more college-age students move into the area and areas of the city gentrify. Approximately 12 out of every 100 Provo residents is a student in the Provo School District, compared with 22 out of 100 in Alpine School District.

Source: District data, Provo City, US Census Bureau

Utah County Area



Wasatch Front



Utah Economic Indicators

The economic outlook of the District is heavily dependent on state aid, which for FY 2015 will provide 54% of total revenues, and 64% of General fund revenues. The Utah State Uniform School Fund was established constitutionally in 1938 and is used to ensure equitable funding for public education statewide. Since 1947, all taxes based on income have been constitutionally required to be used for public education. In 1996, voters in Utah approved a constitutional change providing that these revenues could also be used for higher education. Additionally, a statewide property tax rate is levied to finance the Uniform School Fund and is applied against the taxable value of real and personal property.

Some notable State of Utah highlights that play a role in the State's economic environment include:

Economic Indicators

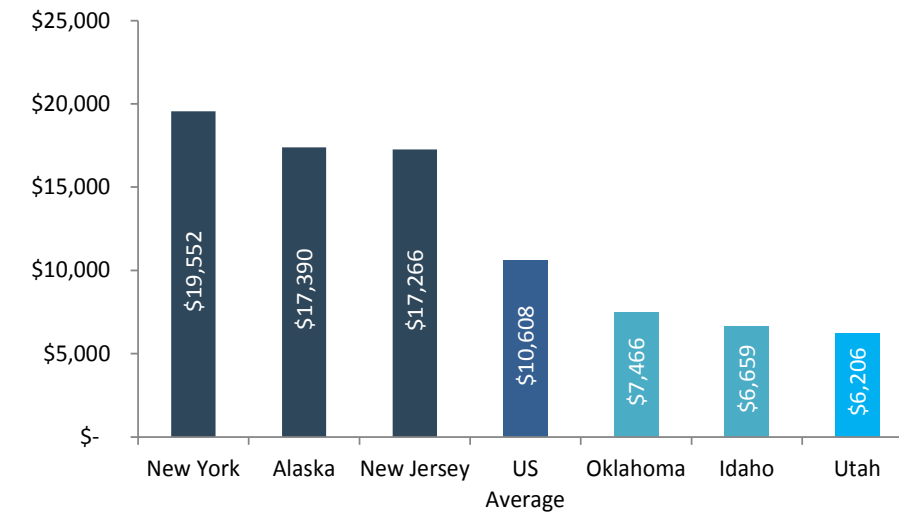
Population: Utah's 2012 total population count was 2,855,287. This represents a population increase of 40,940 people, or 1.5% from 2011, ranking Utah fifth among states in population growth. Utah grew more than twice as fast as the nation from 2011 to 2012.

2015 Outlook: Utah will continue to experience population growth at a rate higher than most states in 2015 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) combined with net in-migration results in an anticipated increase of 46,001 people to Utah's population. While net in-migration has slowed since the peak of the economic expansion, Utah's net migration is projected to remain positive due to continued strong economic factors.

As evidenced by the chart below, Utah lags behind the rest of the country in per-pupil education spending, but the State has invested heavily in public education the last few years - the current Governor and legislature both making it their top funding priority. The large ratio of school-age children to taxpaying adults simply makes it difficult to fund education at the same levels of many other states, particularly those on the East Coast.

Long-Term Projections: The state's population is projected to reach 3.7 million in 2020, 4.4 million in 2030, 5.2 million in 2040, 6.0 million in 2050, and 6.8 million in 2060.

Per Student Spending



Public School Enrollment: In October 2013, there were more than 612,500 students in Utah public schools, an increase of over 12,000 from the previous year.

Economic Indicators (continued)

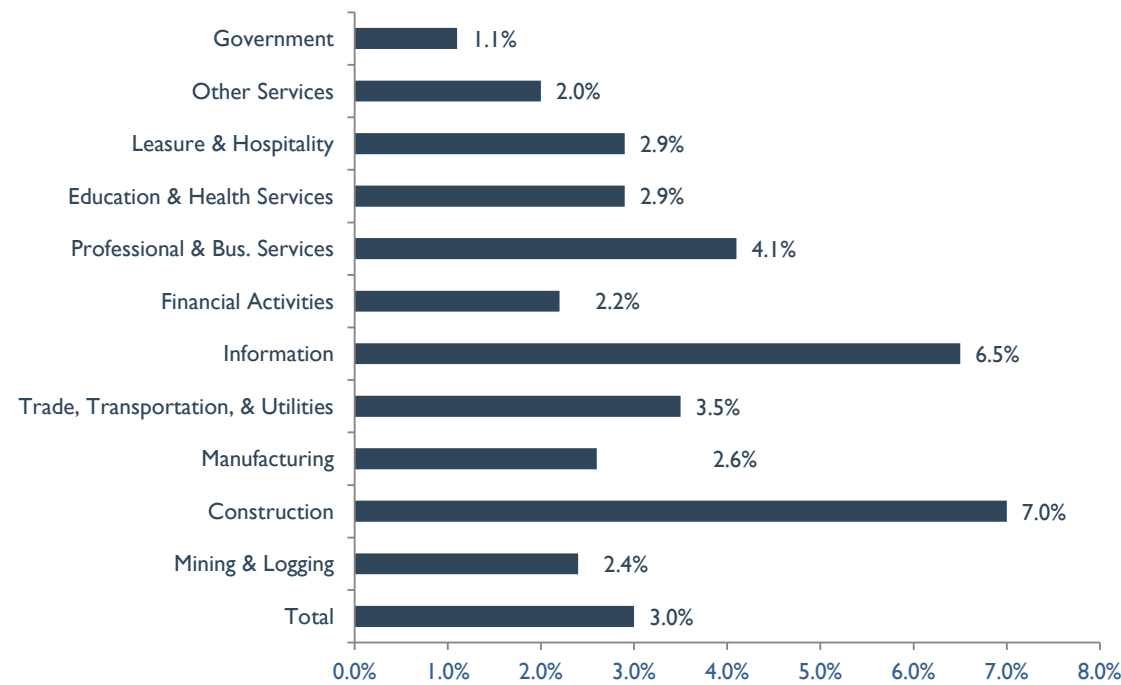
Employment Change: Utah's nonagricultural employment is expected to increase by an estimated 3.1%, or 39,900 jobs, between June 2013 and June 2014. Nationally, employment is projected to increase 1.7%, or 2.4 million jobs, from June 2013 and June 2014.

Unemployment: Utah's unemployment rate was 4.8% during 2013, lower than the 2012 unemployment rate of 5.7%. It is expected to further decrease to 4.2% in 2014. The national unemployment rate is projected to be 7.1% in 2014.

Total Personal Income: Utah's total personal income is estimated to have reached \$110.8 billion in first quarter of 2014. This is a change of 5.3% from first quarter 2013. National change in personal income over the same period is expected to be 4.7%.

Average Annual Pay: Utah's nonagricultural annual pay was estimated at \$53,227 in 2013. Average annual pay for the nation in 2013 was \$52,389, an increase of 1.1%. Utah's annual average pay is projected to increase 5.4% to \$56,085 in FY14.

Percent Change in Utah Employment by Industry: FY 2013 to FY 2014 (Projected)



MSA	Median List Price	Percent Change
Salt Lake City, UT MSA	\$234,000	3.00%
Ogden-Clearfield, UT MSA	\$195,400	7.00%
Provo-Orem, UT MSA	\$212,600	8.00%
Logan, UT MSA	\$179,900	2.00%
St. George	\$208,100	5.00%
Utah	\$213,200	8.00%
U.S.	\$174,200	6.30%

Home Prices: According to Zillow.com's Home Value Index, Utah's house prices were up 8.0% in 2014. This compares to an increase in home list prices of 6.3% nationally.

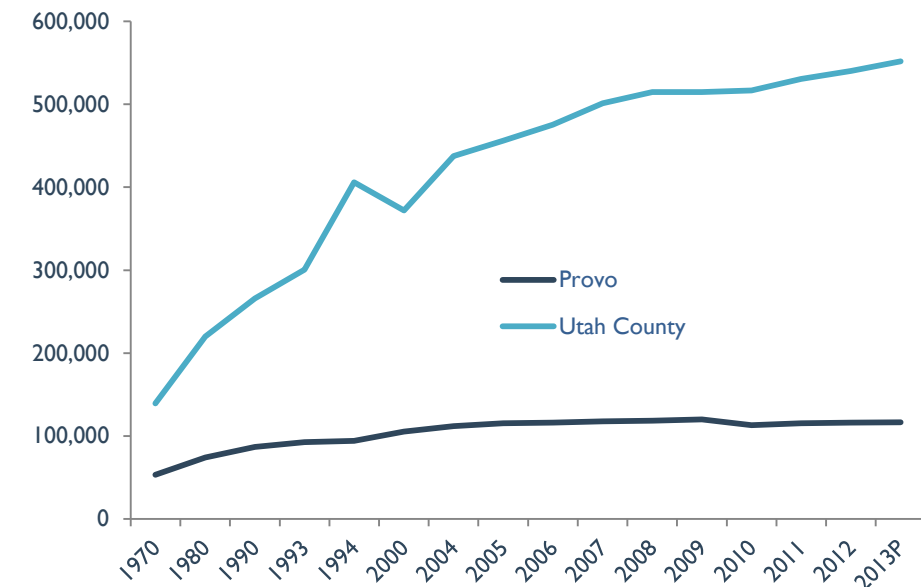
Source: 2014 Economic Outlook, State of Utah Governor's Office

Population, Utah County and Provo City: 1970-2013

Year	Provo	Utah County
1970	53,131	139,300
1980	74,111	220,000
1990	86,835	265,766
1993	92,630	300,447
1994	94,210	405,977
2000	105,439	371,894
2004	111,718	437,627
2005	115,135	456,073
2006	116,217	475,425
2007	117,791	501,447
2008	118,468	515,000
2009	119,775	515,000
2010	113,153	516,564
2011	115,321	530,499
2012	115,919	540,404
2013P	116,288	551,891

According to the U.S. Census Bureau, Utah County has added more than 175,000 residents since 2000. As the population of Utah County has grown dramatically, Provo has grown at a moderate pace, making it one of Utah's most livable and well-planned cities.

Population, Utah County and Provo City: 1970-2013



Source: U.S. Census

Provo: Information and Attractions



Birth Rates¹: Utah County - Utah - U.S.

Year	Utah County	Utah	US
1995	25.56	19.8	14.6
1996	26.07	20.6	14.4
1997	26.02	20.5	14.2
1998	26.77	21.1	14.3
1999	27.36	21.1	14.2
2000	26.77	21.1	14.4
2001	26.21	20.8	14.1
2002	26.08	20.8	13.9
2003	25.38	20.6	14.1
2004	25.03	20.5	14
2005	24.81	20.2	14
2006	24.66	20.4	14.2
2007	24.5	20.4	14.3
2008	24.07	20.2	13.9
2009	22.9	19.2	13.5
2010	23.2	18.9	12.9
2011	22.7	18.2	12.7
2012	22.2	18	12.6

Utah County's birth rate is higher than the Utah state average, which is substantially higher than the U.S. average. This leads to dramatic growth in the school-age population, which affects the District's budget and forecasting.

¹Rates are per 1,000 people.

Points of Interest and Special Events

A family celebration of the holidays including First Night
 America's Freedom Festival
 Hiking, fishing, and the most spectacular scenery in the country
 Home of the famous Sundance Film Festival and Summer Theater
 One of the nation's biggest Independence Day celebrations
 Provo River World Class Trout Fishing & the Uinta mountain range
 Sundance Ski Resort and Summer Theater
 WinterFest in Downtown Provo

Recreation

Golf Courses (within 15 min.)	10
Public Tennis Courts	37
Public Parks	32
Softball Complexes	5
Ice Rinks	2
Skate Park	1

Provo Compared to Utah State Average

- Hispanic race population percentage **significantly above** state average.
- Median age **significantly below** state average.
- Foreign-born population percentage **significantly above** state average.
- Renting percentage **above** state average.
- Length of stay since moving in **significantly below** state average.
- House age **below** state average.
- Number of college students **significantly above** state average.
- Percentage of population with a bachelor's degree or higher **above** state average.

Culture

Museums	8
Live Theatrical Venues	14

Source: Provo City
 (www.provo.org)

Source: Utah Department of Health, "Utah's Vital Statistics: Births and Deaths, 2010";

Largest Employers: *State of Utah and City of Provo*

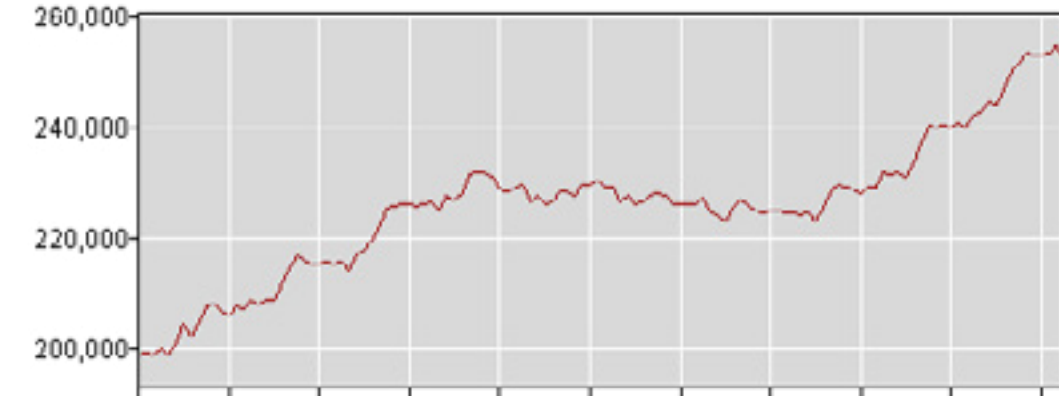
Company	Industry	Employment
Intermountain Health Care	Healthcare	20,000 +
University of Utah (Including Hospital)	Higher Education	20,000 +
State of Utah State	State Government	20,000 +
Brigham Young University	Higher Education	15,000-19,999
Wal-Mart	Warehouse Clubs/Supercenters	15,000-19,999
Hill Air Force Base	Federal Government	10,000-14,999
Granite School District	Public Education	7,000-9,000
Utah State University	Higher Education	7,000-9,000
Davis County School District	Public Education	7,000-9,000
Smith's Food and Drug Centers	Grocery Store	5,000-6,999
Alpine School District	Public Education	5,000-6,999
U.S. Department of Treasury	Federal Government	5,000-6,999
Salt Lake County	Local Government	5,000-6,999
Jordan School District	Public Education	5,000-6,999
U.S. Postal Service	Federal Government	5,000-6,999
Utah Valley University	Higher Education	4,000-4,999
The Canyons School District	Public Education	4,000-4,999
Zions Bank Mangement Services	Banking	4,000-4,999
Weber County School District	Public Education	3,000-3,999
Convergys Corporation	Telephone Call Center	3,000-3,999
Delta Airlines Air Transportation	Air Transportation	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
L3 Communications Corporation	Electronics Manufacturing	3,000-3,999
Wells Fargo Bank Banking	Banking	3,000-3,999
Nebo School District	Public Education	3,000-3,999
SkyWest Airlines	Air Transportation	3,000-3,999
The Home Depot	Home Center	3,000-3,999
United Parcel Service	Courier Service	3,000-3,999
Autoliv	Vehicle Equipment Manufacturing	3,000-3,999
Washington County School District	Public Education	3,000-3,999
Weber State University	Higher Education	3,000-3,999
Salt Lake City Corporation	Local Government	3,000-3,999

Largest Employers in Provo City 2012 (most recent year available)

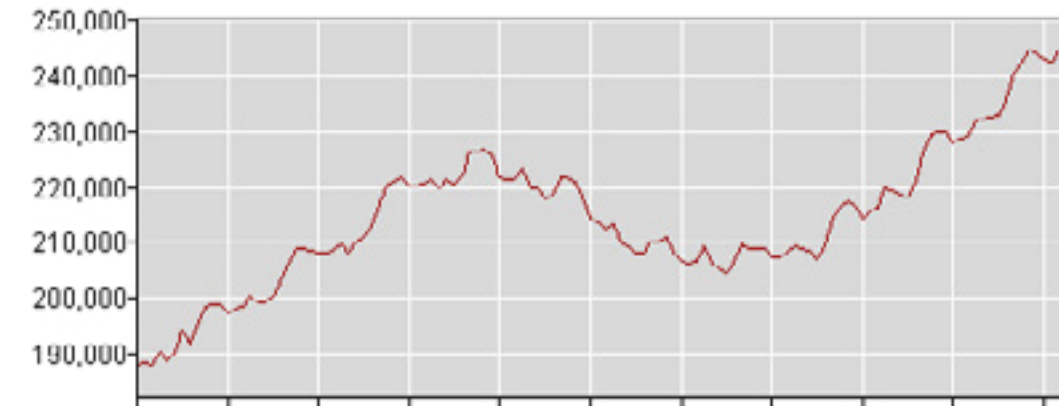
Company Name	Employees	Type of Company
Brigham Young University	15,000-19,999	Education
Utah Valley Regional Medical Center	3,000-3,999	Health Care
Vivint	2,000-2,999	Home Automation
Novell	1,000-1,999	Information
Provo School District	1,000-1,999	Educational Services
Utah County	500-999	Government
Ancestry.com	500-999	Information
Nuskin International	500-999	Wholesale Nutraceutical
Provo City	500-999	Government
Utah State Hospital	500-999	Health Care
Central Utah Medical Center	250-499	Health Care

Utah County Labor Statistics: 2004 to 2014

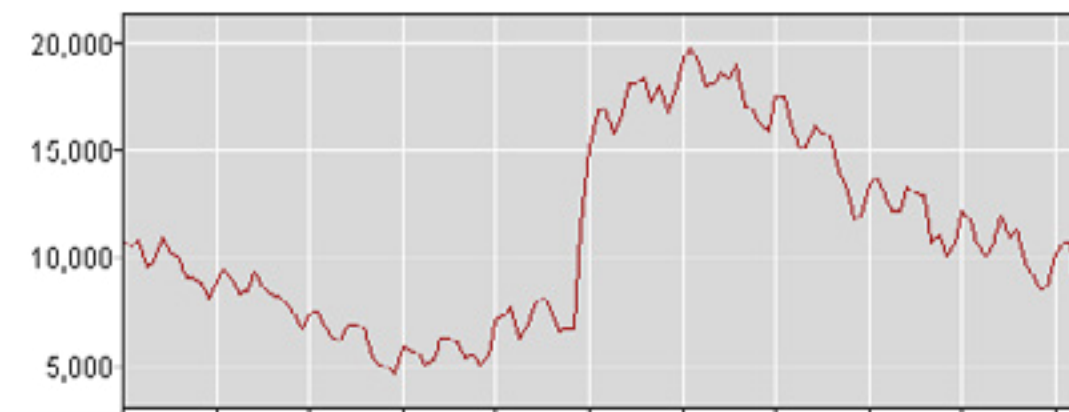
Labor Force: *Utah County*



Employment: *Utah County*

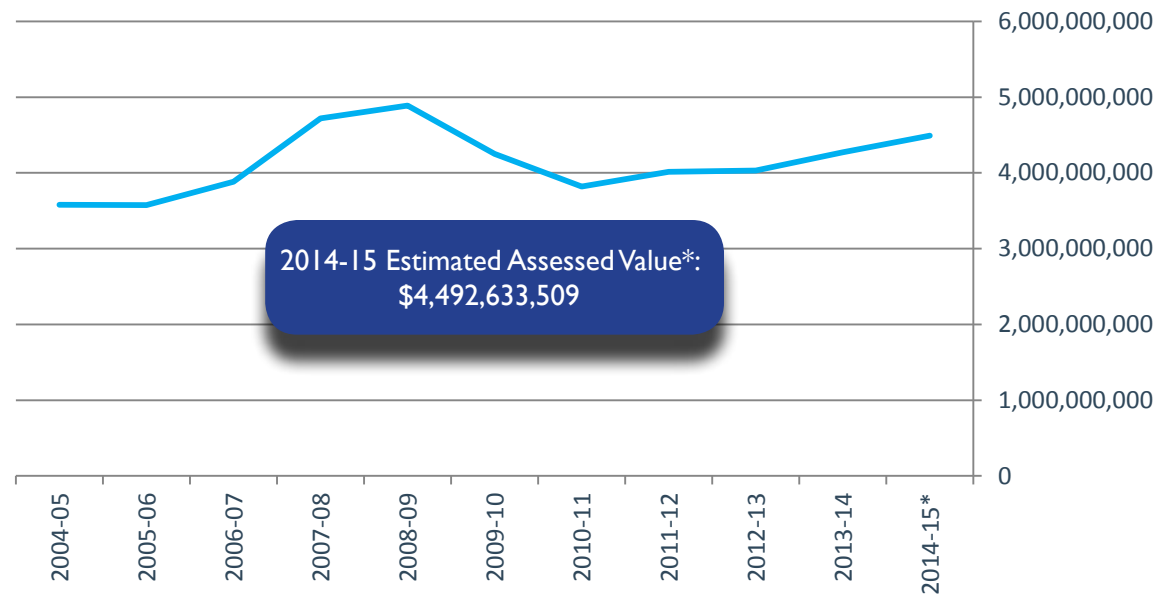


Unemployment: *Utah County*



Source: U.S. Bureau of Labor Statistics

Assessed Market Value of Property in Provo City 2004-05 to 2014-15



Source: Utah County Auditor/Utah State Office of Education

Explanation of Property Tax Schedules on Following Pages

The detailed property tax schedules on the following three pages are formatted as the District is required to report them to the State of Utah. For readability reasons, the schedule is divided up into three pages. The first schedule contains tax rates and actual receipts for the fiscal years 2008, 2009 and 2010. The second schedule contains tax rates and anticipated and/or budgeted amounts for fiscal years 2011, 2012, and 2013. The last schedule contains detailed tax information for 2014 and the budget year, 2015. Revenue received from various fees and redemptions are reported on this schedule but are not subject to a tax rate.

Property taxes are determined by multiplying home value by the tax rate. However, residential properties receive a 45% exemption, meaning homeowners pay taxes based on 55% of the actual value property. Businesses do not receive this exemption.

Year	Assessed Valuation	Percent Change
2014-15*	\$4,492,633,509	5.1%
2013-14	\$4,273,318,256	6.0%
2012-13	\$4,033,065,000	0.5%
2011-12	\$4,013,000,000	5.0%
2010-11	\$3,819,255,687	-10.1%
2009-10	\$4,250,537,208	-13.0%
2008-09	\$4,887,984,782	3.6%
2007-08	\$4,717,762,297	21.5%
2006-07	\$3,883,034,322	8.6%
2005-06	\$3,573,893,056	-0.2%
2004-05	\$3,579,680,617	13.3%

*Estimated

Property Tax Rates & Collections: FY 2008 to FY 2010

Levy	FY 2008		FY 2009		FY 2010	
	Tax Rate	Actual Revenue	Tax Rate	Actual Revenue	Tax Rate	Actual Revenue
Basic Program	0.001311	5,353,161	0.001250	5,294,800	0.001433	5,906,437
Voted Leeway	0.000877	3,581,024	0.001275	5,675,765	0.001346	5,547,846
Board Leeway (Class Size Reduction)	0.000339	1,656,900	0.000214	1,157,100	0.000226	1,130,696
Board Leeway (Reading Program)	0.000000	-	0.000121	529,989	0.000121	509,183
Transportation	0.000096	388,651	0.000093	422,359	0.000098	411,879
Tort Liability	0.000060	242,866	0.000058	262,620	0.000061	257,727
10% of Basic Operating					0.000492	2,029,951
Recreation	0.000256	1,066,236	0.000249	1,101,302	0.000132	543,049
Gen Oblig Debt	0.001018	4,239,950	0.001242	5,491,824	0.001307	5,377,002
Capital Outlay Foundation	0.000369	1,536,878	0.000828	3,659,895	0.000930	3,690,400
10% of Basic Capital	0.000913	3,802,626	0.000884	3,910,262	0.000493	1,954,325
Redemptions - Basic Levy	-	399,913	-	314,494	-	581,009
Redemptions - Voted Leeway	-	370,933	-	337,311	-	545,734
Redemptions - Board Leeway	-	-	-	56,549	-	91,631
Redemptions - Special Transportation	-	29,035	-	25,261	-	40,399
Redemptions - Tort Liability	-	18,144	-	16,099	-	25,352
Redemptions - Reading Levy	-	-	-	31,779	-	50,087
Vehicle Fees in Lieu of Tax Basic	-	742,603	-	584,343	-	577,978
Vehicle Fees in Lieu of Tax - Voted Leeway	-	688,791	-	105,162	-	91,154
Vehicle Fees in Lieu of Tax - Board Leeway	-	-	-	627,003	-	542,888
Vehicle Fees in Lieu of Tax - Sp. Trans.	-	53,914	-	46,480	-	40,022
Vehicle Fees in Lieu of Tax - Tort Liab.	-	33,691	-	29,180	-	24,971
Vehicle Fees in Lieu of Tax - Reading Levy	-	-	-	58,432	-	49,826
Vehicle Fees in Lieu of Tax (Non K12)	-	79,654	-	121,489	-	53,141
Tax Sales and Redemptions & Other (Non K12)	-	147,910	-	65,189	-	53,419
Vehicle Fees in Lieu of Tax (Debt Service)	-	316,749	-	606,260	-	526,171
Tax Sales and Redemptions & Other (Debt Svc)	-	588,176	-	326,296	-	528,929
Vehicle Fees in Lieu of Tax Cap Found	-	213,199	-	371,608	-	382,483
Vehicle Fees in Lieu of Tax 10% Basic	-	527,509	-	464,263	-	361,126
Tax Sales and Redemption Cap Foundation	-	114,814	-	200,097	-	384,489
Tax Sales and Redemptions 10% Basic	-	284,079	-	249,382	-	363,020
TOTALS - ALL FUNDS	<u>.005239</u>	<u>\$ 26,477,406</u>	<u>.006214</u>	<u>\$ 32,142,593</u>	<u>.006639</u>	<u>\$ 32,672,324</u>

Property Tax Rates & Collections: *FY 2011 to FY 2013*

	<u>FY 2011</u>		<u>FY 2012</u>		<u>FY 2013</u>	
	Tax Rate	Actual Revenue	Tax Rate	Actual Revenue	Tax Rate	Actual Revenue
Levy						
Basic Program	0.001495	5,915,149	0.001591	6,343,879	0.001651	\$ 7,314,891
Voted Leeway	0.001340	5,301,870	0.001434	5,718,470	0.001300	5,760,104
Board Local Levy	-	-	0.000400	1,595,367	0.001467	6,499,343
Board Leeway (Class Size Reduction)	0.000392	1,550,995	-	-	-	-
Board Leeway (Reading Program)	0.000121	478,751	0.000121	482,369	-	-
Transportation	-	-	0.000100	398,842	-	-
Tort Liability	-	-	0.000080	319,491	-	-
Recreation	0.000132	522,205	0.000600	2,243,370	0.000592	2,623,760
Gen Oblig Debt	0.001317	5,210,185	0.001399	5,230,514	0.001432	6,345,627
Capital Outlay Foundation	0.000982	3,883,550	0.000250	608,818	0.000877	3,885,035
10% of Basic Capital	0.000464	1,834,996	0.000576	1,402,513	-	-
10% of Basic Operating	0.000463	1,831,915	0.000602	2,400,358	-	-
Redemptions - Basic Levy	-	615,755	-	649,423	-	-
Redemptions - Voted Leeway	-	551,915	-	584,689	-	-
Redemptions - Board Leeway	-	161,456	-	162,878	-	-
Redemptions - Special Transportation	-	-	-	40,719	-	-
Redemptions - Tort Liability	-	-	-	32,367	-	-
Redemptions - Reading Levy	-	49,837	-	49,072	-	-
Redemptions - 10% of Basic	-	190,699	-	245,361	-	-
Vehicle Fees in Lieu of Tax Basic	-	579,714	-	627,497	-	-
Vehicle Fees in Lieu of Tax - Voted Leeway	-	519,610	-	565,895	-	-
Vehicle Fees in Lieu of Tax - Board Leeway	-	152,005	-	157,657	-	-
Vehicle Fees in Lieu of Tax - Sp. Trans.	-	-	-	39,675	-	-
Vehicle Fees in Lieu of Tax - Tort Liab.	-	-	-	31,323	-	-
Vehicle Fees in Lieu of Tax - Reading Levy	-	46,920	-	48,028	-	-
Vehicle Fees in Lieu of Tax - 10% of Basic	-	179,537	-	237,008	-	-
Vehicle Fees in Lieu of Tax (Non K-12)	-	51,179	-	222,184	-	-
Tax Sales and Redemptions & Other (Non K-12)	-	54,361	-	229,035	-	-
Vehicle Fees in Lieu of Tax (Debt Service)	-	510,625	-	516,884	-	-
Tax Sales and Redemptions & Other (Debt Svc)	-	542,370	-	535,484	-	-
Vehicle Fees in Lieu of Tax Cap Found	-	404,269	-	59,926	-	-
Vehicle Fees in Lieu of Tax 10% Basic	-	191,019	-	138,976	-	-
Tax Sales and Redemption Cap Foundation	-	380,607	-	62,476	-	-
Tax Sales and Redemptions 10% Basic	-	179,839	-	143,439	-	-
TOTALS - ALL FUNDS	<u>.006706</u>	<u>\$31,891,333</u>	<u>.007153</u>	<u>\$32,123,987</u>	<u>.007319</u>	<u>\$32,428,762</u>

Property Tax Rates & Collections: *FY 2014 to FY 2015*

	<u>FY 2014</u>		<u>FY 2015</u>	
	Tax Rate	Actual Revenue	Tax Rate	Amount Budgeted
Levy				
Basic Program (53A-17a-135)	0.001535	\$ 7,020,400	0.001419	\$ 6,849,650
Voted Leeway (53A-17a-133)	0.001300	5,945,615	0.001228	5,927,674
Board Local Levy (53A-17a-164)	0.001518	6,942,649	0.001445	6,975,154
Recreation (11-2-7)	0.000000	-	0.000000	-
Gen Oblig Debt (11-14-19/53A-17a-145/ 53A-21-103)	0.001380	6,311,499	0.001268	6,120,758
Voted Capital (53A-16-110)	0.001361	6,224,602	0.001276	6,159,375
TOTALS - ALL FUNDS	<u>.007094</u>	<u>\$32,444,766</u>	<u>.006636</u>	<u>\$32,032,611</u>

Impact of Property Taxes on Taxpayers: 2010 to 2015

Residential						
Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Home Value	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Residential Exemption	45%	45%	45%	45%	45%	45%
Assessed Value	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500	\$137,500
District Total Tax Rate	0.006639	0.006706	0.007153	0.007319	0.007094	0.006636
District Property Taxes	\$912.86	\$922.08	\$983.54	\$1,006.36	\$975.43	\$912.45
Taxes per \$1,000 of value:	\$3.65	\$3.69	\$3.93	\$4.03	\$3.90	\$3.65

Business						
Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Business Value	250,000	250,000	250,000	250,000	250,000	250,000
Assessed Value	250,000	250,000	250,000	250,000	250,000	250,000
District Total Tax Rate	0.006639	0.006706	0.007153	0.007319	0.007094	0.006636
District Property Taxes	\$1,659.75	\$1,676.50	\$1,788.25	\$1,829.75	\$1,773.50	\$1,659.00
Taxes per \$1,000 of value:	\$6.64	\$6.71	\$7.15	\$7.32	\$7.09	\$6.64

Basis of Tax Rate: The overall tax rate is a % that is multiplied by the assessed values of business and residential properties in Provo, although residential properties receive a 45% exemption (discussed previously).

SIMPLE PROPERTY TAX DETERMINATION

Residential: Assessed Home Value x 0.55 x Tax Rate

On a \$250,000 home, 2014-15 property tax attributable to the District would be: $\$250,000 \times 0.55 \times .007094$, or \$975.43.

Business: Assessed Business Value x Tax Rate

On a \$250,000 business, 2014-15 property tax attributable to the District would be: $\$250,000 \times .007094$, or \$1,773.50.

Property Taxes: Levy Comparison

Property taxes may be levied by the State of Utah and most of its political subdivisions, including counties, all cities and towns, all school districts and most special service districts. Authority levy depends upon enabling statutes.

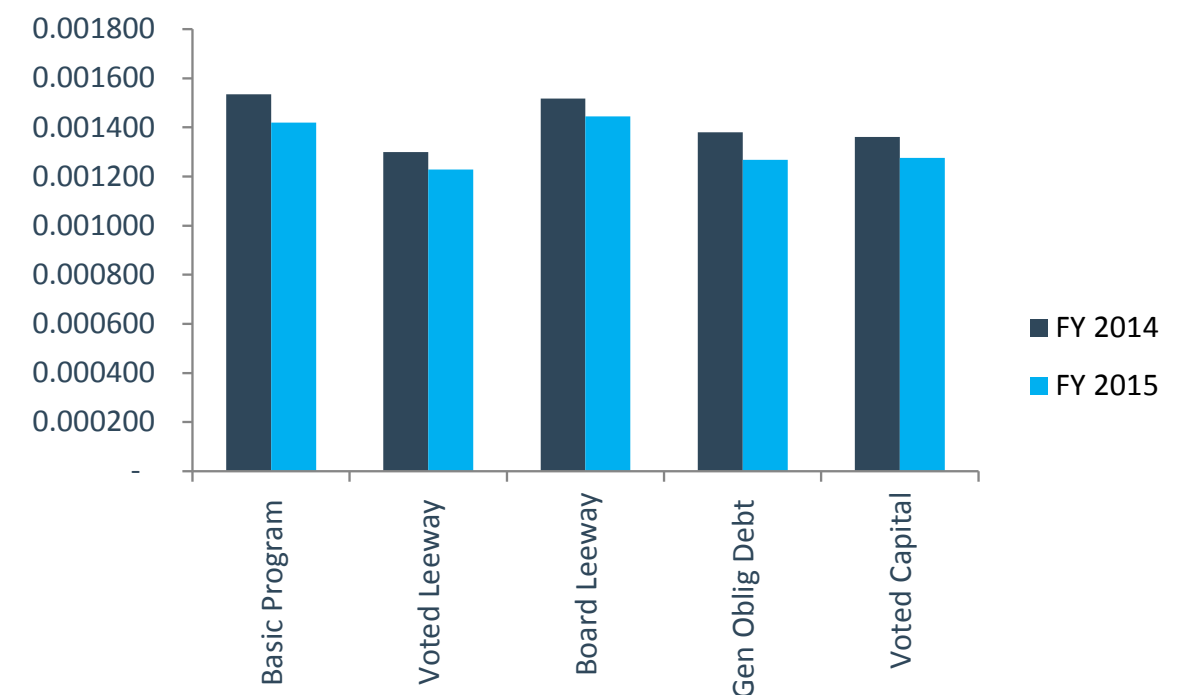
School districts previously had the authority to levy thirteen different taxes to collect funds for the education of students. Effective January 1, 2012, there were only six tax rates a school district could levy.

Levy	FY 2014	FY 2015
Basic Program	0.001535	0.001419
Voted Leeway	0.001300	0.001228
Board Leeway	0.001518	0.001445
Gen Oblig Debt	0.001380	0.001268
Voted Capital	0.001361	0.001276
Total - All Funds	0.007094	0.006636

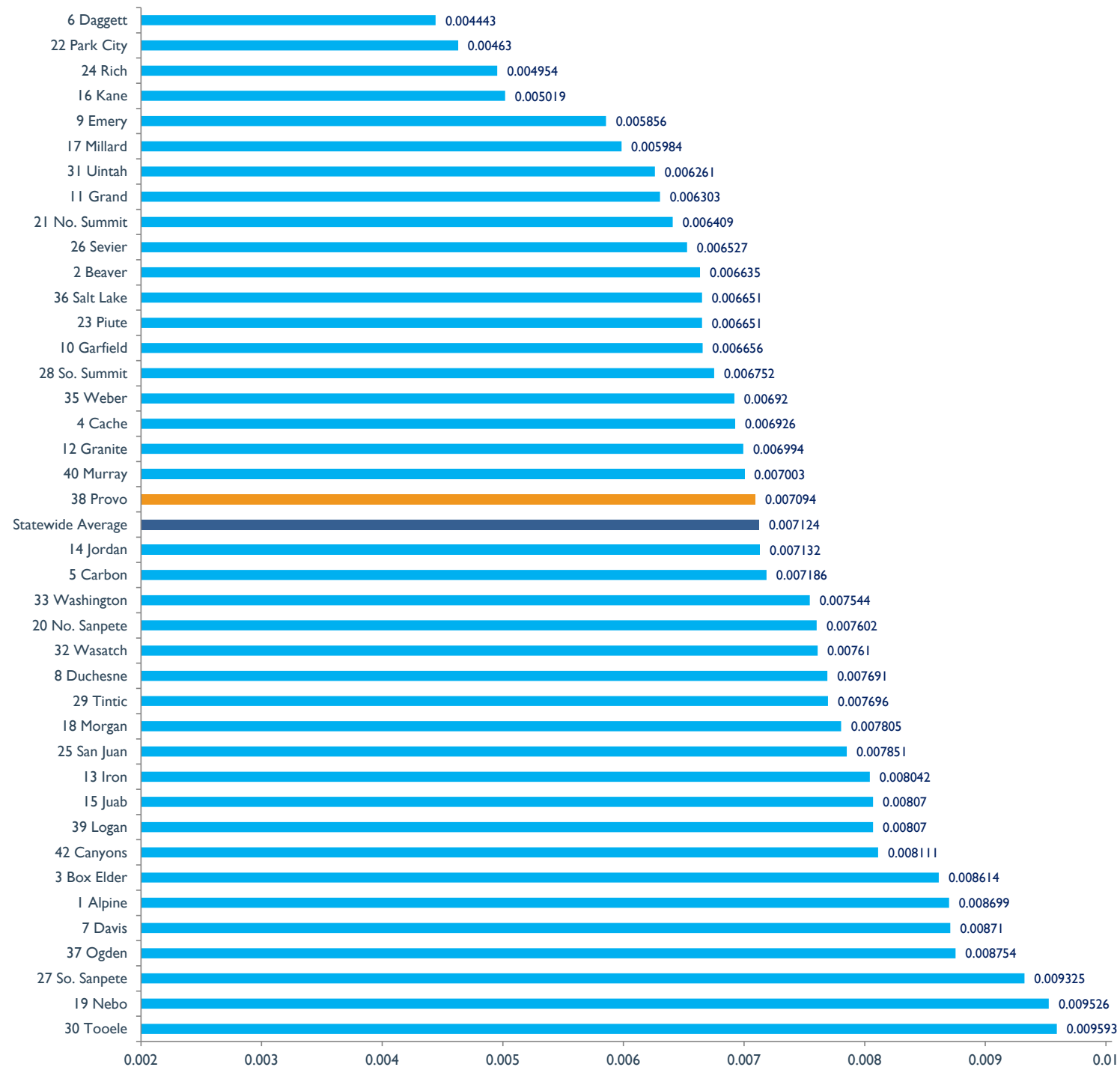
Before 2012, there were 13 different taxes (levies) that school districts could raise!

This was confusing for the general public. Now, with only six possible levies, the tax system is much more transparent for the general taxpaying public.

Levy Comparison: 2013-14 to 2014-15



School District Property Tax Rate Comparison: 2014



Basis of Tax Rate: The overall tax rate is a % that is multiplied by the assessed values of business and residential properties in Provo, although residential properties receive a 45% exemption (discussed previously).

Basis of Budget Forecast: Revenue

The following pages contain original budgets for FY 2015 (budgets that have been approved by the Board of Education), and projected budgets for FY 2016 through FY 2018 Budget projections are made using a variety of assumptions. Past experience plays a large role in determining future revenues and expenditures. As a general rule, enrollment impacts revenues and expenditures more than any other factor. The local and national economy also plays a large role.

Local Sources

For FY 2015, the District anticipates receiving \$1,500,000 less in property tax when compared to the final FY 2014 budget, even though property values have been increasing. After FY 2015, the District projects slight to moderate increases in property tax revenues, resulting from the possibility of an increase to the District's *certified tax rate*. Property taxes have increased moderately in Provo City during the past 18 months, and although it's difficult to project what will happen in this market over the next several years, it's assumed values will continue to rise at a mild to moderate level through FY 2018. Another component of local revenue, return on investments, is heavily dependent on market interest rates. Those rates are projected to remain flat in FY 2015, with slight increases coming thereafter.

State Sources

Revenues from state sources are projected to see moderate increases in FY 2015 compared to FY 2014 levels, primarily due to an increase in the WPU amount from the State of Utah. This also uses a conservative enrollment projection method.

The State of Utah is the largest funding source for the District, and the State is in very solid financial footing compared to most states in the country. This forecast is based on the assumption that the State will continue to fare well economically, but will provide only conservative increases in funding. This also assumes continuing enrollment growth in Provo's eSchool.

The State of Utah is the District's largest funding source, and changes in available revenue from the State impact the District more than changes in local or federal revenue.

Federal Sources

The vast majority of the District's federal revenues are included in the General fund. Due to federal sequestration and other government policies, federal revenues are projected to be down sharply in 2015. This trend is expected to continue, with the only possibilities for increases coming in areas that are funded based on at-risk populations and foreign language curriculum.

Another expectation is that many federal programs will be consolidated or eliminated in coming years.

Summary

Simply put, the District is adjusting to a new funding level that includes less money from local and federal sources, with gradual state funding increases making up some of the difference. Besides applying for even more in federal grants, it used to be that the only funding source that the District could directly exercise control over was revenue from local sources in the form of property tax increases.

In Utah today, legislation has made it increasingly possible to recruit other students from areas outside District boundaries to participate in the District's online school (eSchool). This is one way to increase enrollment and thereby bolster limited state revenue. It's typically cheaper to educate an online student than a traditional student, but it's more expensive to recruit and enroll an online student.

Basis of Budget Forecast: Expenditures

Compensation

Expenditures are based upon available funding. Although signs point to slight funding increases, these increases aren't enough to cover skyrocketing medical and retirement benefit costs incurred by the District, meaning that while overall compensation is projected to increase, employee raises will lag behind.

Going forward, expenditures will likely increase as revenues do. As a service organization, the District spends the majority of its available resources on salaries and benefits. So, as funding fluctuates so will compensation costs.

"In short, the District's ability to adjust to a new level of funding will define its success over the coming years."

The District forecasts that benefits costs will outpace salary costs, mainly for two reasons: first, the State of Utah's retirement system took a big hit during the recession, and districts will likely have to pay a larger percentage. This larger percentage increase is expected to level off in 2016. The second reason benefit costs are projected to rise faster than salaries is because healthcare inflation has far outpaced salary growth in recent years on a national and District level.

Other Expenditures

Federal sequestrian means substantial decreases in supplies and equipment spending. Increases at the state level in the near future will likely be to WPU programs, which don't cover supplies and other non-compensation costs normally.

As benefits increase, the ability to pay for other budget items, such as supplies and equipment, will decrease. It's safe to assume that in the next 3-4 years the percentage of the District's budget that goes toward benefits will increase each year, while the percentage of the budget that goes to other expenditures will decrease commensurately.

Projecting forward into the next few years, large building replacement-type construction projects will likely not happen until FY 2017 at the earliest, meaning most capital project expenditures, which are classified as "other objects," will be limited to relatively small-scale projects. This schedule will be adjusted based on the results of the pending bond vote in November 2014.

Summary

The forecasts on the following pages reflect the fact that the District will have to adjust to a new, lower funding level.

Years of heavy funding increases are likely over, at least for the periods forecasted, and as a result salaries won't rise as fast as in years past, and purchases for everything from office supplies to school buses will be scrutinized even more than before.

In short, the District's ability to adjust to a new level of funding will define its success over the coming years. Seeking out innovative programs that are cost-effective - or even slightly profitable - will be an important way to mitigate inflationary pressures that push expenditures up ahead of available revenues.

Budget Forecast: General Fund FY 2015 through FY 2018

SUMMARY - 10 GENERAL FUND

REVENUES BY SOURCE	FY 2015	FY 2016	FY 2017	FY 2018
Total Local	\$ 25,697,592	\$ 26,469,000	\$ 27,528,000	\$ 28,354,000
Total State	64,087,957	69,215,000	71,984,000	74,144,000
Total Federal	9,454,901	9,266,000	9,081,000	8,899,000
TOTAL REVENUES	99,240,450	104,950,000	108,593,000	111,397,000
EXPENDITURES BY OBJECT				
Salaries	56,601,382	57,733,000	59,465,000	60,654,000
Employee Benefits	27,937,791	29,393,000	30,363,000	31,381,000
Purchased Professional and Technical Services	6,453,450	7,228,000	7,951,000	8,508,000
Purchased Property Services	374,788	379,000	383,000	387,000
Other Purchased Services	782,943	791,000	799,000	807,000
Supplies	6,891,841	7,168,000	7,383,000	7,568,000
Property	392,665	403,000	414,000	425,000
Other Objects	432,993	823,000	1,070,000	1,177,000
TOTAL EXPENDITURES	99,867,853	103,918,000	107,828,000	110,907,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(627,403)	1,032,000	765,000	490,000
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	25,000	25,000	(353,000)	(475,000)
NET CHANGE IN FUND BALANCE	(602,403)	1,057,000	412,000	15,000
FUND BALANCE - BEGINNING (From Prior Year)	23,498,113	22,895,710	23,952,710	24,364,710
Adjustments to Beginning Fund Balance (Attach Detail)	-	-	-	-
FUND BALANCE - ENDING	\$ 22,895,710	\$ 23,952,710	\$ 24,364,710	\$ 24,379,710

Budget Forecast: Capital Projects Fund
FY 2015 through FY 2018

SUMMARY - 32 CAPITAL PROJECTS FUND

REVENUES BY SOURCE	FY 2015	FY 2016	FY 2017	FY 2018
Total Local	\$ 5,900,020	\$ 6,048,000	\$ 6,199,000	\$ 6,354,000
Total State	-	-	-	-
Total Federal	-	-	-	-
TOTAL REVENUES	5,900,020	6,048,000	6,199,000	6,354,000
EXPENDITURES BY OBJECT				
Salaries	653,864	660,000	667,000	674,000
Employee Benefits	301,863	315,000	329,000	344,000
Purchased Professional and Technical Services	113,000	115,486	118,027	120,623
Purchased Property Services	6,904,881	6,214,000	5,593,000	5,034,000
Other Purchased Services	4,825	-	-	-
Supplies	247,944	250,423	252,928	255,457
Property	221,811	227,000	233,000	239,000
Other Objects	567,000	569,835	572,684	575,548
TOTAL EXPENDITURES	9,015,188	8,351,744	7,765,639	7,242,628
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,115,168)	(2,303,744)	(1,566,639)	(888,628)
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	2,000,000	1,372,240	1,500,000	500,000
NET CHANGE IN FUND BALANCE	(1,115,168)	(931,504)	(66,639)	(388,628)
FUND BALANCE - BEGINNING (From Prior Year)	2,730,672	1,615,503	683,999	617,360
Adjustment to Beginning Fund Balance (Add Explanation)	-	-	-	-
FUND BALANCE - ENDING	\$ 1,615,503	\$ 683,999	\$ 617,360	\$ 228,733

Budget Forecast: Student Activity Fund
FY 2015 through FY 2018

SUMMARY - 21 STUDENT ACTIVITY FUND

REVENUES BY SOURCE	FY 2015	FY 2016	FY 2017	FY 2018
Total Local	\$ 3,666,226	\$ 3,758,000	\$ 3,852,000	\$ 3,948,000
Total State	-	-	-	-
Total Federal	-	-	-	-
TOTAL REVENUES	3,666,226	3,758,000	3,852,000	3,948,000
EXPENDITURES BY OBJECT				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Professional and Technical Services	321,830	327,000	332,000	337,000
Purchased Property Services	49,877	51,000	52,000	53,000
Other Purchased Services	794,540	806,000	818,000	830,000
Supplies	1,846,994	1,875,000	1,903,000	1,932,000
Property	25,000	25,000	25,000	25,000
Other Objects	619,141	628,000	637,000	647,000
TOTAL EXPENDITURES	3,657,382	3,712,000	3,767,000	3,824,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,844	46,000	85,000	124,000
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	-	-	-	-
NET CHANGE IN FUND BALANCE	8,844	46,000	85,000	124,000
FUND BALANCE - BEGINNING (From Prior Year)	1,054,548	1,063,392	1,109,392	1,194,392
Adjustment to Beginning Fund Balance (Add Explanation)	-	-	-	-
FUND BALANCE - ENDING	\$ 1,063,392	\$ 1,109,392	\$ 1,194,392	\$ 1,318,392

Budget Forecast: Debt Service Fund
 FY 2015 through FY 2018

SUMMARY - 31 DEBT SERVICE FUND

REVENUES BY SOURCE	FY 2015	FY 2016	FY 2017	FY 2018
Total Local	\$ 6,417,235	\$ 6,578,000	\$ 6,742,000	\$ 4,382,000
Total State	-	-	-	-
TOTAL REVENUES	6,417,235	6,578,000	6,742,000	4,382,000
EXPENDITURES BY OBJECT				
Other Objects	6,506,253	6,583,438	4,750,718	2,757,563
TOTAL EXPENDITURES	6,506,253	6,583,438	4,750,718	2,757,563
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(89,018)	(5,438)	1,991,282	1,624,437
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	-	-	-	-
NET CHANGE IN FUND BALANCE	(89,018)	(5,438)	1,991,282	1,624,437
FUND BALANCE - BEGINNING (From Prior Year)	699,496	610,478	605,040	2,596,322
Adjustment to Beginning Fund Balance (Add Explanation)	-	-	-	-
FUND BALANCE - ENDING	\$ 610,478	\$ 605,040	\$ 2,596,322	\$ 4,220,759

Budget Forecast: Non K-12 Fund
 FY 2015 through FY 2018

The Non K-12 Fund is not appropriated for use in FY 2015 and isn't expected to be used in the future. It is included in other areas in the book for historical perspective.

Budget Forecast: *Building Reserve Fund*

FY 2015 through FY 2018

SUMMARY - 40 BUILDING RESERVE FUND

	FY 2015	FY 2016	FY 2017	FY 2018
REVENUES BY SOURCE				
Total Local	\$ -	\$ -	\$ -	\$ -
Total State	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES BY OBJECT				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-
Purchased Property Services	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	(2,000,000)	(2,000,000)	(1,372,240)	-
NET CHANGE IN FUND BALANCE	(2,000,000)	(2,000,000)	(1,372,240)	-
FUND BALANCE - BEGINNING (From Prior Year)	5,372,240	3,372,240	1,372,240	-
Adjustment to Beginning Fund Balance (Add Explanation)	-	-	-	-
FUND BALANCE - ENDING	<u>\$ 3,372,240</u>	<u>\$ 1,372,240</u>	<u>\$ -</u>	<u>\$ -</u>

Budget Forecast: *Food Services Fund*

FY 2015 through FY 2018

SUMMARY - 49 or 51 FOOD SERVICE FUND

	FY 2015	FY 2016	FY 2017	FY 2018
REVENUES BY SOURCE				
Total Local	\$ 1,154,432	\$ 1,195,000	\$ 1,237,000	\$ 1,280,000
Total State	675,000	729,000	758,160	780,905
Total Federal	<u>3,494,025</u>	<u>3,704,000</u>	<u>3,926,000</u>	<u>4,162,000</u>
TOTAL REVENUES	5,323,457	5,628,000	5,921,160	6,222,905
EXPENSES / EXPENDITURES BY OBJECT				
Salaries	1,970,499	1,970,000	2,009,000	2,049,000
Employee Benefits	757,889	781,000	804,000	828,000
Purchased Professional and Technical Services	2,000	2,000	2,000	2,000
Purchased Property Services	100,000	101,000	102,000	103,000
Other Purchased Services	5,750	6,000	6,000	6,000
Supplies	2,452,913	2,453,000	2,478,000	2,503,000
Property	259,600	266,000	273,000	280,000
Other Objects	<u>367,978</u>	<u>377,177</u>	<u>386,607</u>	<u>396,272</u>
TOTAL EXPENSES/EXPENDITURES	5,916,629	5,956,177	6,060,607	6,167,272
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES/EXPENDITURES	(593,172)	(328,177)	(139,447)	55,633
OTHER FINANCING SOURCES (USES) AND OTHER ITEMS	4,000	-	250,000	-
NET CHANGE IN NET ASSETS / FUND BALANCE	(589,172)	(328,177)	110,553	55,633
NET ASSETS / FUND BALANCE - BEGINNING (From Prior Year)	994,251	405,079	76,901	187,454
Adjustment to Beginning Net Assets/Fund Balance (Add Explanation)	-	-	-	-
NET ASSETS / FUND BALANCE - ENDING	<u>\$ 405,079</u>	<u>\$ 76,901</u>	<u>\$ 187,454</u>	<u>\$ 243,087</u>

Debt: General Obligation Bonds

As of June 30, 2014

GENERAL OBLIGATION BONDS

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2006 Series G.O. Bonds	School Building	9,400,000	4%	June 15, 2026	6,425,000
2007A Series G.O. Refunding Bonds	Bond Refunding	8,220,000	3.807%	June 15, 2015	726,000
2007B Series G.O. Bonds	School Building	25,600,000	4.00% to 4.50%	June 15, 2027	19,300,000
2012 Series G.O. Refunding Bonds	Bond Refunding	9,045,000	.56% to 1.29%	June 15, 2017	8,555,000
Total General Obligation Bonds Payable as of June 30, 2014					\$ 35,006,000

COMBINED GENERAL OBLIGATION BONDS

Combined G.O Bonds

Year Ending June 30	Principal	Interest	Debt Service Fund
2015	5,181,000	1,200,284	6,381,284
2016	5,375,000	1,083,438	6,458,438
2017	3,650,000	975,718	4,625,718
2018	1,750,000	882,563	2,632,563
2019	1,850,000	812,563	2,662,563
2020-2024	10,525,000	2,779,188	13,304,188
2025-2027	6,675,000	542,375	7,217,375
	\$35,006,000	\$8,276,127	\$43,282,127

Provo City School District

Statistics and Performance Measures



Personnel Resource Allocation: Full-time Equivalent

FY 2007 to 2015 (proposed)

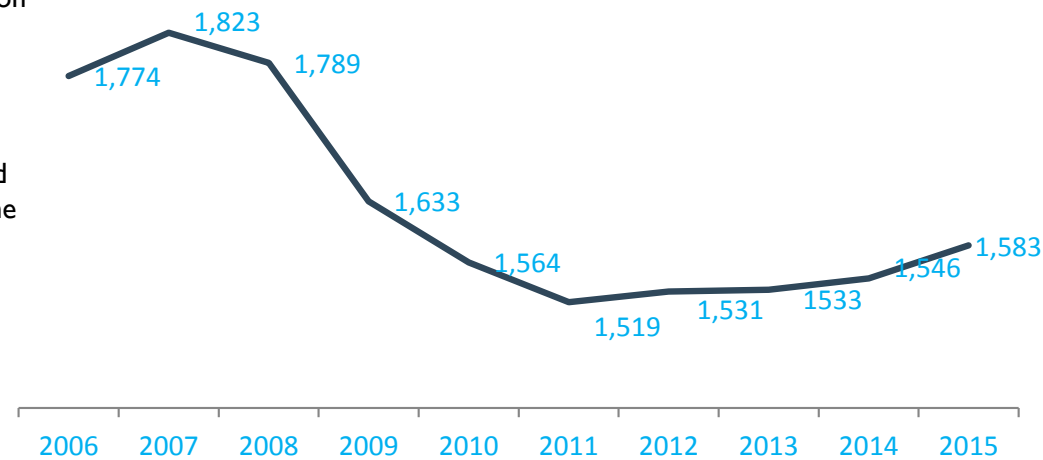
Function	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 ^P
Instruction	1,141	1,148	1,000	984	977	984	998	1,005	1,002
Students	54	52	52	51	49	50	50	50	50
Instructional Staff	33	38	40	41	31	32	32	32	27
General Administration	24	20	16	15	16	17	17	17	17
School Administration	80	74	74	70	70	70	70	72	65
Business and Central	25	22	20	26	27	26	26	26	41
Operation and Maintenance	152	139	148	148	95	95	95	95	133
Transportation	50	60	44	46	44	46	46	46	66
Other Support	11		1	1	25	26	26	26	0
Food Services	91	90	92	82	92	92	80	84	77
Community Services	173	135	146	100	93	93	93	93	103
Total FTEs	1,823	1,789	1,633	1,564	1,519	1,531	1,533	1,546	1,583

^PProposed

As a service organization, employee compensation is the biggest single expense incurred by the District. As a result, when cuts need to be made, it's difficult to spare all positions.

For 2014-15 the Board of Education and management have made the decision to try to keep average class-sizes at 28.9, the same figure as FY 2013-14. Some growth is budgeted to account for projected enrollment increases, as seen in the chart to the right.

Staffing Levels by FTE: FY 2007 to FY 2015



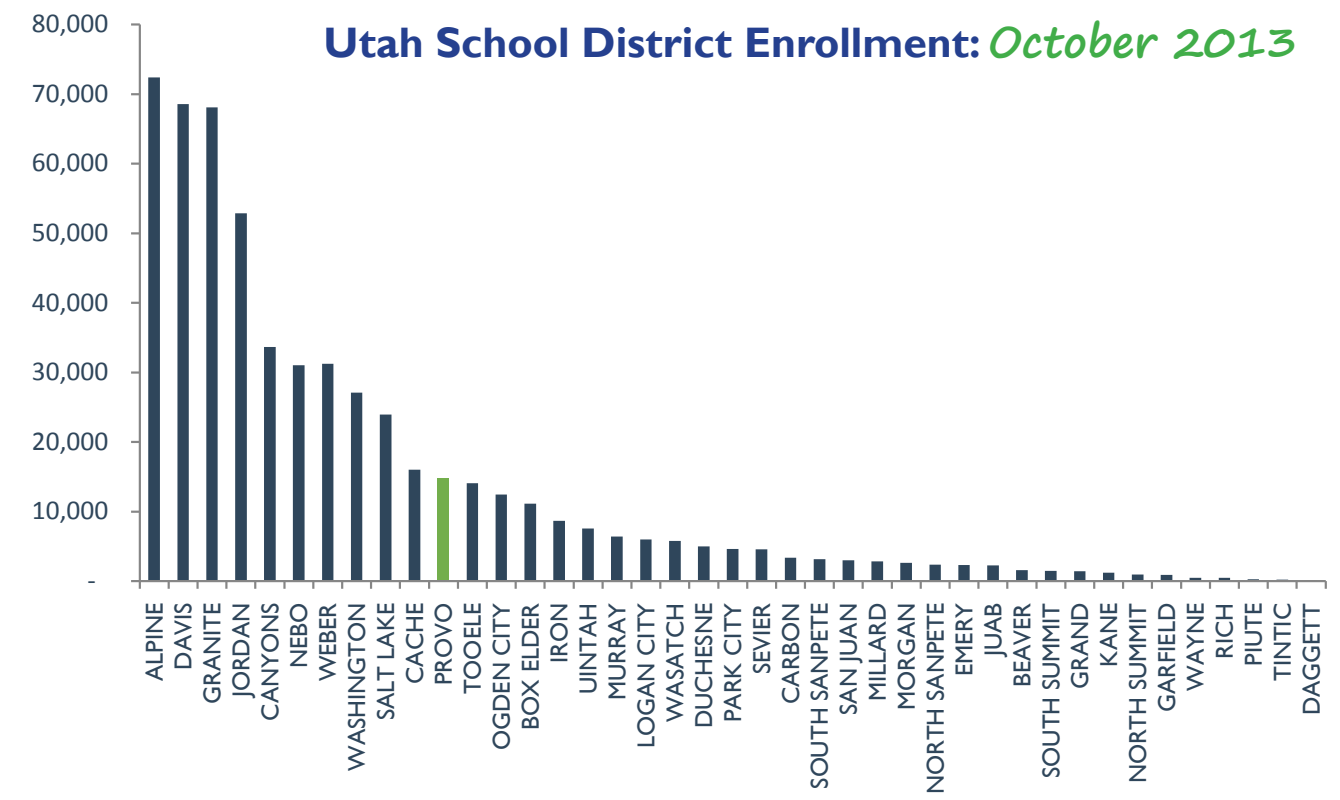
Budgeted staffing levels are roughly flat in the FY 2013-14 budget when compared to the previous year.

District Comparison: Where Provo Fits In

Utah is made up of 41 school districts. The total enrollment of K-12 students for Fall 2013, including charter schools, was approximately 612,551. With 14,824 students, Provo City School District is the 11th largest district in Utah.

Over the next several years, the school-age population in Utah is expected to grow dramatically, while in Provo it's projected to grow 2.7%, mostly due to eSchool, Provo's online school, which is a promising channel for future District growth.

District	Oct. 2013 Enrollment
Alpine District	72,419
Davis District	68,573
Granite District	68,106
Jordan District	52,855
Canyons District	33,674
Weber District	31,028
Nebo District	31,230
Washington District	27,099
Salt Lake District	23,965
Cache District	16,038
Provo District	14,824



Source: Utah State Office of Education

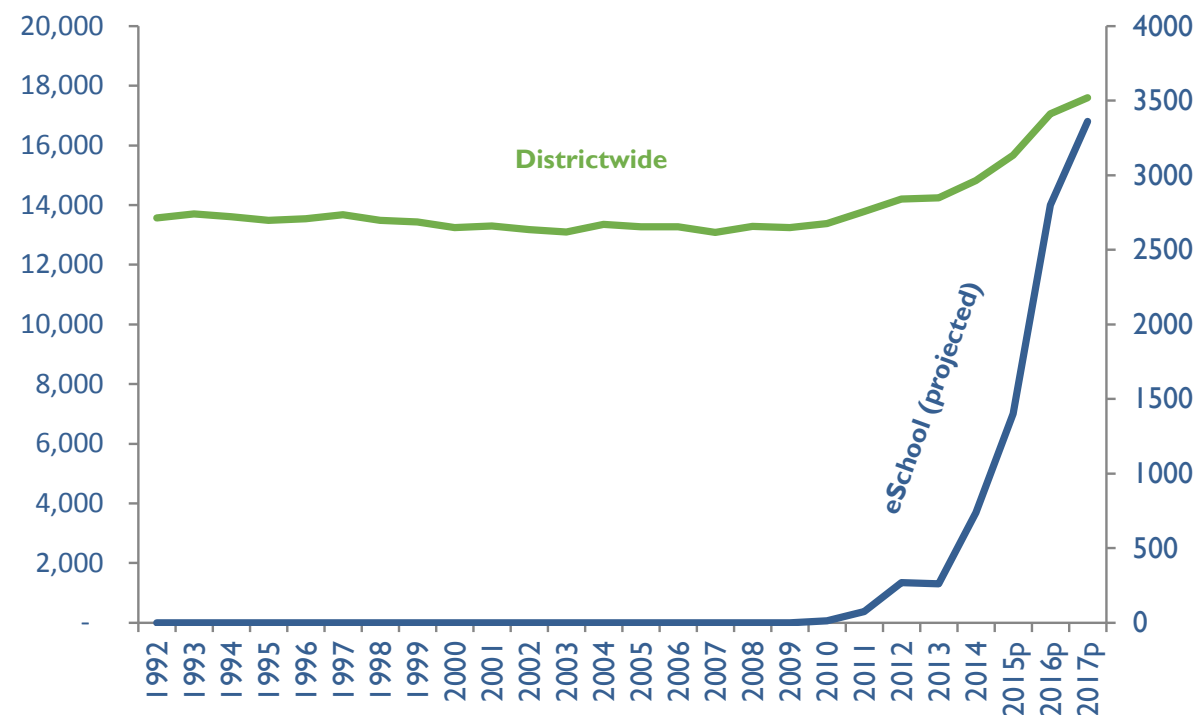
Enrollment: Projections and Methodology

1994-2017 (projected)

Student enrollment is a primary driver of state, federal and some local revenue for the District. These enrollment figures are taken from data gathered from October 1 enrollment reports each year. Projections for future years are made using simple regression analysis to forecast general expected student enrollment for future years. A more detailed approach, using migration patterns, birth rates, and what is referred to as survival rates, is also used to get a more detailed analysis for the next year. Detailed analysis for the coming year is normally done in the fall, and the Board of Education and management are given the results after that time. Information and documentation regarding enrollment projection methods are available to the public through the District Business Office.

Year	Fall Enrollment	Year	Fall Enrollment
1994	13,616	2006	13,272
1995	13,487	2007	13,083
1996	13,544	2008	13,288
1997	13,674	2009	13,241
1998	13,486	2010	13,376
1999	13,438	2011	13,779
2000	13,241	2012	14,202
2001	13,298	2013	14,241
2002	13,177	2014	14,824
2003	13,103	2015	15,679
2004	13,359	2016	17,058
2005	13,273	2017	17,595

Most future growth for the next four years (Districtwide) is projected to be the result of eSchool. Additional growth in traditional District schools is expected on the west side of the city, while enrollment on the east side is projected to decline.



Fall Enrollment by School: 2007-08 to 2014-15 (Projected)

Fall Enrollment is a census taken as of the first school day in October each school year, as required by the Utah State Legislature. It's a major factor in determining the funding the District gets from the state as part of the Weighted Pupil Unit (WPU).

School	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15p
Amelia Earhart Elementary	537	549	569	560	588	558	551	558
Canyon Crest Elementary	519	497	469	487	494	532	541	548
Edgemont Elementary	467	455	505	525	565	569	570	578
Franklin Elementary	575	571	544	521	517	516	494	501
Lakeview Elementary ¹	694	684	693	680	685	673	724	734
Provo Peaks Elementary ²	468	439	412	366	462	506	484	491
Provost Elementary	421	428	434	438	457	440	436	442
Rock Canyon Elementary	600	635	580	600	625	623	642	651
Spring Creek Elementary	632	523	567	564	570	567	558	566
Sunset View Elementary	604	572	568	560	531	527	541	548
Timpanogos Elementary	588	601	621	629	630	672	663	672
Wasatch Elementary	635	644	704	774	864	861	906	918
Westridge Elementary	748	851	862	870	889	893	890	902
Centennial Middle	995	1,050	1,030	1,003	996	1,033	1,023	1,037
Dixon Middle	844	830	854	863	835	833	836	847
Provo High	1,716	1,745	1,696	1,705	1,683	1,777	1,825	1,850
Timpview High	1,732	1,826	1,822	1,900	1,938	1,953	1,967	1,994
Independence High	288	324	265	277	328	322	326	330
Adult Education	41	44	3	2	-	74	63	64
Central Utah Enterprises	-	20	24	47	51	51	47	48
eSchool ³	-	-	19	14	90	270	737	1,400
Total:	13,104	13,288	13,241	13,019	13,798	14,250	14,824	15,679

^pProjected

¹Grandview Elementary prior to FY 2007-08

²Farrer Elementary prior to FY 2011-12

³Aggregate of full-time students only; most eSchool students aren't enrolled in the school full-time



District *Facilities*

Location/Site	Year Built/ Renovated Substantially	Square Footage
Elementary Schools:		
Amelia Earhart	1999	69,733
Canyon Crest	1982	68,240
Edgemont	1955	47,200
Provo Peaks	2011	80,000
Franklin	1994	75,801
Center for Accelerated Studies	1949	69,546
Lakeview	2007	77,480
Provost	1949	56,799
Rock Canyon	1964	69,883
Spring Creek	2002	70,720
Sunset View	2007	69,305
Timpanogos	2008	69,247
Wasatch	1949	45,326
Westridge	1979	73,928
Secondary Schools:		
Centennial Middle School	1996	144,795
Dixon Middle School	1931	124,276
Provo High School	1956	325,842
Timpview High School.	1974	409,803
Independence High School	1992	48,121
Other:		
Oakridge	1979	43,992
District Office	1965	28,875

Elementary Schools

Amelia Earhart

Address: 2585 West 200 South
Year built or substantially renovated: 1999
Square footage: 69,733
Projected FY 2015 enrollment: 558



Provo Peaks

Address: 100 North 600 East
Year built or substantially renovated: 2011
Square footage: 80,000
Projected FY 2015 enrollment: 491



Canyon Crest

Address: 4664 N Canyon Road
Year built or substantially renovated: 1982
Square footage: 68,240
Projected FY 2015 enrollment: 548



Provost

Address: 629 South 1000 East
Year built or substantially renovated: 1949
Square footage: 56,799
Projected FY 2015 enrollment: 442



Edgemont

Address: 566 East 3650 North
Year built or substantially renovated: 1955
Square footage: 47,200
Projected FY 2015 enrollment: 578



Rock Canyon

Address: 2495 North 650 East
Year built or substantially renovated: 1964
Square footage: 69,883
Projected FY 2015 enrollment: 651



Lakeview

Address: 2899 West 1390 North
Year built or substantially renovated: 2007
Square footage: 77,480
Projected FY 2015 enrollment: 734



Spring Creek

Address: 1740 South Nevada Avenue
Year built or substantially renovated: 2002
Square footage: 70,720
Projected FY 2015 enrollment: 566



Franklin

Address: 350 South 600 West
Year built or substantially renovated: 1994
Square footage: 75,801
Projected FY 2015 enrollment: 501



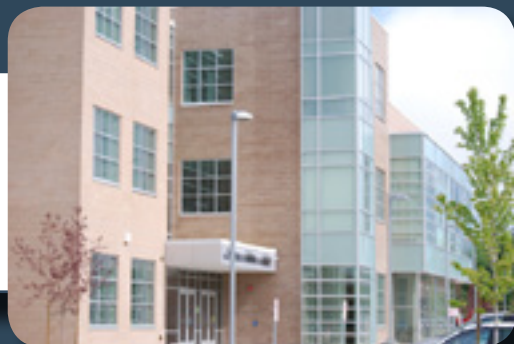
Sunset View

Address: 525 South 1600 West
Year built or substantially renovated: 2007
Square footage: 69,305
Projected FY 2015 enrollment: 548



Timpanogos

Address: 449 North 500 West
Year built or substantially renovated: 2008
Square footage: 69,733
Projected FY 2015 enrollment: 672



Wasatch

Address: 1080 North 900 East
Year built or substantially renovated: 1949
Square footage: 45,326
Projected FY 2015 enrollment: 918



Westridge

Address: 1720 West 1460 North
Year built or substantially renovated: 1979
Square footage: 73,928
Projected FY 2015 enrollment: 902



Grandview Learning Center

Address: 1591 North Jordan Avenue
Year built or substantially renovated: 2008
Square footage: 26,000
Projected FY 2015 enrollment!
!Counted as part of Westridge Elementary in this budget document



eSchool (K-12)

eSchool service center: 243 E 2320 N
Year built or substantially renovated: 2012
Projected FY 2015 enrollment: 1,400 (includes full and part-time)



Secondary Schools

Centennial Middle School

Address: 305 East 2320 North
Year built or substantially renovated: 1996
Square footage: 144,795
Projected FY 2015 enrollment: 1,037



Dixon Middle School

Address: 750 West 200 North
Year built or substantially renovated: 1931
Square footage: 124,276
Projected FY 2015 enrollment: 847



Provo High School

Address: 1125 North University Avenue
Year built or substantially renovated: 1956
Square footage: 325,842
Projected FY 2015 enrollment: 1,850



Timpview High School

Address: 3570 North 650 East
Year built or substantially renovated: 1974
Square footage: 409,803
Projected FY 2015 enrollment: 1,994



Independence High School

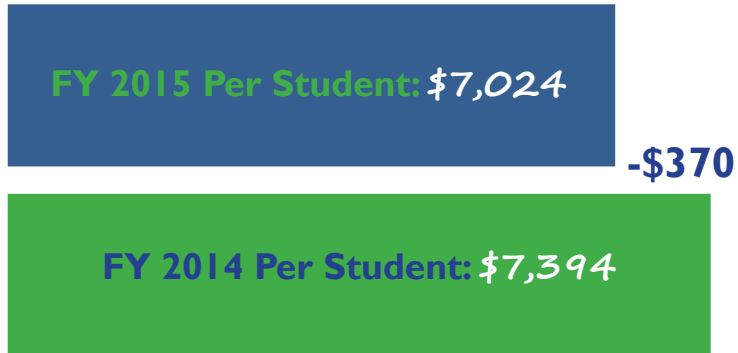
Address: 636 North Independence Avenue
Year built or substantially renovated: 1992
Square footage: 48,121
Projected FY 2015 enrollment: 330



Per Pupil Expenditures: FY 2015 compared to FY 2014

(excludes debt service and long-term capital projects)

For FY 2015, the District is budgeted to spend **\$7,024 per student, a decrease of \$370** when compared to FY 2014. However, much of this decrease can be explained by increased eSchool enrollment estimates, and as such an overall decrease in per pupil spending becomes apparent.



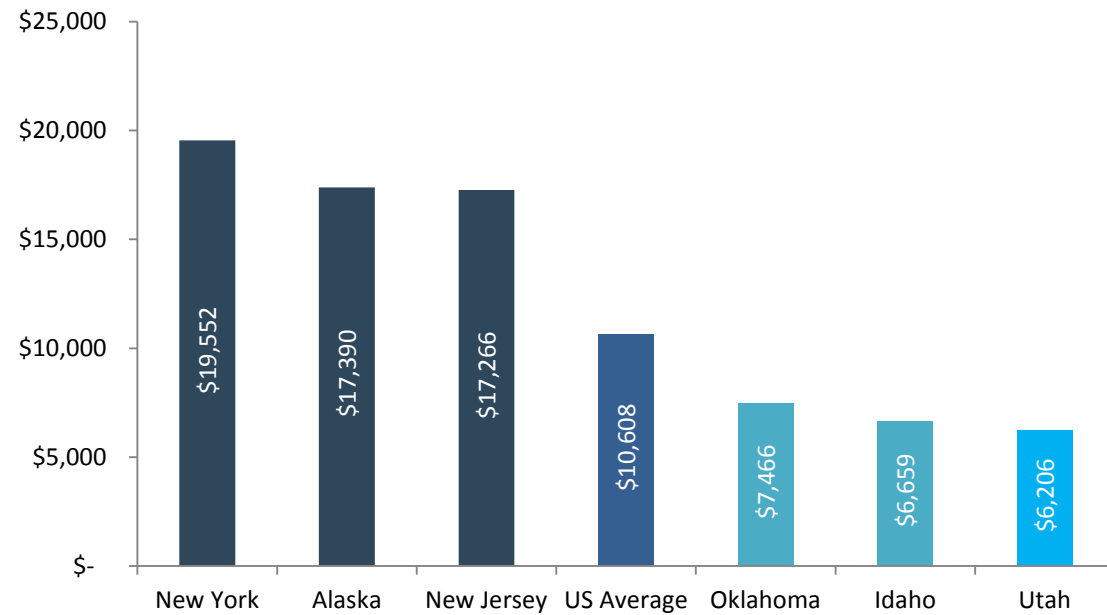
Median Class Sizes: State of Utah

Fall 2013

Provo City School District has class sizes that equate to the median in the State of Utah. Interestingly, charter schools have, as a median, higher class sizes than school districts in Utah.

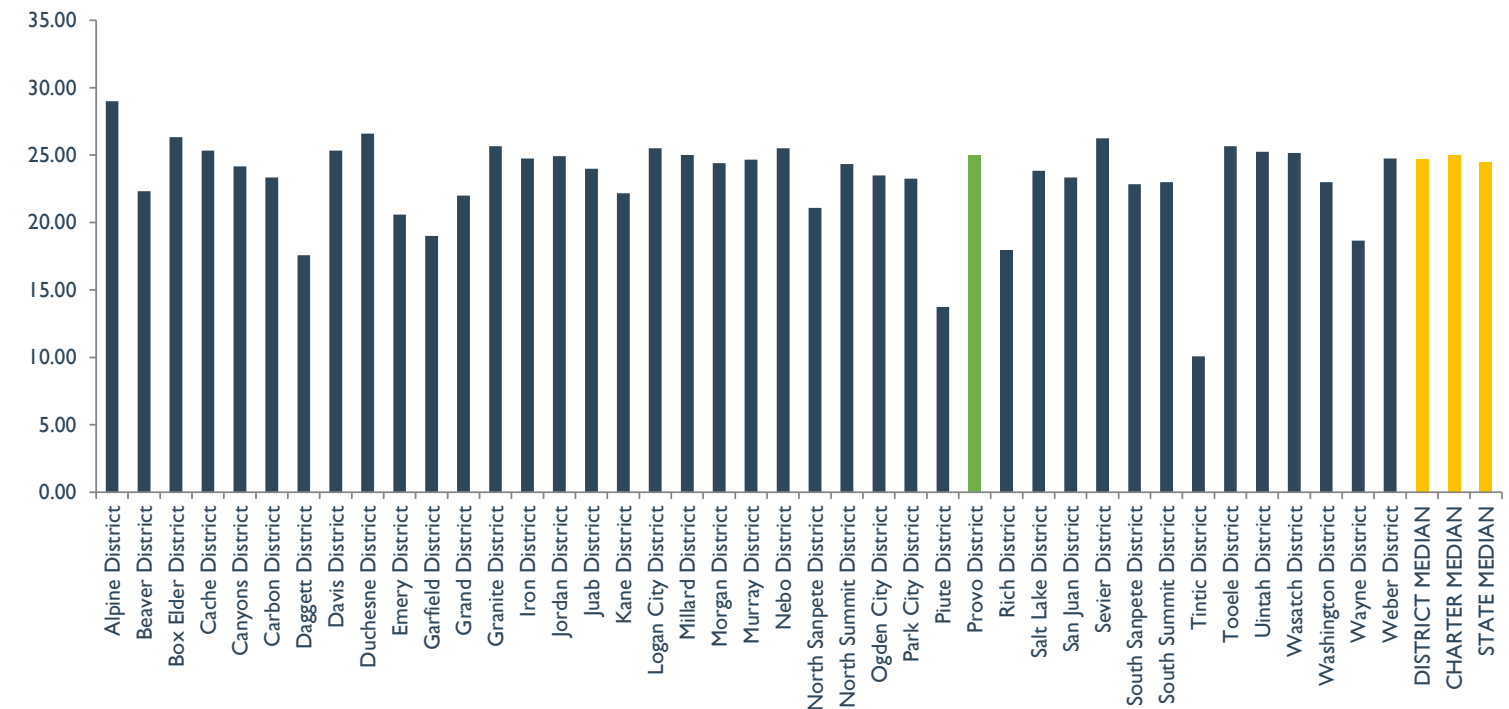
Low class sizes are very costly to maintain, and the data are mixed when it comes to determining what role class sizes play in academic performance. However, Provo City School District has conducted multiple surveys with the public, and low class sizes always rank “very important” to Provo citizens, which is one reason the District strives to have the lowest class sizes possible.

Per Student Spending: Top and Bottom 3 States



In addition to these amounts, **the District is budgeted to spend \$946 per student in FY 2015** for long-term capital improvement projects and debt service related to previous infrastructure capital expenditures.

Median Class Sizes in Utah: By District



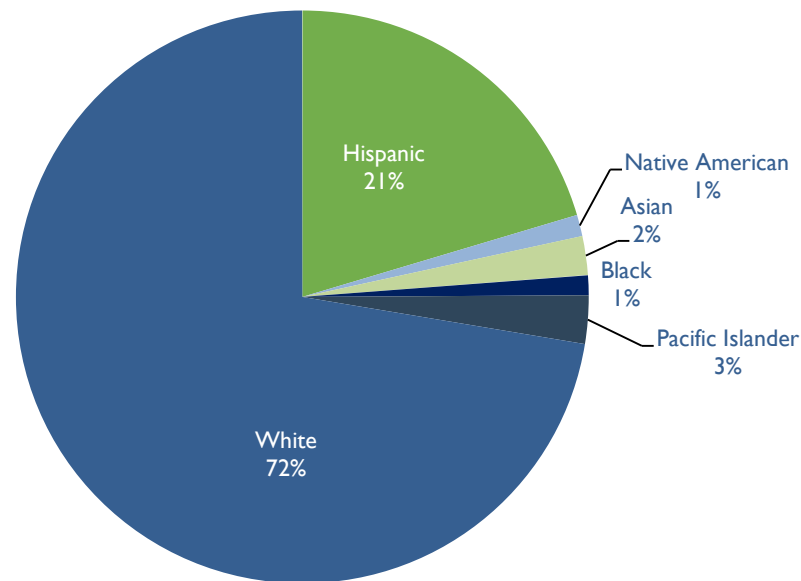
Source: Utah State Office of Education

Student Demographics

The District is becoming much more diverse. This can help provide a healthy and dynamic learning environment for students. However, challenges also occur - especially when different languages are involved. The District has been proactive in developing programs to help broaden future opportunities for all students.

Hispanic students make up the largest ethnic minority group in the District, with 21% of total enrollment as of October 1, 2013.

Provo School District Enrollment by Race



Source: District data; audited Fall 2013 enrollment reports submitted to State

Student Enrollment: Utah County Comparison

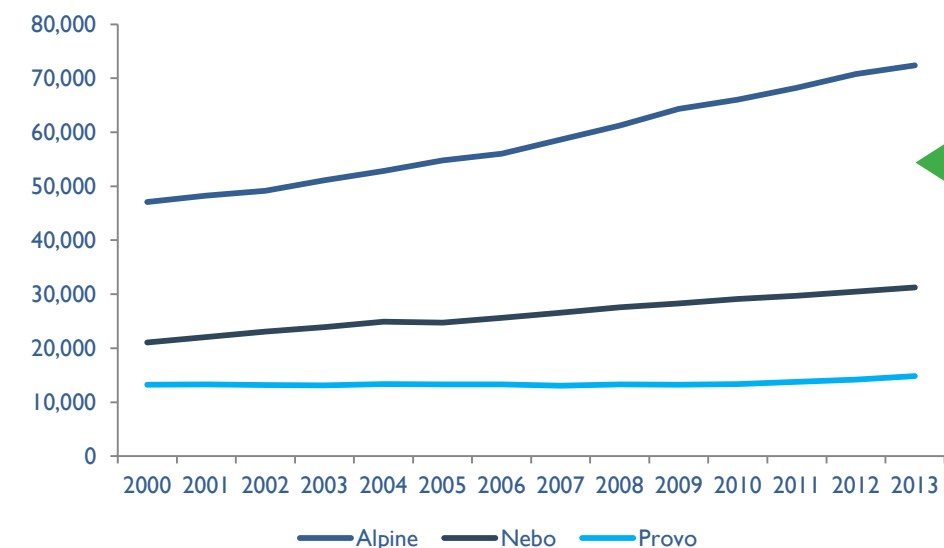
While Alpine School District, to the north, and Nebo School District, to the south, have grown rapidly this decade, enrollment in Provo has been flat until recently. This is the case in most one-city districts throughout the State. Besides having flat enrollment throughout this period, Provo continues to have a substantially higher low-income student population than the other two districts in the county. Overall, the public school (school districts) enrollment in Utah County was over 118,000 in October 2013, while charter schools, which are also public, had over 7,000 students enrolled in Utah County.

Provo School District is pinning much of its future enrollment hopes on eSchool. In fact, online schools are the fastest growing public education segment in Utah.

However, attention and emphasis will continue in critical traditional areas. Face-to-face instruction and group learning remains a proven and effective method of instruction.



Utah County School Enrollment by District



Although difficult to discern in the graphic to the left, Provo grew at a slightly greater rate from Oct. 2012 to Oct. 2013 than both Alpine and Nebo school districts.

Source: Utah State Office of Education

District School Lunch Participation: 2004-05 to 2013-14

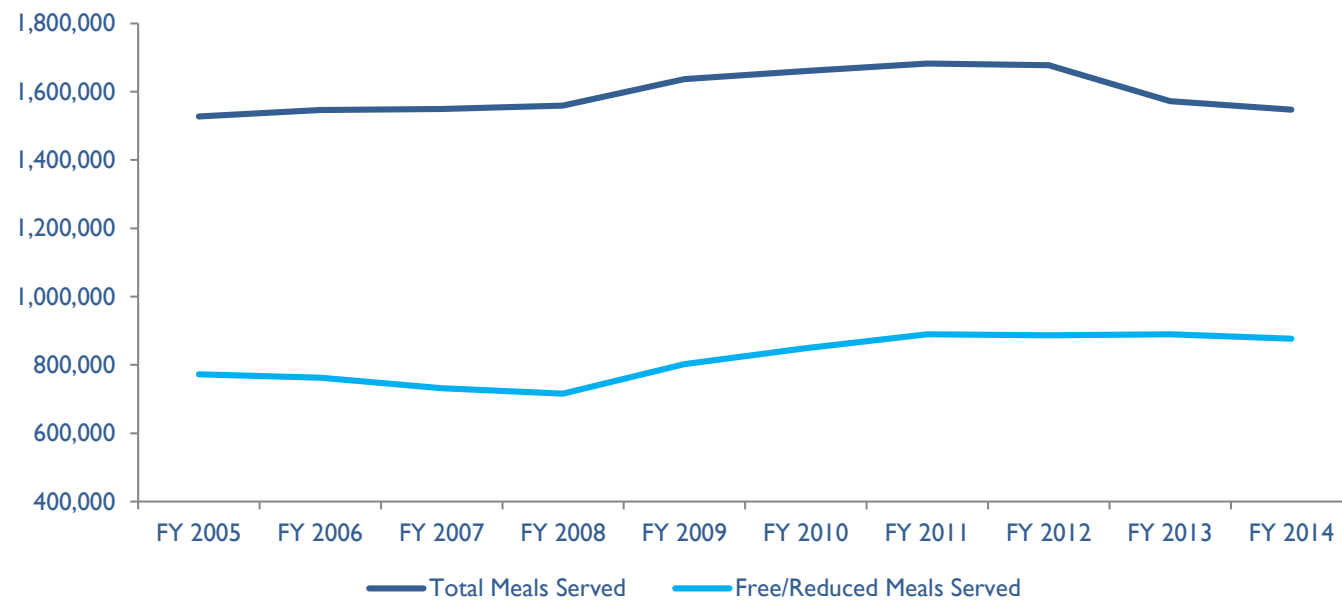
Year	FY Lunches Served	Breakfasts Served	Free Lunch Served	% of Free lunches to Total Served	Reduced Cost Lunch Served	% of Reduced Cost lunches to Total Served
FY 2005	1,245,816	282,153	612,228	49.14%	160,509	12.88%
FY 2006	1,256,839	289,865	609,996	48.53%	152,639	12.14%
FY 2007	1,255,951	293,649	567,608	45.19%	164,048	13.06%
FY 2008	1,253,673	305,989	560,368	44.70%	155,779	12.43%
FY 2009	1,311,952	324,889	639,746	48.76%	162,320	12.37%
FY 2010	1,315,197	345,581	693,426	52.72%	155,354	11.81%
FY 2011	1,343,858	338,210	736,472	54.80%	152,940	11.38%
FY 2012	1,319,933	357,943	736,901	55.83%	150,151	11.38%
FY 2013	1,232,859	339,783	732,485	59.41%	157,697	12.79%
FY 2014	1,214,223	333,074	726,658	59.85%	150,367	12.38%

School meal assistance is available based on financial need.

Students with the greatest need qualify for free meals, while students with moderate need qualify for meals at a reduced price.

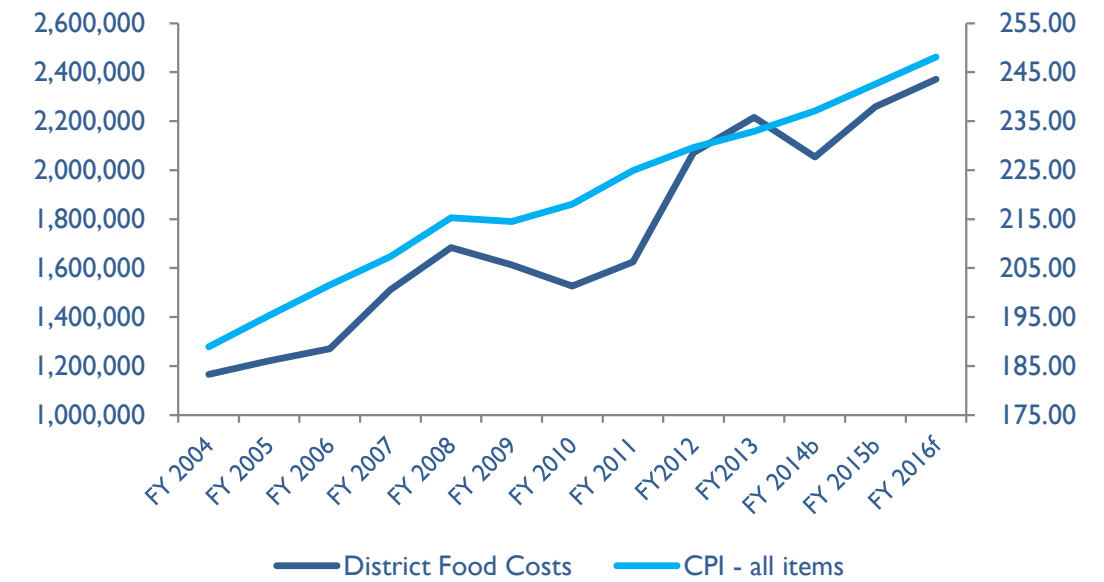
Participation in school food services is projected to remain flat in 2014-15.

School Lunch Participation: FY 2005 - FY 2014



The District continues to experience strong demand for free/reduced lunch services. Over the last few years the District has seen a reduction in total number of lunches served, yet the number of free/reduced meals has remained relatively flat over the same time period.

Program Costs and Data: Food Services



The chart above compares food costs for the District's food services program with the CPI, or Consumer Price Index (urban areas, all items including food). The CPI measures the average cost of purchasing goods and services for a specific time period (1982-84 is the base period for the index and that period is set at 100).

Source: U.S. Bureau of Labor and Statistics; District data



Child Nutrition Meal Prices: 2009-10 to 2014-15

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Breakfast	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50
Adult Breakfast	\$1.50	\$1.50	\$1.50	\$1.75	\$1.75	\$1.75
Elementary Lunch	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00
Secondary Lunch	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25
Adult Lunch	\$2.75	\$2.75	\$2.75	\$3.00	\$3.00	\$3.00

School lunch price increases are the result of inflationary pressures and new federal guidelines that drive costs up. In the end, meals will be even more fresh and nutritional than ever before. While meal prices are not increasing for FY15, the expectation is the District will need to implement an increase next year.

Transportation: *Costs and Statistics*

Transportation

Year	Miles traveled (to and from school, field trips, and activities)	Number of students transported daily	Driving hours per day	Route miles driven per day	Field and activity trip miles per day	Cost per student per year to bus	Number of buses
2004-05	653,220	5,192	282	3,245	384	\$328	42
2005-06	650,520	4,771	251	2,997	617	\$426	43
2006-07	510,840	4,894	245	2,605	233	\$492	43
2007-08	542,700	5,169	271	2,747	268	\$501	48
2008-09	524,340	6,208	226	2,699	214	\$366	48
2009-10	514,980	6,332	204	2,650	211	\$315	48
2010-11	527,340	5,903	234	2,699	231	\$394	48
2011-12	543,832	5,939	214	2,741	260	\$370	45
2012-13	429,001	5,885	165	2,168	215	\$331	40
2013-14	384,987	6,472	179	1,896	243	\$304	41

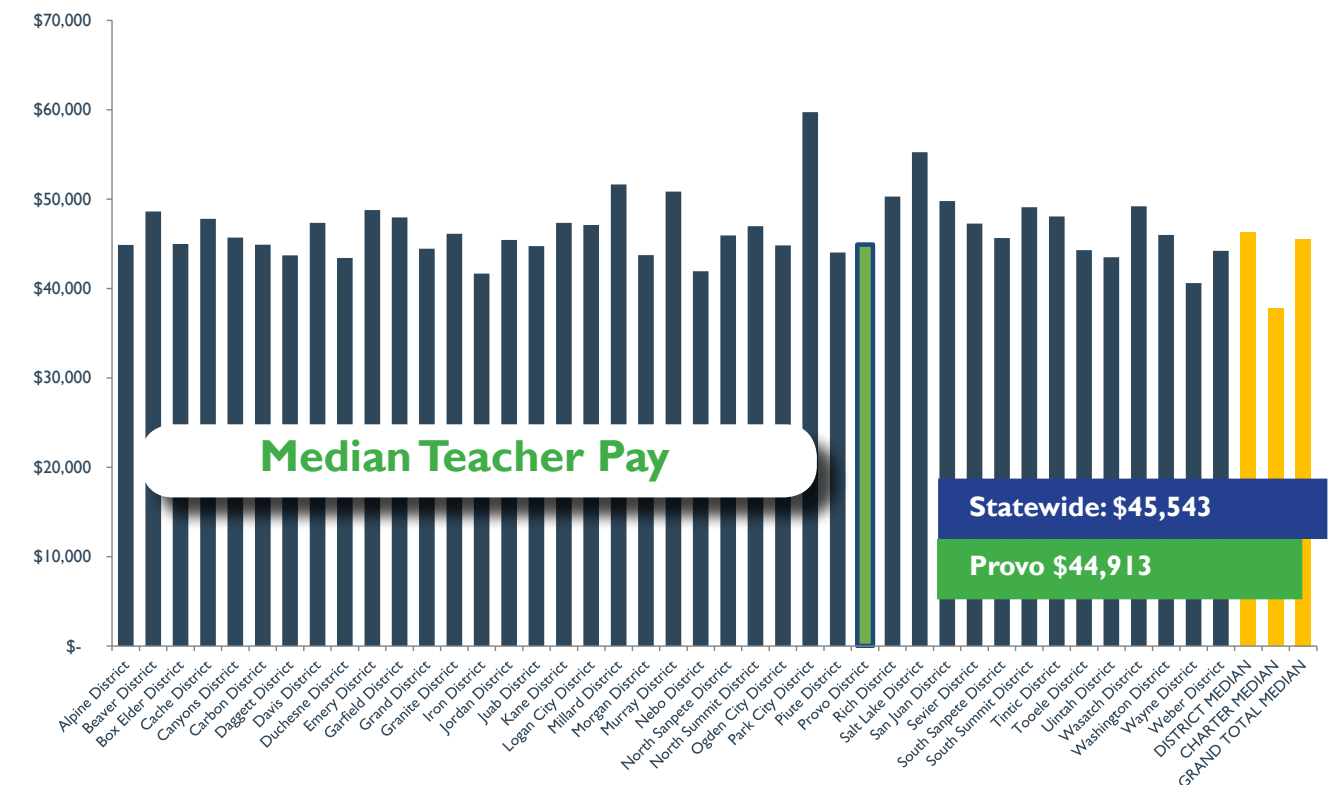
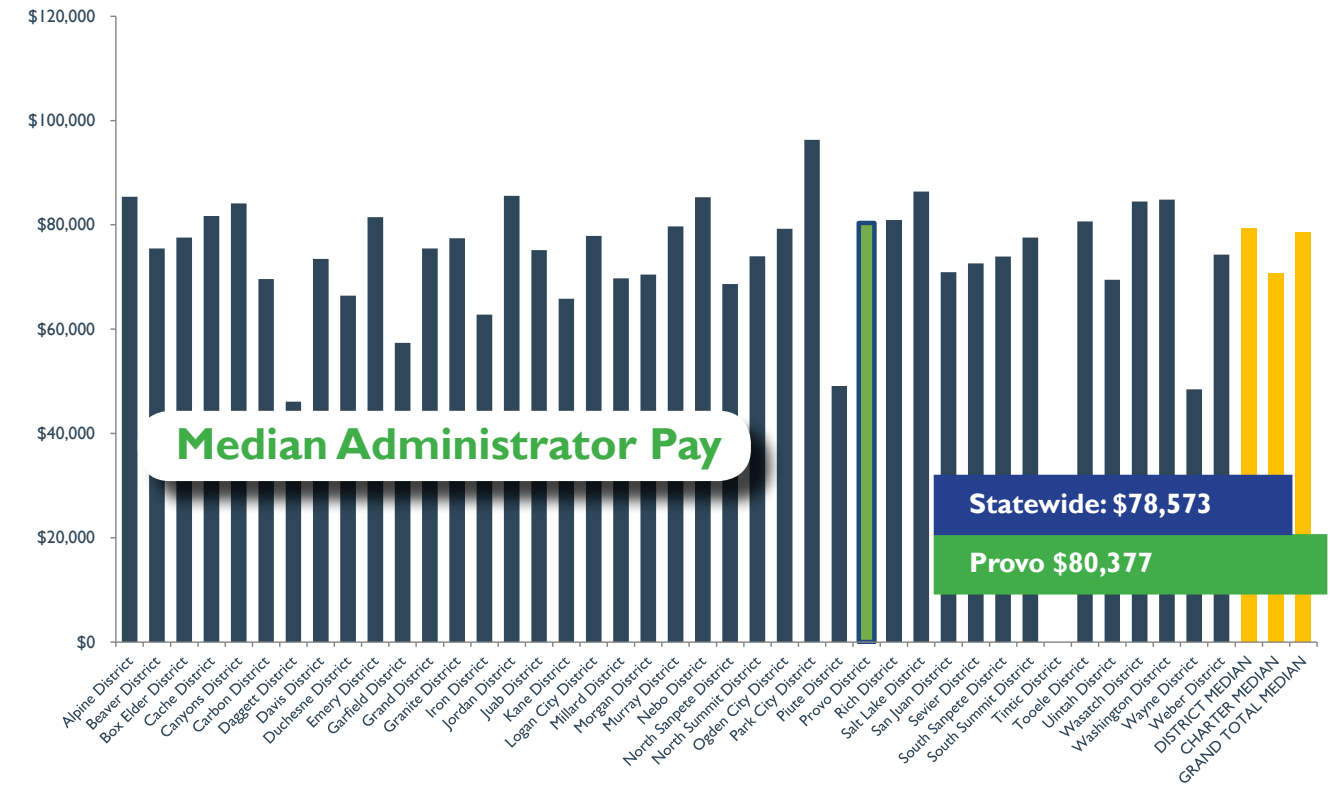


Provo City School District received a new propane-powered bus in 2013, the first propane school bus in the state of Utah. Provo City School District has always been at the forefront of technology in regards to the buses used to service the district.

Propane costs roughly 40% to 50% less than regular gasoline or diesel. The district anticipates a savings of \$6,000 to \$8,000 annually. The District will continue to study the performance of this new bus over the next year. The results will be used in determining future purchases of district buses and vehicles.

Compensation: *Median Pay Comparison*

The District continues to keep pace with education professional salary expectations in the state of Utah. It's critical for the District to pay employees a competitive wage to attract talent and retain valuable employees, especially as the economy improves and employees have more employment options.



Source: Utah State Office of Education

Health Insurance: Cost and Statistics

The rising cost of health care is a concern nationwide, and the District isn't immune. In 2005, a premium participation plan was put in place, with employees paying a percentage of their premiums. This was designed not only to save money, but more importantly to help employees take ownership of their health care. Overall, the District's health care expenditures are projected to increase over 7% in FY 2015, not including OPEB expenditures (see notes below).

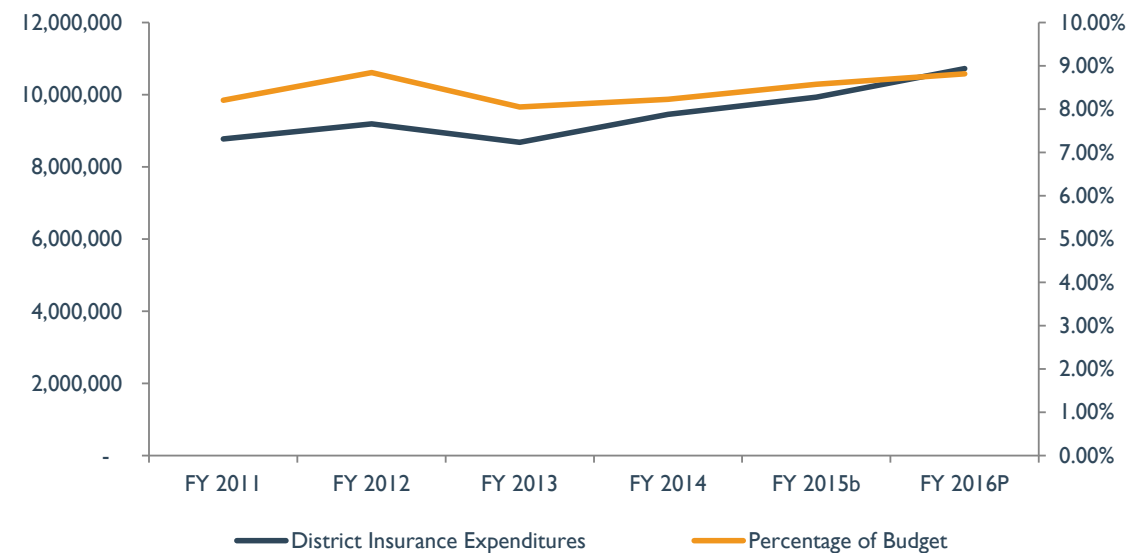
As the adjacent table and graph below indicate, the percentage of the District's budget that goes toward health insurance each year is increasing, meaning inflationary pressure on health care is outpacing other District expenditures.

Year	District Insurance Expenditures	Percentage of Budget
FY 2011	8,776,687	8.21%
FY 2012	9,187,889	8.85%
FY 2013	8,677,956	8.05%
FY 2014	9,458,189	8.23%
FY 2015 ^b	9,932,064	8.57%
FY 2016 ^p	10,726,629	8.82%

^bBudget
^pProjected

Note: Percentage of budget calculation excludes building construction and debt service, which can fluctuate significantly depending on current construction projects.

Health Insurance: Expenditures and Percentage of Budget



Other Post Employment Benefits (OPEB) contributions are projected to decrease slightly in FY15. A large component of OPEB costs are health insurance. However, health insurance rates are increasing for the District at a rapid pace which largely offsets savings from OPEB.

Some Notes on Student Performance and Assessment Methods

The **Utah Performance Assessment System for Students (UPASS)** is a comprehensive assessment of school performance based on attendance records, test scores on several different tests, and graduation rates for high schools. In order to be considered passing, schools must have 95% participation and perform at a level considered proficient (80% or higher), or show sufficient progress from the previous year's assessment.



Criterion Referenced Tests (CRTs) are used in Utah to test students' mastery of Utah's Core Curriculum. The CRT is also used for No Child Left Behind (NCLB) and UPASS. CRTs are administered to grades 2 through 11 for English language arts. Math and Science CRTs for junior high and high school are based on students' courses rather than grade level.

The **No Child Left Behind Act (NCLB)** is a nationwide accountability system for schools receiving federal funding. Each school is evaluated based on whether or not they meet Adequate Yearly Progress (AYP). In order to meet AYP, a school must show annual progress for certain student groups on assessments determined by each state. The percentage of students required to be proficient increases each year.

Title I schools are higher poverty schools that receive federal funding to provide extra services to their at-risk students. In Utah, about 28% of all public schools are Title I schools.

Beginning in the FY 2014 school year the UPASS, CRT, and AYP testing and accountability systems were replaced by **Utah's Comprehensive Accountability System (UCAS)** and the **Student Assessment for Growth and Excellence (SAGE)** computer assessment system. The FY 2014 student assessment results using this new system will not be available until later this year. As a result, the following pages contain FY 2013 UPASS, CRT, and AYP results and will be updated with UCAS and SAGE results when available.



Utah Comprehensive Accountability System (UCAS) provides a straightforward determination of school performance and supports the goals of public education in Utah by valuing performance on state tests, prioritizing individual student growth toward meaningful achievement targets, promoting equality for low-performing students, and incentivizing attainment of graduation and college/career readiness.

SAGE is Utah's new computer adaptive assessment system. It includes summative, interim, and formative components. SAGE employs a software algorithm that adapts the test in real time, responding to the accuracy of a student's performance. Each question a student receives is dependent on his or her response to previous questions. This allows the algorithm to more accurately and efficiently determine a student's level of proficiency.

Student Performance: **UPASS**

2012-13 (most recent year available - refer to pages 163-164 for updated, consolidated test results)

UPASS is the state accountability system for schools. UPASS determines the proficiency and progress for each school using multiple assessments and indicators. An annual school report card is released each year that indicates if the school achieved the state standard as defined by the UPASS criteria. The scores below indicate the percentage proficient in each subject area.

School	Language	Math	Science	Whole School
Amelia Earhart	92	90	87	83
Canyon Crest	93	92	90	79
Centennial Middle	91	83	80	70
Dixon Middle	88	79	69	68
Edgemont	92	90	86	82
eSchool				
Franklin	80	80	65	65
Independence	66	14	49	49
Lakeview	92	90	88	83
Provo High	87	53	74	69
Provo Peaks ¹	82	78	60	75
Provost	89	95	84	83
Rock Canyon	88	85	79	71
Spring Creek	77	81	73	76
Sunset View	76	78	70	76
Timpanogos	83	86	80	79
Timpview High	91	58	69	70
Wasatch	94	95	89	73
Westridge	92	93	86	77



Student Performance: **Adequate Yearly Progress (AYP)**

2012-13 (refer to table on pages 163-164, for updated and consolidated student performance results)

Adequate Yearly Progress, or AYP, is a measurement defined by the United States federal No Child Left Behind Act that allows the U.S. Department of Education to determine how every public school and school district in the country is performing academically according to results on standardized tests. The results are calculated and presented on a pass/fail basis.

School	Language Arts	Math	Schoolwide AYP	Improvement Plan?
Amelia Earhart	YES	YES	YES	NO
Canyon Crest	YES	YES	YES	NOT TITLE I
Centennial Middle	YES	YES	YES	NOT TITLE I
Dixon Middle	YES	NO	NO	NOT TITLE I
Edgemont	YES	YES	YES	NOT TITLE I
eSchool	YES	YES	YES	NOT TITLE I
Franklin	YES	YES	YES	NO
Independence	YES	YES	YES	NOT TITLE I
Lakeview	YES	YES	YES	NOT TITLE I
Provo High	YES	YES	YES	NOT TITLE I
Provo Peaks ¹	YES	YES	YES	NO
Provost	YES	YES	YES	NO
Rock Canyon	NO	YES	NO	NOT TITLE I
Spring Creek	YES	YES	YES	NO
Sunset View	NO	YES	YES	NO
Timpanogos	YES	YES	YES	YES
Timpview High	YES	YES	YES	NOT TITLE I
Wasatch	YES	YES	YES	NOT TITLE I
Westridge	YES	YES	YES	NOT TITLE I

¹Test scores recorded as Provo Peaks; school was operating as Farrer in 2010-11

Student Performance: UCAS and CRT

2012-13

(Choose "two-page view" in your PDF reader)

2012-13 UCAS Scores & CRT Proficiencies

School Name	Participation Rate %	All Students Earned	All Students Possible	Below Proficient Earned	Below Proficient Possible	Proficiency Earned	Proficiency Possible	Growth Earned	Growth Possible	Achievement Earned	Achievement Possible	Overall Earned	Overall Possible	La Perc Proficient	Ma Perc Proficient	Sc Perc Proficient	Dwa Perc Proficient	Cohort Graduation Rate	Median Sgp La	Median Sgp Ma	Median Sgp Sc	Bp Median Sgp La	Bp Median Sgp Ma	Bp Median Sgp Sc
AMELIA EARHART	1	161	200	100	100	266	300	261	300	266	300	527	600	0.92	0.9	0.87	0.86		60	68	51	82	71	71
CANYON CREST	1	139	200	75	100	276	300	214	300	276	300	490	600	0.93	0.92	0.9	0.93		46	56	60	50	56	64
EDGEMONT	1	180	200	87	100	260	300	267	300	260	300	527	600	0.92	0.9	0.86	0.71		58	68	68	57	68	64
PROVO PEAKS	1	175	200	93	100	229	300	268	300	229	300	497	600	0.82	0.78	0.6	0.93		61	65	64	67	67	64
FRANKLIN	1	101	200	58	100	223	300	159	300	223	300	382	600	0.8	0.8	0.65	0.7		48	45	38	36	61	47
LAKEVIEW	1	176	200	100	100	267	300	276	300	267	300	543	600	0.92	0.9	0.88	0.84		71	67	54	80	72	74
PROVOST	1	184	200	88	100	270	300	272	300	270	300	542	600	0.89	0.95	0.84	0.94		60	68	69	54	82	67
ROCK CANYON	1	116	200	49	100	246	300	165	300	246	300	411	600	0.88	0.85	0.79	0.69		46	49	48	41	45	43
SPRING CREEK	1	163	200	88	100	237	300	251	300	237	300	488	600	0.77	0.81	0.73	0.92		52	61	68	64	68	59
SUNSET VIEW	1	158	200	86	100	248	300	244	300	248	300	492	600	0.83	0.86	0.8	0.82		60	62	54	61	68	59
TIMPANOGOS	1	138	200	58	100	236	300	196	300	236	300	432	600	0.83	0.82	0.65	0.88		59	52	49	57	38	47
WASATCH	0.997	118	200	43	100	281	300	161	300	281	300	442	600	0.94	0.95	0.89	1		44	47	53	37	31	51
WESTRIDGE	1	132	200	63	100	270	300	195	300	270	300	465	600	0.92	0.93	0.86	0.87		55	55	46	58	61	33
CENTENNIAL MID	0.994	108	200	49	100	256	300	157	300	256	300	413	600	0.91	0.83	0.8	0.89		44	36	56	43	31	54
DIXON MID	0.996	109	200	54	100	241	300	163	300	241	300	404	600	0.88	0.79	0.69	0.9		51	42	44	52	47	38
PROVO HIGH	0.96	114	200	60	100	112	150	174	300	240	300	414	600	0.87	0.53	0.74	0.96	0.8519	43	49	49	44	55	48
TIMPVIEW HIGH	0.974	115	200	74	100	109	150	189	300	234	300	423	600	0.91	0.58	0.69		0.8308	45	53	44	54	69	46

Sources: Utah State Office of Education; District data

Student Performance: *Advanced Placement Tests & ACT Participation*

(2013-14 results unavailable)

Advanced Placement Test Results

2006-07 and 2007-08 based on new 2005 norms

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Total candidates	319	370	370	419	414	400	400
Total exams taken	478	571	600	645	666	622	623
Total exams passed	389	433	472	458	497	479	468
Provo average passed	81%	76%	79%	71%	75%	77%	75%

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Total candidates	404	408	438	448	570	569	556
Total exams taken	601	690	706	689	918	948	974
Total exams passed	418	480	322	318	379	422	665
Provo average passed	70%	70%	72%	65%	65%	69%	68%

College Entrance Exams - Provo Students Taking ACT Examination

Year	Number of Students	Year	Number of Students	Year	Number of Students
1999-00	567	2004-05	495	2009-10	665
2000-01	537	2005-06	567	2010-11	616
2001-02	520	2006-07	595	2011-12	841
2002-03	508	2007-08	558	2012-13	1195
2003-04	533	2008-09	646		

Student Performance: *High School Graduation Rates*

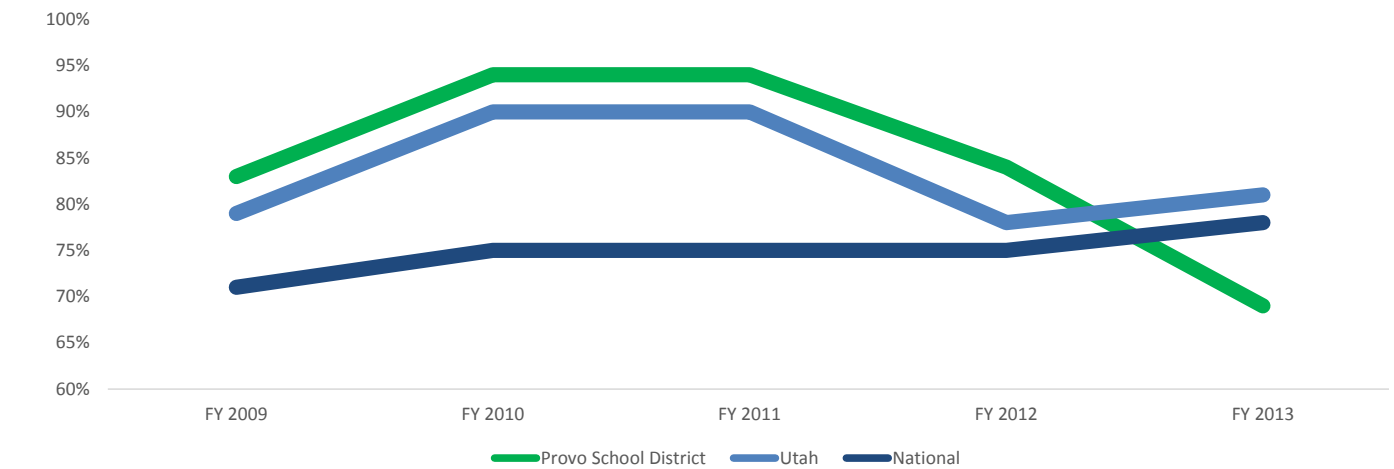
2012-13



Source: U.S. Department of Education and Utah State Office of Education

Student Performance: *Graduation Trends*

2009-13



At 69%, the District's graduation rate for the 2013 school year is substantially lower than the average rate in the State of Utah, and also lower than the national rate of 78%. While Provo High's rate for FY13 was 81% and Timpview High's was 83%, Provo School District's alternative high school, Independence High, lagged far behind with a graduation rate of 22% which drastically affected the district's overall graduation rate last year. The expectation is that Independence's rate will return to historical norms in FY14 which will result in graduation rates higher than state and national averages as we have seen in the past.

Important Note Regarding Satisfaction Surveys

The District regularly conducts satisfaction surveys involving the public, parents, employees, and students. We are currently in the process of loading all surveys online. Please check <http://provo.edu/dep/busadmin/>, then check under the "Surveys" heading. We are also happy to send copies of survey results to interested people by email. Please request any survey results by emailing surveys@provo.edu.

Glossary

Annual Yearly Progress (AYP): a measurement used by the U.S. Department of Education to determine how every public school and school district in the country is performing academically according to the results on standardized tests.

Appropriation: an authorization, usually limited in amount and time, granted by a legislative body to make expenditures and to incur obligations for specific purchases.

Assessed Value (AV): the value of taxable businesses and residences. The District's overall tax rate is determined by the combined assessed value of all businesses and residences in Provo City.

Asset: an economic benefit obtained or controlled by the District as a result of a past transaction or event.

Average Daily Membership (ADM): the aggregate days of student membership in a school during a typical 180 day school year, divided by the total number of school days in session during the same period.

Balance Sheet: a summary of the District's balances. Assets, liabilities and fund balances (called "equity" in non-governmental accounting) are included on the balance sheet.

Balanced Budget: The District considers the budget balanced when total expenditures are equal to total revenues. However, there are instances when revenues exceed expenditures, or when expenditures exceed revenues but residual fund balances are used to make up the difference.

Basic School Program: programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of Weighted Pupil Units (WPU) for each district or charter school by the value of the Weighted Pupil Unit.

Budget Initiatives: short-term goals or objectives the District intends to accomplish in the near future. Initiatives should support the District's mission and long-term goals.

Capital Expenditure: tangible property of a more or less permanent nature with a useful life of at least three years, and costing at least \$5,000. Examples of capital expenditures include buildings, copy machines, buses, and computer/information technology equipment.

Certified Tax Rate: a tax "ceiling" set by state law to protect taxpayers from unchecked tax increases. If the proposed tax rate is above the certified rate, an agency must advertise the proposed increase and hold public hearings before their rate can be approved.

Cost Center: part of the District that does not produce direct profit and adds to the cost of running the overall organization. An example of a cost center is the purchasing department.

Criterion Referenced Tests (CRT): standardized tests administered to grades 2 thru 11 used in Utah to test students' mastery of the Utah Core Curriculum.

Debt Service: cash required over a given period for the repayment of interest and principal on a debt.

Depreciation: the expiration of the useful life of District assets, attributable to age, wear-and-tear, and obsolescence.

Encumbrance: a method of reserving funds for purchase orders, salary contracts, and other financial commitments which are forthcoming.

Expenditure: a charge that is incurred, presumably to benefit the District.

Fall Enrollment Report: the audited census of students registered in Utah public schools as reported in the audited October 1 Fall Enrollment Report from the previous year.

Fiscal Year (FY): a 12 month period beginning July 1st and ending June 30th each year. The District's budget operates annually on this schedule.

Full-time Equivalent (FTE): a unit of workforce measurement. An employee hired to fill a normal contract day of approximately 8 hours is considered 1.0 FTE. An assistant that works 1/2 time is considered 0.5 FTE, and so forth.

Function: a relatively broad grouping of related expenditures or revenues aimed at accomplishing a common objective.

Fund Balance: the difference between assets and liabilities (see "asset" and "liability").

Fund: a segregation of accounting and financial resources, each with cash and other assets, liabilities, and fund balances.

Indirect costs: costs that are associated with, but not directly attributable to, a specific program or service provided.

Legal debt limit: the amount of debt the District can enter into; based on the overall taxable market value of Provo City multiplied by 4%.

Legal debt margin: amount of debt the District can enter into after current debt is included. Can be classified as a percentage or dollar amount. See "Legal debt limit."

Liability: an obligation of the District arising from past transactions or events. Liabilities are recorded on the District's balance sheet.

Minimum School Program: the primary funding source for school districts and charter schools in Utah. MSP funds are distributed according to formulas provided by State law, and State Board rules.

Modified Accrual Basis: Government accounting method where revenue is recognized when it becomes available and measurable. Expenditures are typically recognized in the period in which the liability is incurred.

No Child Left Behind Act (NCLB): a nationwide accountability system for schools receiving federal funding. Schools must show annual progress for certain student groups on assessments determined by each state.

Non-routine expenditure: expenditures that occur infrequently and are not typically part of normal operations.

Object: a classification used for both revenues and expenditures to determine the kind of transaction taking place. Examples of objects include teacher salaries, textbooks, and repairs.

Regression analysis: a statistical method that can be used for predicting future numerical values. The District uses a form of regression analysis when projecting future enrollment, revenues, and other figures.

Revenue: actual income the District receives from external sources. Donated items of value are not counted as revenue.

Undistributed reserve: part of the District's fund balance that is not specifically reserved for a particular purpose.

Utah Comprehensive Accountability System (UCAS): a new accountability system used by the state of Utah to determine school/student performance which has replaced UPASS.

Utah Performance Assessment System for Students (UPASS): a comprehensive assessment of school performance based on attendance records, standardized test scores, and graduation rates. Replaced in FY 2014 by UCAS.

Weighted Pupil Unit (WPU): a unit of measure used to determine the needed amount of state funding in a fair and equitable way.

Zero-based budgeting: a method of budgeting used by the District in which all expenses must be justified each year. Zero-based budgeting starts from a "zero base" and every program within the District is analyzed to determine viability and cost. Budgets are then built around what is needed for the upcoming year, regardless of whether the budget is higher or lower than the previous one.



If you have any questions regarding the budget of Provo City School District, or this budget guide in particular, please call the Business Office of the District at (801) 374-4848, or contact us by email at budget@provo.edu. The web address is: www.provo.edu/dep/busadmin/.

Thank you for your interest and continued support of Provo City School District.

See a word or phrase in this book that you feel should be included in the glossary? Let us know:

budget@provo.edu

Provo City School District

