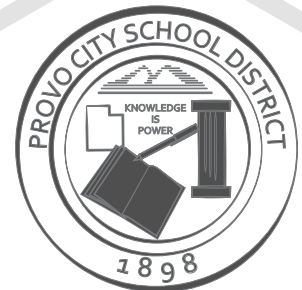


# PROVO CITY SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

→ FOR FISCAL YEAR ENDED **JUNE 30, 2012**



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Provo, UT 84604  
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Provo City School District



Provo City School District

280 West 940 North

Provo, Utah 84604

[www.provo.edu](http://www.provo.edu)

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2012

Keith C. Rittel

Superintendent of Schools

Kerry J. Smith

Business Administrator

Certified Public Accountant


Prepared By:

Stefanie Bryant

Director of Accounting Services

Certified Public Accountant

Provo City School District  
**Board of Education and Officers**



Current Board of Education photo that includes new leadership wasn't available in time to be included in this document. As this image becomes available the book will be updated online.

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# INTRODUCTORY SECTION

This section of the District's Comprehensive Annual Financial Report presents a general overview of the District and this report.

**Letter of Transmittal (pages 1 - 7)**

This executive letter is a narrative introduction to the report. The letter describes the profile of the District, major initiatives and long-term financial planning issues, the local economy, and relevant financial policies.

**Certificate of Achievement for Excellence in Financial Reporting -  
Government Finance Officers Association (page 8)**

**Certificate of Excellence in Financial Reporting -  
Association of School Business Officials (page 9)**

**Organizational Chart (page 10)**

This chart provides a general schemata of the overall District organizational structure.

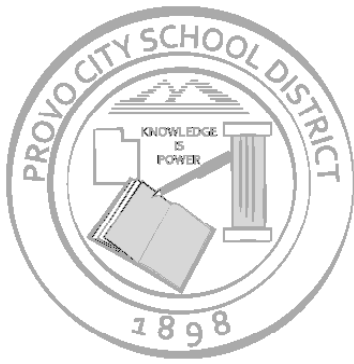
**Elected and Appointed Officials (page 11)**

This list provides names and position descriptions of key elected and appointed officials within the District.

**Map - Precincts of the Board of Education (page 12)**

This map provides the names of elected Board members and their associated geographic electorate.





**KEITH C. RITTEL, SUPERINTENDENT**  
**KERRY J. SMITH, BUSINESS ADMINISTRATOR**

October 1, 2012

**To the Members of the Provo City School District Board of Education and the Patrons of Provo City School District:**

***Superintendent's  
Message***

*We are pleased to present, to the public, Provo City School District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This Comprehensive Annual Financial Report (CAFR) includes financial and non-financial information to meet the needs of a broad spectrum of readers.*

The report is prepared in accordance with generally accepted accounting principles (GAAP) which are applicable to governmental entities throughout the United States. The Governmental Accounting Standards Board (GASB) establishes local government accounting principles. This report conforms to all current, relevant pronouncements of the GASB, which, taken as a whole, are referred to as generally accepted accounting principles (GAAP).

Management assumes full responsibility for all of the information presented in this report. The District believes the presentation of the report is accurate in all material respects, and the financial position and results of operations are presented fairly. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. *Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.* The District's comprehensive internal control framework has been designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

State law requires that school districts publish, within five months of the close of each year, a complete set of financial statements which are audited by a firm of licensed certified public accountants. The CPA Network, LLC, a firm of licensed certified public accountants, has audited the District's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion for the District's financial statements for the fiscal year ended June 30, 2012; this opinion indicates the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the *Financial Section* in this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations, are the authoritative standards governing Single Audit engagements. These standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report. A copy of the Single Audit Report is available from the District Business Office.

In addition to the Single Audit requirements, the District is required to meet audit requirements according to Utah State Code 51-2 to report on compliance with significant state fiscal laws.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A immediately follows the independent auditor's report.

## ***DISTRICT PROFILE***

### ***Summary***

Provo City School District was officially organized in 1898. Provo City School District is one of 41 public school districts in Utah, and the District serves approximately 14,700 students. The major purpose of the District is to provide public education to students who reside in Provo City which is located in the central portion of Utah County, Utah. To accomplish this purpose, the District operates two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and a web based school which services all grade levels. The District continues to have a positive influence on the community by offering both traditional and proven non-traditional education to its students. These non-traditional alternatives include preschool training for disabled students, adult high school completion, the largest selection of on-line courses in the state, and concurrent enrollment where students can earn high school and college credits simultaneously. Programs such as advanced placement, special education, music, career technology, elementary dual language, multicultural programs, gifted and talented programs, and many other enrichment programs in all curriculum areas are offered by the District. The District has strong technical and foreign language programs in both traditional and on-line offerings, and is one of the few Districts in the state to offer elementary foreign languages.

### ***The Reporting Entity***

Provo City School District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. Policy making and legislative authority and oversight are vested in the Board of Education consisting of seven members. The Board of Education is responsible, among other things, for developing policy, adopting the annual budget, levying property taxes, incurring bonded debt, and appointing both the Superintendent and Business Administrator. The Board of Education and District administration recognize that the District's financial health largely dictates its ability to deliver the most appropriate education for each individual student. The Superintendent and Business Administrator are responsible for carrying out the policies of the Board of Education and oversight of the day-

to-day operations of the District. The Board of Education is elected locally on a non-partisan basis.

Although the blended component units are separate entities with separate governing bodies, the activities are primarily in support of District activities. Consequently, the Foundation and Municipal Building Authority are reported as blended component units in the District's Governmental Fund financial statements to provide readers with a more accurate and fair picture of the overall substance of the District's financial affairs.

**Governing Structure**

The District Board of Education consists of seven members. The Board of Education represents the Provo City citizenry and has been elected from precincts which were independently determined by the Provo City Council. A map of the precinct boundaries is included in the *Introductory Section* of the report.

**MAJOR INITIATIVES & LONG-TERM FINANCIAL PLANNING**

**District Efforts**

*The financial position of the District remains stable.* Due to the global recession, fiscal years 2008-09 thru 2011-12 have proved to be the most difficult financial years in recent history. However, the District has been able to maintain a strong financial position. Total state funding was reduced over \$7 million during a four year period, beginning in 2008-09. Overall, federal revenues decreased \$2.9 million in FY12. However, the prior year included revenues of \$4.1 million from one time funding sources, including the American Recovery and Reinvestment Act, and EduJobs.

District fund balances have decreased from \$42,926,426 at June 30, 2011, to \$38,372,069 at June 30, 2012. This fund balance decrease is primarily due to planned spend down of balances due to decreased funding and aggressive capital improvement plans. While State law allows only modest fund balances, these monies allow the District to respond to a variety of emerging issues, including the need for funds in the future due to funding cuts. Healthy fund balances and financial position allow the District to secure future financing at favorable interest rates and to explore promising educational reform without reducing resources to current programs.

*Provo School District is well managed.* Although the recession has put immense financial pressure on the system, the District has kept as many resources as possible in the classroom. The District budget includes aggressive goals to accomplish the 20/20 initiatives. As the next fiscal year begins, new leadership takes the helm of the Provo City School District. The District continues to benefit from the vision and strategy provided by the 20/20 Initiative, which brought together a wide range of community stakeholders with the common goal of making Provo a progressive, innovative and responsive school district.

The District has an established record of being financially transparent and well run, consistently earning national financial awards. We are emerging from the recent economic storm in a position to take advantage of opportunities to increase educational achievement, and continue to maintain a strong financial position.

The district is committed to maintaining balanced budgets.

**District Master Plan**

The District continues a targeted and aggressive capital improvement schedule. Capital improvements are funded through two major sources: capital tax levies, and general obligation bonds.

All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan. The oldest buildings, in most need of repair, will be replaced first, the years of original construction range from 1931-2011. The District completed a new elementary school, which was built with the QSCB bond funds received in FY10, and reserve Capital Project funds. Qualified School Construction Bonds (QSCB) are part of the federal stimulus bill of 2009. The District was awarded \$6.4 million in QSCB funding in FY10 to help fund the rebuild of Provo Peaks Elementary. These funds are tax credit bonds, which allows the District to fund part of the school at very low interest rates. The District does not anticipate the need for further bond issuance for buildings until 2017.

The District's capital outlay tax levy will provide approximately \$2 million annually. It is anticipated once the Building Reserve fund reaches \$13 million, a draw will be made to replace an elementary school.

***Budget  
Development***

The District strategically manages its operations with a focused effort to maintain its end of year fund balances. The District's process includes an annual review of all District programs including a program-level needs assessment analysis. The Board approves the budget in June for the following fiscal year. The District is pleased to report that budget decisions made in the last few fiscal years have enabled the District to maintain healthy fund balances. The General Fund unassigned fund balance on June 30, 2012 was \$3,149,472. Total restricted governmental fund balances on June 30, 2012 were \$14,016,362, which includes \$1.3 million General fund balance, \$2.5 million capital fund balance, \$695 thousand Debt Service fund balance, \$7.0 million Building Reserve fund balance, and a \$1.5 million Food Services fund balance. The remainder of fund balances includes \$788 thousand of Non-spendable fund balances, \$19.5 million in Committed fund balances and \$2.2 million in Assigned fund balances.

***State  
Funding***

The state fiscal 2012 school finance program is designed to provide every Utah school district with a basic operation program of \$2,816 per weighted pupil unit (WPU) (up from \$2,577 the last three years). 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.

***LOCAL ECONOMY***

***Utah  
Economic  
Conditions***

The economic outlook of the District is heavily dependent on state aid, providing 58.9% of General Fund revenues. As noted above, the WPU is provided based on student enrollment. Enrollment in fiscal year 2012 was 14,700. Projected enrollment for the FY13 and FY14 is 14,400 and 14,500, respectively. The state Uniform School Fund was constitutionally established in 1938 and is used to equitably allocate funding for statewide public education programs. 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.

The economic recession, which continues to impact Utah, has turned upward slightly. Utah's nonagricultural employment increased an estimated 2.6%, or 32,000 jobs, between June 2011 and June 2012. Nationally, employment increased 1.4%, or 1.8 million jobs, from June 2011 and June 2012.

Utah's unemployment rate was 6.0% during June 2012, lower than the June 2011 unemploy-

ment rate of 6.9%. The national unemployment rate was 8.2% in June 2012 lower than the June 2011 rate of 9.1%..

Provo City 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. The 2010 U.S. Census indicated that Utah county's population had grown to 516,564. 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.

Utah will continue to experience population growth at a rate higher than most states in 2012 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) is anticipated to add 39,100 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 at 5,000 people. In addition, the percentage of Provo residents enrolled in the Provo School District trends relatively constant, as more residents elect to send their children to charter, private and on-line schools. Approximately 12 out of every 100 Provo residents is a student in the Provo School District.

### ***RELEVANT FINANCIAL POLICIES***

#### ***Budgetary Control***

The District adopts an annual budget for all revenues and expenditures; the adopted budget serves as the financial operating plan through the fiscal year. Revisions may be implemented during the year, and revisions are approved and authorized by the Board of Education through public hearing. Pursuant to Utah Code 53A-19-108, the District submits monthly budget reports to the Board of Education for review.

All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. During June of each year, the District Superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.

Utah Code Annotated, Section 53A-19-104 states, "A local school board may not make any appropriation in excess of its estimated expendable revenue, including undistributed reserves." It has been the policy of the District to estimate appropriations as accurately as possible.

The Board of Education legally adopts, by resolution, the next fiscal year's budget on or before June 22, after obtaining taxpayer input. If the District is required to, or chooses to go through the truth in taxation process\*, revised tax rates are set in August, through public hearing and Board of Education approval.

#### ***Capital Budget***

A formal capital budget approval process is used which requires the Board of Education to authorize line item capital improvement projects greater than \$50,000 for the next fiscal year. The Board appropriated \$5.4 million for planned capital projects and improvements for Fiscal Year 2011-12. (includes capital projects fund and municipal building authority)

Appropriations for capital projects and improvements for fiscal year 2011-12 included an increase in the capital improvement budget to \$2.6 million (capital projects fund and municipal building authority). Several remodeling projects were undertaken during the year. In addition, construction of the new Provo Peaks Elementary school was completed during FY12.

\*The "Truth in Taxation" law imposes specific public notice and public hearing requirements that are triggered when a taxing entity proposes to increase its property tax revenues (not rates) above those collected in the previous year (tax revenues generated by "new growth" in an entity's tax base are exempt from the disclosure requirements). The public hearings are required to allow elected officials to explain the reasons for the proposed increase and allow citizens to comment on any proposed increase.

**Other Post-Employment Benefits**

The District provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005. There are approximately 490 retirees receiving benefit coverage in addition to 277 present employees (and spouses) who have earned vested coverage upon retirement.

An actuarial study was completed in 2011, based on data as of July 1, 2010 that reflects an accrued liability of \$8,452,000 for the Medicare supplement and \$18,981,000 for the insurance associated with those retirees (and spouses) who have not reached age 65 as well as current employees (and spouses) who have vested eligibility. An additional \$15,904,000 reflects an accrued liability for early retirement stipends. The annual recommended contribution (assuming 30 year amortization) was reported to be \$2,384,000. The District contributed \$3,289,051 for retiree benefits during fiscal year 2012. More detailed information can be found in Note 7 to the financial statements.

**AWARDS & ACKNOWLEDGEMENTS**

**Government Finance Officers Association**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Provo City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The District believes that the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and will submit it to the GFOA to determine its eligibility for another certificate.

**Association of School Business Officials**

The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the Year Ended June 30, 2011.

This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

The award is granted only after an intensive review of the District's financial reports by an expert panel of certified public accountants and practicing school business officials and is valid for a period of one year. This was the ninth year the District has received the ASBO Certificate of Excellence.

Provo City School District expresses its appreciation to members of the Provo City School District Board of Education. Their interest and support in conducting the financial affairs of Provo City School District was critical to the success of District operations and achievements made.

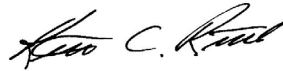
The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of the entire business staff. The District is appreciative of the efforts made by Stefanie Bryant, Director of Accounting, for preparing this report and



coordinating the annual audit. In addition, the entire business office staff's efforts throughout the year are dually appreciated.

Most importantly, the District expresses appreciation to all of the members of the departments and schools who assisted in the appropriate management, timely processing, and closing of the District's financial records. Their diligence and dedication is critical to the proper management of the District's financial assets and the overall delivery of quality services to District patrons.

Respectfully submitted,



Keith C. Rittel  
Superintendent of Schools



Kerry J. Smith, C.P.A.  
Business Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Provo City School District  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Sandson*

President

*Jeffrey R. Emer*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**PROVO CITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

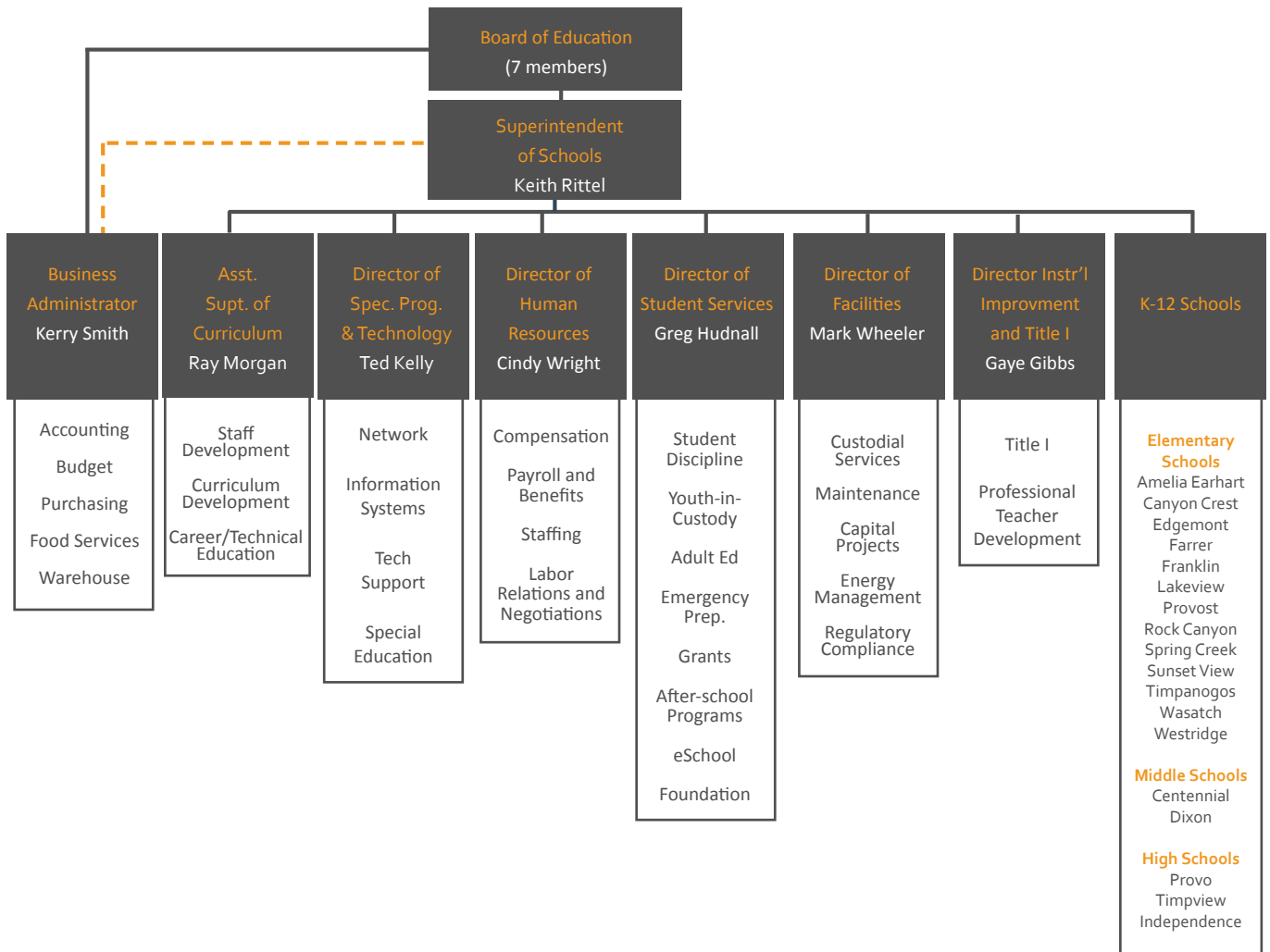
For the Fiscal Year Ended June 30, 2011

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Ben Mee*

*John D. Russo*

Provo City School District  
**Organizational Chart**  
 For Fiscal Year Ended June 30, 2012



\*Both the Superintendent and Business Administrator are appointed by the Board of Education pursuant to Utah Code 53A-3 and both have a direct reporting relationship to the Board.

Provo City School District  
**Elected and Appointed Officials**  
 For Fiscal Year Ended June 30, 2012

**Board of Education**

**Steven Staples**  
 Precinct 1  
 Present Term: 2011 - 2014  
 Initial Appointment: 2011

**Michelle Kaufusi**  
 Precinct 2  
 Present Term: 2011 - 2014  
 Initial Appointment: 2011

**Richard Sheffield**  
 Precinct 3  
 Present Term: 2009 - 2012  
 Initial Appointment: 2001

**Shannon Poulsen**  
 Precinct 4  
 Present Term: 2011 - 2014  
 Initial Appointment: 2003

**Darryl Alder**  
 Precinct 5  
 Present Term: 2009 - 2012  
 Initial Appointment: 2001

**Kristine Manwaring**  
 Precinct 6  
 Present Term: 2009 - 2012  
 Initial Appointment: 2009

**Mary Ann Christiansen**  
 Precinct 7  
 Present Term: 2009 - 2012  
 Initial Appointment: 2005

**District Administration**

**Keith Rittel**  
 Superintendent  
 Initial Appointment: 2012

**Kerry J. Smith, C.P.A., M.B.A.**  
 Business Administrator  
 Initial Appointment: 2003

**Ray Morgan**  
 Asst. Superintendent  
 Curriculum

**Cindy Wright**  
 Director of Human Resources

**Ted Kelly**  
 Special Programs &  
 Technology Support

**Greg Hudnall**  
 Student Services

**Gaye Gibbs**  
 Title I Director

**Jared Ferguson**  
 Career Technology Education

**Stefanie Bryant, C.P.A.**  
 Director of Accounting

**Jenilee McComb**  
 Director of Food Services

**Mark Wheeler**  
 Facilities Director

**Elementary  
 School Administration**

Amelia Earhart	Jason Cox
Canyon Crest	Patricia Anderson
Edgemont	Dennis Pratt
Franklin	Marlin Palmer
Lakeview	Drew Daniels
Provo Peaks	Alex Judd
Provost	Dr. Steve Oliverson
Rock Canyon	Dean Nielsen
Spring Creek	Missy Hamilton
Sunset View	Clint Smith
Timpanogos	Diane Bridge
Wasatch	Colleen Densley
Westridge	Cory Anderson

**Middle School Administration**

Centennial	Mitch Swenson
Dixon	Jarod Sites

**High School Administration**

Independence	Rosanna Ungerman
Provo	Jeff Schoonover
Timpview	Dr. Michael Todd McKee

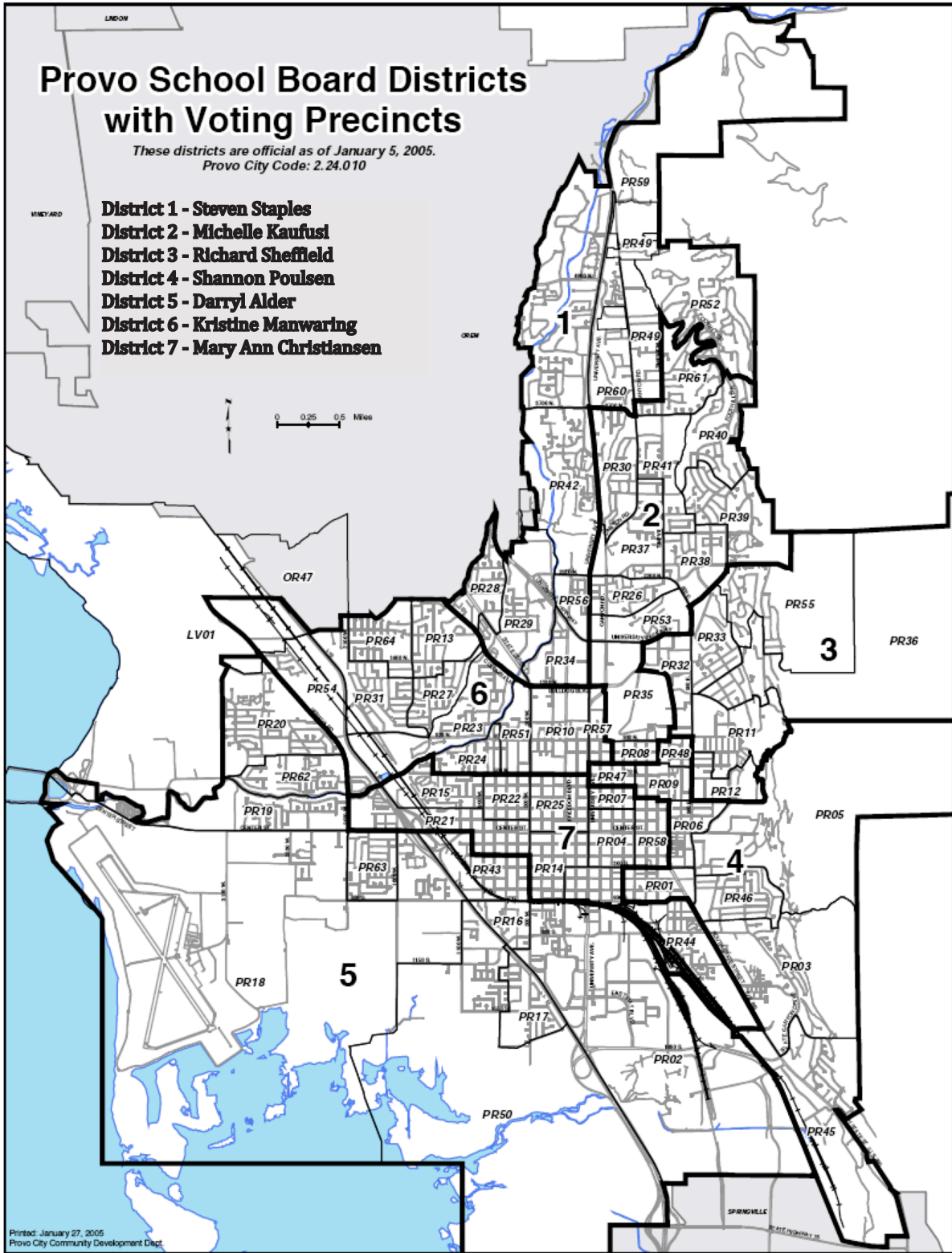
The term of office for Board members is four years, beginning on the first Monday in January following the November election.

The term of office of the Superintendent and Business Administrator is two years.

# Provo School Board Districts with Voting Precincts

*These districts are official as of January 5, 2005.  
Provo City Code: 2.24.010*

- District 1 - Steven Staples**
- District 2 - Michelle Kaufusi**
- District 3 - Richard Sheffield**
- District 4 - Shannon Poulsen**
- District 5 - Darryl Alder**
- District 6 - Kristine Manwaring**
- District 7 - Mary Ann Christiansen**



Printed: January 27, 2005  
Provo City Community Development Dept.

# FINANCIAL SECTION



This section of the District's Comprehensive Annual Financial Report presents information required by generally accepted accounting principles (GAAP).

**Independent Auditor's Report (pages 15 - 16)**

The independent auditor's report describes the audit, the nature and scope of the audit, and the auditor's opinion.

**Management's Discussion and Analysis (pages 17 - 26)**

This information provides management's explanations regarding the District's overall financial performance through the fiscal year and its financial position.

**The Basic Financial Statements (pages 27 - 52)**

These financial statements and note disclosures provide required detailed information regarding the District's financial performance and financial position.

**Combining and Individual Fund Financial Statements and Schedules (pages 53 - 80)**

These financial statements and schedules are supplementary information intended to clarify the information presented in the basic financial statements.







**THE C.P.A. NETWORK, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

GLOBAL ACCESS  
LOCAL FINANCIAL SPECIALISTS

**INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Provo City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Provo City School District, as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Provo City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Provo City School District, as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012, on our consideration of Provo City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and of other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Provo City School District's financial statements as a whole. The introductory section, the combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and recording such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.



THE C.P.A. NETWORK, LLC  
Certified Public Accountants  
Provo, Utah

September 28, 2012

# Management's Discussion and Analysis

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This section of Provo City School District's (District) Comprehensive Annual Financial Report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2012. The MD&A is intended to provide an analysis directly related to the information presented in the transmittal letter found on pages 1 through 7 of this report and the District's financial statements, which follow the MD&A in this report.

## Financial Highlights

**The financial position of the District remains stable.** The following highlights are considered by the District to be significant factors in measuring the District's financial performance for the fiscal year ended June 30, 2012:

- **Government-Wide Net Assets.** The District's total assets exceeded liabilities by \$97.8 million at the close of fiscal year 2012.
- **Government-Wide Financial Progress (full-accrual basis of accounting):** During the year, expenses were \$1.0 million less than the \$110.8 million generated in taxes and other revenues for governmental activities. The \$1.0 million increase in net assets is due primarily to decreased spending, prompted by state revenue cuts and economic factors and one time stimulus money.
- **Governmental Fund Financial Progress (modified-accrual basis of accounting):** During the year ended June 30, 2012, the combined fund balance decreased by \$4.5 million. The \$4.5 million fund balance decrease is due primarily to a planned spend down of funds in the General Fund, Capital Projects Fund and Municipal Building Authority. Planned decreases in the General and Capital Projects Funds were primarily due to funding decreases, while the decrease in the Municipal Building Authority was for completion of Provo Peaks Elementary.
  - The District's General fund makes up the largest portion of the overall total fund balance among all governmental funds. The General fund balance decreased by \$1.1 million in fiscal year 2012.
- **Capital Lease Obligation.** During fiscal year 2010, the District entered into a capital lease agreement to fund drivers education simulators. The total long-term obligation was for \$82,000, and the remaining balance at June 30, 2012 is \$8,506. The lease is for a period of five years, however in FY11 additional principal of \$20,000 was paid. Total principal and interest paid in FY12 was \$14,461 and \$539, respectively.
- **District Master Plan** - All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan. Capital improvements are funded through two major sources: the capital outlay tax levy and general obligation bonds.

The District completed a new elementary school, built with the QSCB bonds and building reserve funds. Qualified School Construction Bonds (QSCB) are part of the federal stimulus bill of 2009. The District was awarded \$6.4 million in QSCB funding in FY10 to help fund the construction of Provo Peaks Elementary. The remainder of the cost to rebuild the school was funded from the Capital Projects property tax levy. The District does not anticipate the need for further bond issuance for buildings until 2017.

## Overview of Financial Statements

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

### A. Government-wide financial statements

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

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

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

The government-wide financial statements can be found on pages 28 to 29 of this report.

### B. Fund financial statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds, and it reports the District's Foundation and Municipal Building Authority (blended component units) as additional governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement

of revenues, expenditures, and changes in fund balances for the General fund, Debt Service fund, and Capital Projects fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each governmental fund is provided in the form of *combining and individual fund statements* elsewhere in this report.

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

The basic governmental fund statements can be found on pages 30 to 34 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statements because the District cannot use these funds to finance its operations.

The District uses agency funds to account for resources held for various groups. The basic fiduciary fund financial statement can be found on page 35 of this report.

### C. Notes to the basic financial statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 36 to 52 of this report.

### D. Other information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statements on pages 53 to 80 of this report. Additional financial and non-financial statistical data and trends are presented in the statistical section of the report.

## Government-wide Financial Analysis (full-accrual basis of accounting)

### A. Net Assets - Governmental Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$97.8 million at the close of the most recent fiscal year.

Net assets of the District's governmental activities increased 1.1% to \$97.8 million. However, net assets are classified as either restricted as to the purposes they can be used for, or are invested in capital assets (land, buildings and improvements, equipment, etc.). Consequently, unrestricted net assets (27.5% of total net assets) are \$26.9 million at the end of this year.

The largest portion of the District's net assets (55.0%) reflects its investment in capital assets (e.g., sites, buildings, equipment and vehicles net of accumulated depreciation), net of related long term debt used to acquire such assets (general obligation bonds payable less unspent bond proceeds). Capital assets are used to provide services to students, and are not available for future spending. It should be noted, that the resources needed to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (17.5%) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted fund balance is for the Building Reserve fund.

PROVO CITY SCHOOL DISTRICT'S Net Assets  
(in millions of dollars)

	Governmental activities		
	2012	2011	Change from 2011
Current and other assets	\$ 84.8	\$ 79.5	\$ 5.3
Capital assets	104.5	104.3	0.2
Total assets	189.3	183.8	5.5
Other liabilities	39.8	30.9	8.9
Long-term liabilities outstanding	51.6	56.1	(4.5)
Total liabilities	91.4	87.0	4.4
Net assets:			
Invested in capital assets, net of related debt	53.8	49.2	4.6
Restricted	17.1	18.1	(1.0)
Unrestricted	26.9	29.5	(2.6)
Total net assets	<u>\$ 97.8</u>	<u>\$ 96.8</u>	<u>\$ 1.0</u>

**B. Changes in Net Assets – Governmental Activities**

The District's total net assets increased by \$1.0 million during the current year. While overall net assets increased, unrestricted net assets decreased by \$2.6 million. Restricted net assets decreased by \$1.0 million during the year ended June 30, 2012. The decrease in restricted net assets is due primarily to the use of fund balances in response to budget cuts.

The District's total revenues for the year were \$110.8 million, which represents a decrease of \$3.0 million over the prior year. Total federal and state aid comprise (specific to programs and unrestricted) 18.7% of the District's revenues; property taxes generated 29.0% of the District's revenues. Revenues from operating grants and contributions decreased from the prior year by \$427 thousand. This decrease is due primarily to a decrease in federal one time funds as compared to the prior year.

As compared to the prior year, the total cost of all programs and services increased by \$2.5 million to \$109.8 million. Instruction and support services (including food services) were 66.4% and 28.4%, respectively, of the District's expenses. Increases in expenses were primarily due to planned spend down of fund balances, for construction of Provo Peaks Elementary, and additional capital projects approved by the Board of Education.

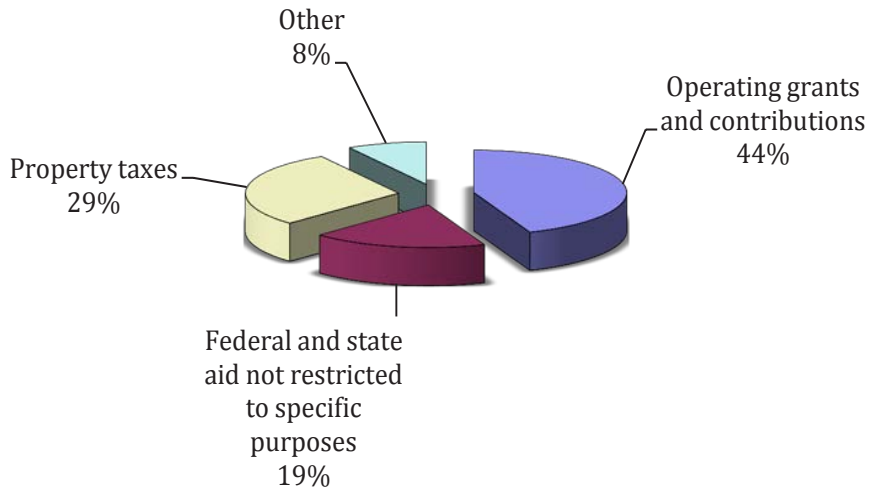
Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the difference with state funding. The value of the WPU for the year ended June 30, 2012 was \$2,816 (\$2,577 during the three previous years).

PROVO CITY SCHOOL DISTRICT'S Changes in Net Assets  
(in millions of dollars)

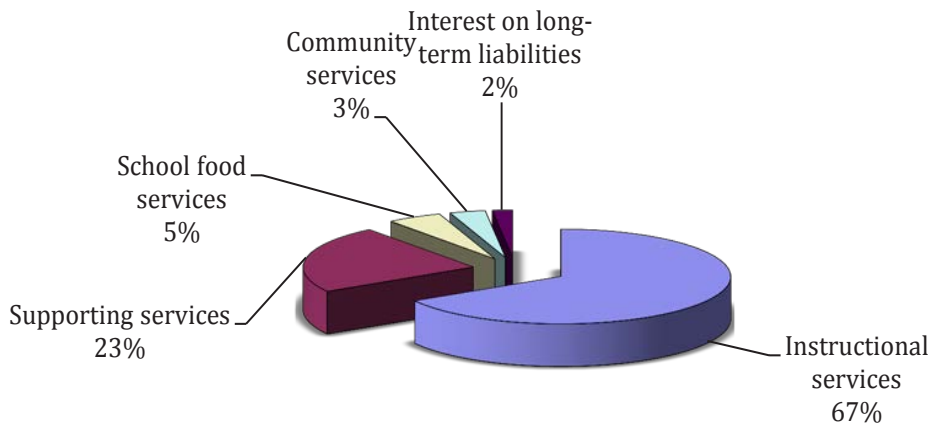
	Governmental activities		Change from 2011
	2012	2011	
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 1.6	\$ 1.1	\$ 0.5
Operating grants and contributions	48.8	49.2	(0.4)
General revenues:			
Property taxes	32.2	31.9	0.3
Federal and state aid not restricted to specific purposes	20.7	22.6	(1.9)
Earnings on investments	0.3	0.3	-
Miscellaneous	7.2	8.7	(1.5)
Total revenues	<u>110.8</u>	<u>113.8</u>	<u>(3.0)</u>
<b>Expenses:</b>			
Instructional services	72.9	71.0	1.9
Supporting services:			
Students	4.1	3.9	0.2
Instructional staff	1.6	1.5	0.1
District administration	1.6	1.2	0.4
School administration	5.2	5.1	0.1
Business	3.2	3.1	0.1
Operation and maintenance of facilities	5.8	6.9	(1.1)
Transportation	2.7	2.4	0.3
Other	1.2	1.0	0.2
School food services	5.7	5.5	0.2
Community services	3.7	3.5	0.2
Interest on long-term liabilities	2.1	2.2	(0.1)
Total expenses	<u>109.8</u>	<u>107.3</u>	<u>2.5</u>
<b>Changes in net assets</b>	1.0	6.5	(5.5)
<b>Net assets, beginning</b>	<u>96.8</u>	<u>90.3</u>	<u>6.5</u>
<b>Net assets, ending</b>	<u><u>\$ 97.8</u></u>	<u><u>\$ 96.8</u></u>	<u><u>\$ 1.0</u></u>

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

**Revenues by Source - Governmental Activities  
Year Ended June 30, 2012**



**Expenses by Function - Governmental Activities  
Year Ended June 30, 2012**





## Governmental Fund Financial Analysis (modified-accrual basis of accounting)

### A. Governmental funds

The focus of the District's *governmental funds* is to provide information regarding near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District is accountable for the following governmental funds:

General Fund - used to account for funds associated with K-12 educational activities as well as those funds that do not meet the criteria for reporting in other governmental funds.

Non K-12 Instruction Fund (special revenue fund) - used to account for funds that are restricted to programs that are *not* primary components of the District's K-12 education activities.

School Activities Fund (special revenue fund) - used to account for activities at the school level, including sports, clubs and instruction related programs.

Food Services Fund (special revenue fund) - used to account for local, state, and federal funds restricted to breakfast, lunch, and other food service programs.

Debt Service Fund - used to account for funds accumulated and restricted for payments of general long-term obligation debt.

Capital Projects Fund - used to account for funds generated through property taxes restricted for capital projects and capital lease obligations.

Building Reserve Fund - used to account for funds designated by the Board of Education for new buildings or remodels.

Municipal Building Authority Fund - used to account for funds received from lease revenue bonds under the direction of the Municipal Building Authority.

Provo City School District Foundation - used to account for patron donations.

As the District completed the year, its governmental funds reported a combined fund balance of \$38.4 million, which is a \$4.5 million decrease from the previous year. The primary reason for the decrease in fund balance mirror those highlighted in the analysis of governmental activities. In addition, the following changes should be noted:

- The District's *General* fund balance decreased by \$1.1 million as compared to a \$1.4 million increase in the previous year. The decrease is due primarily to increased operating costs.
- The Capital Projects fund balance decreased by \$1.8 million in the current year. The primary reason for this change in fund balance is due to additional approved capital projects while construction costs are low.
- The District's *Municipal Building Authority* fund was established during FY10. The current fund balance is (\$1.4) million. The negative fund balance is due to overruns in costs of construction for Provo Peaks Elementary.
- All other changes in fund balances are due to normal fluctuations in operational resources and property tax collections, and economic constraints.

- As compared to the prior year, expenditures for District purposes totaled \$115.4 million, a decrease of \$4.4 million during the current fiscal year. The decrease is primarily due to prior year expenditures in the Municipal Building Authority fund, that were for construction of Provo Peaks Elementary. These costs were minimal in the current year, as compared to prior year. (Most of the construction for Provo Peaks occurred in FY11).
- General fund salaries totaled \$51.5 million as compared to \$50.6 million in the previous year. Associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) totaled \$22.7 as compared to \$22.4 million in the previous year. Associated benefits did not fluctuate comparatively to salaries due to annual post retirement benefit payments.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into non-spendable, restricted and unrestricted portions. *Non-spendable* includes inventories, long term portion of notes receivable, and any prepaid expenditures (items not expected to be converted to cash). *Restricted* includes net fund balances that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors. Restrictions include tax revenues levied for specific purposes. *Unrestricted* funds are further divided into committed, assigned, and unassigned portions. *Committed* balances reflect the District's self imposed limitation on the use of otherwise available funds. *Assigned* balances are intended for a specific use and do not require board action. Assigned includes unrestricted programs, amounts in excess of non-spendable, restricted, and committed fund balances in funds other than the general fund. *Unassigned* balances in the General Fund are all other undesignated funds, and any residual deficits from other funds.

Changes in local revenues are due to the following elements:

- *Property taxes*: Changes in property taxes are primarily due to changes in assessed property valuations, additions of new taxable properties, and collection rates.
- *Tuitions*: Tuitions represent charges to participants for ancillary programs such as truancy program fees, after school programs, preschool, the Center for High School Studies, recreation activities, and driver's education. Consequently, major changes in tuitions represents fluctuations in both program activity and services provided through these ancillary programs, and economic factors. These tuition revenues also represent fees charged to secondary school students for specific activities; secondary school fees are accounted for in the school activities fund.
- *Earnings on investments*: Changes in investment earnings are due to market fluctuations in interest rates and the current balance held in the investments.
- *Other revenue from local sources*: This classification represents collections for services rendered to other independent entities, fees for local services rendered, and other miscellaneous income sources including fund raising events in the School Activities fund.
- *Transportation fees, contributions and food services*: Changes are due to normal fluctuations in program level activities, and fluctuations due to economic factors.

PROVO CITY SCHOOL DISTRICT'S Local Revenues  
(all governmental funds combined)

	2012	2011
Property taxes	\$ 32,123,987	\$ 31,891,333
Tuitions	191,375	180,969
Transportation fees	231,776	121,668
Earnings on investments	368,052	280,572
Food Services	1,131,545	1,149,429
Contributions	500,548	749,180
Other revenues from local sources	7,249,331	8,390,741
	\$ 41,796,614	\$ 42,763,892

## Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$2.1 million in total General fund revenues and an increase of \$3.1 million in expenditures. The most significant budget changes may be summarized as follows:

- *Federal revenues:* Federal revenues increased \$1.0 million. The increase is due to additional grant awards.
- *State revenues:* State revenues increased \$1.0 million. The increase is due to increased enrollment.
- *Instructional services:* Instructional Services salaries and benefits increased \$2.0 million. The increase is primarily due to Board approved increase in existing salaries. Depending on salary schedules, employees received a 1-2% increase for FY12.

The remaining differences between original and final budgets are due to on-going adjustments at the program and fund levels as new information is received by the District, and are not significant in amount.

The General fund final year to date results did not have any significant variances from the final approved budget that were unknown or not planned for.

## Capital Assets & Debt Administration

### A. Capital Assets

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

Capital assets at June 30, 2012 and 2011 are outlined below:

PROVO CITY SCHOOL DISTRICT'S Capital Assets  
(net of accumulated depreciation in millions of dollars)

	<u>Governmental activities</u>		Total Change 2012-2011
	<u>2011</u>	<u>2011</u>	
School sites (land)	\$ 6.2	\$ 6.2	\$ -
Works of art	0.4	0.4	-
Construction in progress	-	12.8	(12.8)
Buildings	91.3	77.2	14.1
Furniture & equipment	6.6	7.7	(1.1)
Total capital assets	<u>\$ 104.5</u>	<u>\$ 104.3</u>	<u>\$ .2</u>

Major capital asset events during the current fiscal year included the following:

- Construction of the new Provo Peaks Elementary School was completed in FY12
- Major remodel projects at Franklin Elementary and Provo High
- Various HVAC upgrades to increase efficiency

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

## B. Debt Administration

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2012 is \$257.8 million. General obligation debt at June 30, 2012 is \$43.8 million, resulting in a legal debt margin of \$214.0 million.

### PROVO CITY SCHOOL DISTRICT'S Outstanding General Obligation Debt

	Governmental Activities		Total Change 2012-2011
	2012	2010	
General obligation bonds	\$ 43.8	\$ 48.2	\$(4.4)

No new debt was incurred in fiscal year 2012. Additional information regarding the District’s long-term debt can be found in Note 6 to the basic financial statements.

## *Request for Information*

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors a general overview of the District’s finances and to demonstrate the District’s accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Provo City School District, 280 West 940 North, Provo, UT, 84604.

# **BASIC FINANCIAL STATEMENTS**



Financial Section

# PROVO CITY SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2012

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 45,475,281
Receivables:	
Property taxes	29,739,588
Other local	940,479
State	126,375
Federal	4,038,422
Inventories	128,927
Prepaid Expenses	396,044
Bond issuance costs, net of accumulated amortization	43,745
Net other post employment benefits	3,903,705
Capital assets:	
Land, construction in progress, and works of art	6,606,230
Buildings and equipment, net accumulated depreciation	97,898,986
Total assets	<u>189,297,782</u>
<b>Liabilities:</b>	
Accounts payable	1,982,305
Accrued interest payable	83,953
Payroll and related payables	10,914,605
Due to other governments or nonprofit organizations	-
Unearned revenue:	
Property taxes	26,127,864
Other local	109,020
Federal	587,621
Noncurrent liabilities:	
Portion due or payable within one year	5,455,007
Portion due or payable after one year	46,185,543
Total liabilities	<u>91,445,919</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	53,795,168
Restricted for:	
Debt service	1,195,509
Capital projects	3,083,405
Non K-12 instruction	181,479
Student Activities	1,831,809
Building Reserve	7,040,240
School food services	1,627,820
Other Purposes	2,160,324
Unrestricted	26,936,110
Total net assets	<u>\$ 97,851,864</u>

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

**PROVO CITY SCHOOL DISTRICT**  
**Statement of Activities**  
Year Ended June 30, 2012

Functions	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities
<b>Governmental activities:</b>				
Instructional services	\$ 72,935,322	\$ 191,375	\$ 32,885,367	\$ (39,858,580)
Supporting services:				
Students	4,117,960	-	2,249,264	(1,868,696)
Instructional staff	1,559,232	-	223,711	(1,335,521)
District administration	1,611,412	-	218,864	(1,392,548)
School administration	5,220,467	-	293,359	(4,927,108)
Business	3,220,175	-	418,742	(2,801,433)
Operation and maintenance of facilities	5,805,386	-	267,385	(5,538,001)
Transportation	2,717,234	231,776	1,528,536	(956,922)
Other	1,176,456	-	600,050	(576,406)
School food services	5,727,848	1,131,545	4,161,049	(435,254)
Community services	3,675,111	-	5,957,292	2,282,181
Interest on long-term liabilities	2,026,217	-	-	(2,026,217)
<b>Total school district</b>	<b>\$ 109,792,820</b>	<b>\$ 1,554,696</b>	<b>\$ 48,803,619</b>	<b>(59,434,504)</b>
<b>General Revenues:</b>				
Property taxes levied for:				
Basic state supported program for regular K-12 instruction				7,161,551
Voted leeway for regular K-12 instruction				6,419,049
Voted leeway for reading program				579,631
School board leeway for class size reduction				1,877,811
Ten percent of basic for operating				2,217,925
Community recreation				632,324
Debt service of general obligation bonds				6,308,871
Capital outlay for buildings and other capital needs				4,704,109
Ten percent of basic for construction				2,222,715
Federal and state aid not restricted to specific purposes				20,703,055
Earnings on investments				368,052
Gain(Loss) on sale of assets				10,362
Miscellaneous				7,249,331
Total general revenues				<u>60,454,786</u>
Changes in net assets				1,020,281
<b>Net assets - beginning</b>				<u>96,831,582</u>
<b>Net assets - ending</b>				<u>\$ 97,851,864</u>

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

# PROVO CITY SCHOOL DISTRICT

## Balance Sheet

### Governmental Funds

June 30, 2012

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>Assets:</b>					
Cash and investments	\$ 30,269,007	\$ 531,638	\$ 2,717,871	\$ 11,956,765	\$ 45,475,281
Receivables:					
Property taxes	19,184,649	5,814,105	2,271,462	2,469,372	29,739,588
Other local	868,725	-	-	71,754	940,479
State	119,217	-	-	7,158	126,375
Federal	3,847,194	-	-	191,228	4,038,422
Due from other funds	1,405,960	-	-	-	1,405,960
Prepaid Expenses	396,044	-	-	-	396,044
Inventories	4,191	-	-	124,736	128,927
Total assets	<u>\$ 56,094,987</u>	<u>\$ 6,345,743</u>	<u>\$ 4,989,333</u>	<u>\$ 14,821,013</u>	<u>\$ 82,251,076</u>
<b>Liabilities and fund balances:</b>					
Liabilities:					
Accounts payable	\$ 1,116,497	\$ -	\$ 301,787	\$ 564,021	\$ 1,982,305
Payroll and related payables	10,539,821	-	27,265	347,519	10,914,605
Due to other funds	-	-	-	1,405,960	1,405,960
Deferred revenue:					
Property taxes	18,659,807	5,650,422	2,170,204	2,399,062	28,879,495
Other local	109,020	-	-	-	109,020
Federal	587,621	-	-	-	587,621
Total liabilities	<u>31,012,766</u>	<u>5,650,422</u>	<u>2,499,256</u>	<u>4,716,562</u>	<u>43,879,006</u>
Fund Balances:					
Nonspendable:					
Inventories	400,235	-	-	124,736	524,971
LT portion of loan rec'v	263,098	-	-	-	263,098
Restricted For:					
Non K-12 Instruction	-	-	-	127,316	127,316
Building Reserve	-	-	-	7,040,240	7,040,240
School Food Services	-	-	-	1,503,084	1,503,084
Provo City School District Foundation	-	-	-	829,566	829,566
Capital Projects	-	-	2,490,077	-	2,490,077
Debt Service	-	695,321	-	-	695,321
Other Purposes	1,330,758	-	-	-	1,330,758
Committed To:					
OPEB	14,198,244	-	-	-	14,198,244
Contractual obligations	-	-	-	-	-
Board voted contingency	5,344,402	-	-	-	5,344,402
Assigned To:					
Schools	-	-	-	1,831,809	1,831,809
IT, Core Systems, Benefits	396,012	-	-	-	396,012
Unassigned	3,149,472	-	-	(1,352,300)	1,797,172
Total fund balances	<u>25,082,221</u>	<u>695,321</u>	<u>2,490,077</u>	<u>10,104,451</u>	<u>38,372,069</u>
Total liabilities and fund balances	<u>\$ 56,094,987</u>	<u>\$ 6,345,743</u>	<u>\$ 4,989,333</u>	<u>\$ 14,821,013</u>	<u>\$ 82,251,076</u>

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



**PROVO CITY SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2012

**Total fund balances for governmental funds** \$ 38,372,069

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

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

Land	\$ 6,228,328	
Construction in progress	21,752	
Works of art	356,150	
Buildings and improvements, net \$52,503,457 accumulated depreciation	91,282,075	
Furniture and equipment, net \$16,163,993 accumulated depreciation	<u>6,616,911</u>	104,505,216

Net OPEB asset is not reported in the governmental funds. This amount represents accumulated plan contributions in excess of annual OPEB costs. 3,903,705

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. 2,751,631

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (83,953)

Bond issuance costs are reported as expenditures in governmental funds; however, bond issuance costs are reported as deferred costs in the government-wide statements and are amortized over the life of the obligations. The cost is \$541,735 and accumulated amortization is \$229,354 43,745

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

General obligation bonds payable	(43,843,000)	
Deferred amounts on refunding, net	450,774	
Deferred amounts for bond premiums, net	(847,316)	
Lease revenue bonds payable	(6,462,000)	
Obligations under capital leases	(8,506)	
Vacation payable	<u>(930,502)</u>	<u>(51,640,550)</u>

**Total net assets of governmental activities** \$ 97,851,864

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

**PROVO CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2012

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ 20,730,368	\$ 6,282,882	\$ 2,416,148	\$ 2,694,589	\$ 32,123,987
Contributions	248,749	-	-	251,799	500,548
Food service sales	-	-	-	1,131,545	1,131,545
Interest	337,314	-	-	30,738	368,052
Other local	3,191,173	-	269,236	4,212,073	7,672,482
State	51,556,199	-	-	1,910,925	53,467,124
Federal	11,381,864	-	-	4,157,138	15,539,002
Total revenues	<u>87,445,667</u>	<u>6,282,882</u>	<u>2,685,384</u>	<u>14,388,807</u>	<u>110,802,740</u>
<b>Expenditures:</b>					
Current:					
Instructional services	64,984,092	-	-	3,696,061	68,680,153
Supporting services:				-	-
Students	3,852,848	-	-	-	3,852,848
Instructional staff	1,521,358	-	-	-	1,521,358
District administration	1,551,884	-	-	-	1,551,884
School administration	5,155,525	-	-	-	5,155,525
Business	3,004,179	-	-	-	3,004,179
Operations and maintenance of facilities	5,177,986	-	671,059	-	5,849,045
Transportation	2,126,248	-	90,743	-	2,216,991
Other	1,176,456	-	-	-	1,176,457
School food services	-	-	-	5,382,955	5,382,955
Community services	-	-	-	3,530,746	3,530,746
Capital outlay	-	-	4,695,861	2,313,336	7,009,197
Debt service:					
Principal retirement	14,461	4,339,000	-	-	4,353,461
Interest and fiscal charges	539	2,082,121	-	-	2,082,660
Total expenditures	<u>88,565,576</u>	<u>6,421,121</u>	<u>5,457,663</u>	<u>14,923,098</u>	<u>115,367,459</u>
Excess of (deficiency) revenues over (under) expenditures	<u>(1,119,909)</u>	<u>(138,239)</u>	<u>(2,772,279)</u>	<u>(534,291)</u>	<u>(4,564,719)</u>
<b>Other financing sources (uses):</b>					
Gain(loss) from sale of Capital Assets	7,662	-	-	2,700	10,362
Transfers In (Out)	-	-	900,000	(900,000)	-
Total other financing sources (uses)	<u>7,662</u>	<u>-</u>	<u>900,000</u>	<u>(897,300)</u>	<u>10,362</u>
Net change in fund balances	<u>(1,112,247)</u>	<u>(138,239)</u>	<u>(1,872,279)</u>	<u>(1,431,591)</u>	<u>(4,554,357)</u>
<b>Fund balances - beginning</b>	<u>26,194,468</u>	<u>833,560</u>	<u>4,362,356</u>	<u>11,536,042</u>	<u>42,926,426</u>
<b>Fund balances - ending</b>	<u>\$ 25,082,221</u>	<u>\$ 695,321</u>	<u>\$ 2,490,077</u>	<u>\$ 10,104,451</u>	<u>\$ 38,372,069</u>

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

**PROVO CITY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Governmental Funds to the Statement of Activities**  
Year Ended June 30, 2012

**Net change in fund balances-total governmental funds** \$ (4,554,357)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial cost of \$10,000 or basket purchase cost of more than \$20,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses. Proceeds from any related sale of capital assets, as well as any gain or loss and notes receivable are also reported in the statement of activities.

Capital outlays	7,009,197	
Depreciation expense - capital assets	(6,776,551)	
Proceeds on sale of assets	(10,362)	
Gain on disposal of assets	10,362	
	232,646	232,646

The governmental funds report OPEB contributions as expenditures when paid. However, in the statement of activities, the difference between OPEB plan contributions and OPEB costs for the year is expensed. 905,051

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

Lease Revenue Bond proceeds	-	
Repayment of bond principal	4,339,000	
Bond interest expense	7,135	
Amortization of deferred amounts on refunding	(95,735)	
Amortization of bond premium	145,043	
Amortization of bond issuance costs	(38,740)	
	4,356,703	4,356,703

Capital assets acquired through capital leases are shown as an expenditure and other financing source in the governmental funds. The other financing source must be removed from the statement of activities. Repayment of principal is reported as an expenditure in the governmental funds for both capital leases and lease revenue bond obligations, but repayment of principal is applied to the liability in the statement of net assets and reduces the District's obligations. Interest expense is recognized as it accrues.

Principal payments of capital lease obligation	14,461	14,461
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In the statement of activities, obligations for compensated absences (vacations) and voluntary termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Vacation payable (compensated absences)	65,778	65,778
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**Change in net assets of governmental activities** \$ 1,020,282

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

**PROVO CITY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**General Fund**  
Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 19,855,000	\$ 19,855,000	\$ 20,730,368	\$ 875,368
Interest	295,500	337,500	337,314	(186)
Other local	3,058,117	3,073,490	3,439,922	366,432
State	51,281,492	52,284,353	51,556,199	(728,154)
Federal	9,857,282	10,892,094	11,381,864	489,770
Total revenues	<u>84,347,391</u>	<u>86,442,437</u>	<u>87,445,667</u>	<u>1,003,230</u>
<b>Expenditures:</b>				
Current:				
Instructional services	64,003,580	67,497,423	64,984,092	2,513,331
Supporting services:				
Students	3,708,040	3,548,366	3,852,848	(304,482)
Instructional staff	1,430,679	1,480,181	1,521,358	(41,177)
District administration	1,426,786	1,309,554	1,551,884	(242,330)
School administration	5,090,301	5,129,968	5,155,525	(25,557)
Business	3,080,120	3,115,522	3,004,179	111,343
Operations and maintenance of plant	5,326,884	5,249,254	5,177,986	71,268
Student transportation	2,054,496	2,054,496	2,126,248	(71,752)
Other	1,073,348	956,106	1,176,456	(220,350)
Debt Service:				
Principal retirement	-	-	14,461	(14,461)
Interest and fiscal charges	-	-	539	(539)
Total expenditures	<u>87,194,234</u>	<u>90,340,870</u>	<u>88,565,576</u>	<u>1,775,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,846,843)</u>	<u>(3,898,433)</u>	<u>(1,119,909)</u>	<u>2,778,524</u>
<b>Other financing sources (uses):</b>				
Extraordinary items	-	-	-	-
Sale of capital assets	20,000	20,000	7,662	(12,338)
Total other financing sources (uses)	20,000	20,000	7,662	(12,338)
Net change in fund balances	(2,826,843)	(3,878,433)	(1,112,247)	2,766,186
<b>Fund balances - beginning</b>	<u>26,194,468</u>	<u>26,194,468</u>	<u>26,194,468</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 23,367,625</u>	<u>\$ 22,316,035</u>	<u>\$ 25,082,221</u>	<u>\$ 2,766,186</u>

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

**PROVO CITY SCHOOL DISTRICT**  
**Statement of Fiduciary Fund Assets and Liabilities**  
**Agency Funds**  
June 30, 2012

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	<b>Agency Funds</b>
	<b>Special</b>
	<b>Programs</b>
<b>Assets:</b>	
Cash and investments	\$ 218,619
Receivables:	
Other local	37,752
Federal	966,734
Total assets	\$ 1,223,105
 <b>Liabilities:</b>	
Due to student organizations	
Accounts payable	\$ 218,678
Due to Provo City School District	278,579
 <b>Fund Balance:</b>	
Unassigned	725,848
Total liabilities and fund balances	\$ 1,223,105

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### ***A. Reporting Entity***

The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. The Board establishes District policies, approves the budget, appoints a Superintendent with responsibilities for administering all educational activities of the District, and appoints a Business Administrator with responsibilities for fiscal matters. The Board is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government. The District is not a component unit of any other primary government.

These basic financial statements present the activities of the District and its component units. The blended component units, although legally separate, function exclusively for the benefit of the District and in substance are part of the District's operations. The District is not a component unit of any other government.

*The Provo School District Foundation for Excellence.* The foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible contributions to the District. The Foundation serves the District almost entirely, and the District has a significant influence upon the financial operations of the Foundation and is able to access the economic resources held by the Foundation. The Foundation is considered a blended component unit, and the Foundation is presented as a special revenue fund of the District, and its activity is reported in the *Support Services—Students* function in the government-wide financial statements. Separate financial statements for the Foundation can be obtained by contacting the Provo City School District Business Office, 280 West 940 North, Provo, Utah, 84604.

*Provo City School District Municipal Building Authority (MBA).* Use of the MBA was authorized in FY10 for the purpose of issuing lease revenue bonds. MBA accounts and transactions are recorded in the Municipal Building Authority Fund, a major fund included in the major governmental funds of the District. The MBA will receive lease revenue from the Capital Projects Fund (a major fund of the District). The lease revenue will be used to make the bond payments. See note 6 regarding details of the bond issuance and payment schedule. Financial information specific to the MBA may be obtained from the office of the Business Administrator of the District.

### ***B. Government-wide and Fund Financial Statements***

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

As a general practice, interfund activity has been eliminated from the government-wide financial statements in order to avoid double counting. Exceptions to this general rule are payments made between functions for internal services provided; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Deprecia-

tion expense for capital assets that can specifically be identified with a function is included in its direct expenses. Depreciation expense for “shared” capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in direct expenses of the appropriate functions. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

### **C. Fund Financial Statements**

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

The District reports the following major governmental funds:

- *General Fund* - is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Debt Service Fund* - accounts for resources accumulated and payments made for principal and interest of general obligation school building bonds.
- *Capital Projects Fund* - accounts for resources accumulated and payments made for the acquisition, maintenance, improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

The District reports the following non-major Special Revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- *School Food Services Fund* - to account for preparation and serving of school lunches and breakfasts.
- *Non K-12 Instruction Fund*- to account for preschool, adult education and other non K-12 programs.
- *School Activity Fund* – used to account for the receipt and disbursement of monies of student activity organizations and other custodial type transactions within the schools.
- *Building Reserve Fund*- to account for funds designated by the Board for new buildings or remodels.
- *Municipal Building Authority Fund* - accounts for resources accumulated and payments made related to the lease revenue bonds, including costs of construction on the bond projects, and bond interest payments.
- *Foundation* - accounts for donations and payments made by Provo City School District Foundation

Additionally, the District reports the following funds as Agency funds:

- *Special Programs Agency Fund* – used to account for assets held by the District for independent

smaller entities and agencies. The District provides services such as payroll and accounts payable for these entities but has no legal control and accountability requirements for how they use their resources.

***D. Measurement Focus, Basis of Accounting, & Financial Statement Presentation***

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, early retirement and post employment health care benefits, arbitrage rebates, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

When both restricted and unrestricted resources are available for use, it is the District's procedure to use restricted resources first, then unrestricted resources, as they are needed.

***E. Budgets and Budgetary Accounting***

The District operates within budget requirements for school districts as specified by state law and as interpreted by the State Superintendent of Public Instruction. All governmental funds have legally adopted annual budgets. Budgets are presented on the modified accrual basis of accounting for all governmental funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements:

- During June of each year, the District Business Administrator submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.
- Copies of the proposed budget are made available for public inspection before the Board hearing in which the Board adopts the proposed budget.
- If the District does not require a truth in taxation hearing, a public hearing is held prior to



June 22, at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District does require truth in taxation, the budget is adopted in August when data is available to set the rates.

- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the Superintendent can approve reductions in appropriations, but increases in appropriations, at the fund level, require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2012, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

**Encumbrances** - Encumbrance accounting, under which purchase orders for goods and services are recorded in order to restrict that portion of the applicable appropriation, is used to facilitate comparisons with budgets. Outstanding encumbrances lapse at year-end, and appropriations for the subsequent year are used to honor these commitments.

#### ***F. Deposits and Investments***

Substantially all of the cash balances, of all funds, are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The pool's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to programs based on the average balance of each participating program.

#### ***G. Cash and Cash Equivalents***

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

#### ***H. Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements, and which are outstanding at year-end, are referred to as either "due to/from other funds".

#### ***I. Capital Assets***

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$10,000 or more, or a "basket purchase" cost of more than \$20,000 for land, furniture, equipment, buildings and improvements, and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

All works of art are capitalized at estimated fair value at the time the donation was made. However, some of the works of art were appraised in 1994 as no value was previously determined for financial reporting purposes. Those pieces have been capitalized at the fair value of the appraisal. The District's art collection carries a net book value of \$356,150 in the government-wide financial statements; works of art are a non-depreciable item in the government-wide financial statements.

Major outlays for capital assets and improvements are capitalized when the assets are acquired and placed into operation and/or as construction occurs. Interest incurred during construction is not capitalized.

Buildings and improvements, as well as furniture and equipment of the District, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Additions	40
Building Improvements	20
Physical Education Equipment	20
Standard Furniture & Accessories	20
Stage & Auditorium	20
Portable Classrooms	15
Machinery & Tools	15
Appliances	15
Grounds & Accessories	15
Audio Visual	10
Lab Equipment	10
Music - Instruments & Accessories	10
Licensed Vehicles	8
Business Machines	5
Miscellaneous Equipment	5
Software	3

***J. Expenditure Driven Grants - Variances Between Budget and Actual Data***

Expenditure driven grants are recognized as revenue when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding fiscal year's budget. Therefore, actual grant revenues and expenditures can be significantly different than the amounts budgeted.

***K. Comparative Data, Restatements and Reclassifications***

Comparative data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Ending fund balances fiscal year 2011 have been restated to reflect shifts in classifications, as well as adjustments to government wide reporting for deferred taxes and bond issuance costs.

***L. Compensated Absences and Voluntary Termination Benefits***

Compensated absences and voluntary termination benefits are typically paid for by resources from the District's General fund. However, it is the District's policy to use resources from other funds, when those other funds directly funded the employees' related positions to pay for these costs. Consequently, minimal costs related to these benefits are periodically funded by funds other than the General fund when it is reasonably practical to do so.

Under terms of association agreements, eligible employees can earn vacation and sick time in amounts varying with tenure and classification. In the event of termination or death, an eligible employee is reimbursed for accumulated vacation days to a maximum of 20 days. No reimbursement or accrual is made for unused sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

See Note 6 for a description of these long-term obligations.

#### **M. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as refunding and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

#### **N. Fund Balance**

In the fund financial statements, governmental funds report fund balances based on a hierarchy that shows the level or form of constraints on fund balance resources, and the extent to which the District is bound to honor those constraints. Fund balance classifications are:

*Non-spendable* - includes fund balance amounts that cannot be spent because they are either a) not in a spendable form, or b) legally or contractually required to be maintained intact. Fund balances related to inventory, long term portions of notes receivable and prepaid expenditures are classified as non-spendable.

*Restricted* - includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes (non K-12 instruction, building reserve, capital projects, debt service and other purposes), remaining child nutrition funds, and donations held in the Provo City School District Foundation.

*Committed* - includes fund balance amounts that can only be used for specific purposes established by formal action of the Board of Education. Fund balance commitments can only be removed or changed by the same action of the Board. Committed resources also include any contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The following fund balance amounts have been committed by the Board of Education:

- OPEB
- Contractual Obligations
- Board Voted Contingency

*Assigned* - includes funds that are intended for a specific use but do not require board action; (District Administration may establish use of such funds) unrestricted programs, and those amounts in excess of non-spendable, restricted, and remaining positive fund balances in funds *other than* the general fund, such as school activities fund.

*Unassigned* - funds in excess of other categories in the General Fund and any residual deficits in any fund.

It is the District's policy to use restricted resources first when both unrestricted and restricted are available. Of the unrestricted resources, the District will first use committed, followed by assigned, and then unassigned.

#### ***O. Inventories***

Inventories are valued at cost, or if donated, at fair value when received, using the first-in first-out (FIFO) method. Inventory in the General and Special Revenue funds consists of expendable supplies held for consumption. The cost is recorded as an asset at the time individual inventory items are purchased, and an expenditure is recorded when the assets are distributed and consumed.

Commodities received from federal sources are consumable inventories intended to support short-term District food service operations. Thus, federal commodities are treated as a current financial resource and are recorded as revenues when received in both the fund statements and government-wide statements.

Inventory amounts reported in governmental funds are offset by Non-spendable fund balances of equal amount, indicating they are not expected to be converted to cash.

#### ***P. Indirect Costs***

Indirect costs charged to certain programs are routinely recorded in the District's *governmental fund* financial statements.

As a general practice, interfund indirect costs have been eliminated from the *government-wide* financial statements in order to avoid double counting and to provide direct-cost information to financial statement readers.

#### ***Q. Use Of Estimates***

Presenting financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make certain estimates concerning assets, liabilities, revenues, and expenses.

#### ***R. Special Programs Agency Fund***

The District, through its desire to support other local community programs as well as goals set by the Board of Education, provides accounting-related services to several independent entities. The District serves only as a fiscal agent and has no fiscal accountability for these programs; consequently, no budget is adopted by the Board of Education for these funds. Financial activity for these entities are disclosed in the Special Programs Agency fund. A schedule of assets and liabilities for each independent agency is provided in the *Combining and Individual Fund Financial Statements & Schedules* section of this report on pages 78-80. The entities included in this fund are described as follows:

- *Brigham Young University Partnership* - funds are managed by university specialists to provide support services, research, staff development, and teacher recruitment for five separate school districts throughout the state.
- *Utah Professional Development Center* - receives federal funding to provide staff development resources for school districts in Utah serving special student populations.

**2. DEPOSITS AND INVESTMENTS**

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2012, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 2,093,554
Carrying amount of investments:	
Public Treasurers' Investment Fund	41,704,742
Repurchase Agreement	1,676,985
Total cash and investments	\$45,475,281
Governmental funds cash and investments	\$45,475,281

***Deposits***

***Deposits - Custodial Credit Risk*** - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2012, the District's exposure to custodial credit risk for deposits was as follows:

Depository Account	Carrying Amount	Bank Balance	Amount Insured
Provo City School District	\$ 828,792	\$ 78	\$ 78
Student Activities	1,007,711	901,276	901,276
Provo School District Foundation	257,051	211,045	211,045
	\$ 2,093,554	\$ 1,112,399	\$ 1,112,399

***Investments***

The District's investments are managed through participation in the Utah Public Treasurers' Investment Fund and through an escrow account and repurchase agreement arrangements with local banks. The reported value of the Public Treasurer's Pool is the same as the fair value of the pool shares. As of June 30, 2012, the District had the following investments:

Investment	Original Maturities	Fair Value
Utah Public Treasurers' Investment Fund (includes School Activities and Foundation)	less than 1 year	\$ 41,704,742
Repurchase Agreement	less than 1 year	1,676,985
		\$ 43,381,727

***Investments - Interest Rate Risk*** - The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

***Investments - Credit Risk*** - The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The District's investment in the PTIF is not rated. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District has no investment policy that would further limit its investment choices.

***Investments - Custodial Credit Risk*** - For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire \$1,676,985 invested in repurchase agreements consists of underlying securities which are held by the investment's counter party, not in the name of the District, and are not insured. The District's repurchase agreements arrangement primarily invests in obligations of the United States Treasury, agencies or financial instruments of the United States that meet allowable investments of the Utah Money Management Act. The District does not have an investment policy for custodial credit risk.

### 3. PROPERTY TAXES

The budgeting and accounting for property taxes are accounted for on a modified-accrual basis, with appropriate recognition of property taxes receivable at year-end. The District has recorded a corresponding property tax deferral for taxes assessed January 1, but not due and collectible within thirty days of the end of the fiscal year.

The property tax revenue of the District is collected and distributed by the Utah County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess a lien on real property as of January 1 and complete the tax rolls by May 15. The District's Board of Education is required to adopt its initial budget for the next fiscal year by June 22; this initial budget adoption establishes tax levy rates to provide resources to fund District operations for the next fiscal year beginning July 1. If the proposed District budget requires changes to levied tax rates, which are above the tax levy rates certified by the Utah State Tax Commission, the District *may* be required to meet specific due process requirements as outlined in Utah Truth-in-Taxation laws by August 17. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at a rate determined by the County; the interest period is from January 1, until the taxes are paid. If, in May of the fifth year, the taxes remain delinquent, the County advertises and sells the property at a tax sale.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as es-

established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it and remits the collections to the District.

As of June 30, 2012, the District had accrued a property tax receivable on the government-wide financial statements of \$29,739,588. This accrual represents calendar year 2012 property taxes of \$26,987,957 levied for the year ended June 30, 2012 due to be collected by November 30, 2012, plus \$2,751,631 of delinquent property taxes receivable for taxes assessed prior to 2012 that remain uncollected.

#### 4. INTERFUND BALANCES AND TRANSFERS

Interfund payables and receivables are financial resources that have been provided by various District governmental and fiduciary funds and programs to provide for other various funds or programs.

As of June 30, 2011 the following interfund balances exist:

	General Fund	Municipal Building Fund
Due to other funds	-	\$1,405,960
Due from other funds	\$1,405,960	-

During the year ended June 30, 2012, the District made transfers between funds. The District transferred \$2 million from the Non K-12 fund to the Building Reserve fund. The transfer is part of a multi-year levy designed to provide the District flexibility of replacing an elementary school without issuing bonds. The District also transferred \$900,000 from the Building Reserve fund to Capital Projects fund to fund additional projects.

#### 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 6,228,328	\$ -	\$ -	\$ 6,228,328
Construction in progress	12,801,043	21,751	(12,801,042)	21,752
Works of art	356,150	-	-	356,150
Total capital assets, being not being depreciated	19,385,521	21,751	(12,801,042)	6,606,230
Capital assets, being depreciated :				
Buildings and improvements	125,478,150	18,307,382	-	143,785,532
Furniture and equipment	21,310,324	1,481,106	(10,526)	22,780,904
Total capital assets, being depreciated	146,788,475	19,788,488	(10,526)	166,566,436
Accumulated depreciation for:				
Buildings and improvements	(48,324,099)	(4,179,358)	-	(52,503,457)
Furniture and equipment	(13,577,326)	(2,597,193)	10,526	(16,163,993)
Total accumulated depreciation	(61,901,425)	(6,776,551)	10,526	(68,667,450)
Total capital assets, being depreciated, net	84,887,049	13,011,937	-	97,898,986
Governmental activity capital assets, net	<u>\$ 104,272,570</u>	<u>\$ 13,033,688</u>	<u>\$(12,801,042)</u>	<u>\$ 104,505,216</u>

For the year ended June 30, 2012, depreciation expense was charged to functions of the District as follows:

	<u>Equipment</u>	<u>Improvements</u>	<u>Total</u>
<b>Governmental activities:</b>			
Instruction	\$ (1,575,096)	\$ (3,538,246)	\$ (5,113,341)
Support services:			
Students	(93,915)	(171,197)	(265,112)
Instructional staff	(37,874)	-	(37,874)
General administration	-	(59,528)	(59,528)
School administration	(6,746)	(58,196)	(64,942)
Business	(215,996)	-	(215,996)
Operation and maintenance of facilities	(30,256)	-	(30,256)
Transportation	(500,243)	-	(500,243)
School food services	(111,816)	(233,077)	(344,893)
Community services	(25,251)	(119,114)	(144,365)
Total depreciation expenses - governmental activities	<u>\$ (2,597,193)</u>	<u>\$ (4,179,358)</u>	<u>\$ (6,776,551)</u>

## 6. LONG-TERM OBLIGATIONS

### A. Changes In Long-term Obligations

Long-term liability activity for the year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds payable:					
General obligation bonds	\$ 48,182,000	\$ -	\$ (4,339,000)	\$ 43,843,000	\$ 4,516,000
Lease revenue bonds	\$ 6,462,000	\$ -	\$ -	\$ 6,462,000	-
Deferred amounts for issuance premium	992,359	-	(145,043)	847,316	-
Deferred amount on refunding	(546,509)	-	95,735	(450,774)	-
Total general obligation bonds payable, net	55,089,850	-	(4,388,308)	50,701,542	4,516,000
Obligations under capital leases	22,967		(14,461)	8,506	8,506
Vacation payable	996,279	135,557	(201,334)	930,502	930,502
Total governmental activity long-term liabilities	<u>\$ 56,109,096</u>	<u>\$ 135,557</u>	<u>\$ (4,604,103)</u>	<u>\$ 51,640,550</u>	<u>\$ 5,455,007</u>

Payments on compensated absences are typically charged to the fund in which the employee worked.

### B. General Obligation Bonds Payable

Bonds payable at June 30, 2012, are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt service fund:



Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
1998 Series G.O. Refunding Bonds	Bond Refunding	4,950,000	3.40% to 4.15%	June 15, 2013	520,000
2004 Series G.O. Refunding Bonds	Bond Refunding	18,690,000	2.0% to 5.0 %	June 15, 2017	12,000,000
2006 Series G.O. Bonds	School Building	9,400,000	4%	June 15, 2026	7,225,000
2007A Series G.O. Refunding Bonds	Bond Refunding	8,220,000	3.807%	June 15, 2015	2,648,000
2007B Series G.O. Bonds	School Building	25,600,000	4.00% to 4.50%	June 15, 2027	21,450,000
Total General Obligation Bonds Payable as of June 30, 2012					<u>\$ 43,843,000</u>

Debt service requirements to maturity, including interest for the general obligation bonds payable, are as follows:

Year Ending June 30	Principal	Interest	Debt Service Fund
2013	4,516,000	1,906,752	6,422,752
2014	4,701,000	1,727,698	6,428,698
2015	4,936,000	1,515,951	6,451,951
2016	5,240,000	1,293,563	6,533,563
2017	3,650,000	1,048,063	4,698,063
2018-2022	9,675,000	3,631,938	13,306,938
2023-2027	11,125,000	1,384,750	12,509,750
	<u>\$ 43,843,000</u>	<u>\$ 12,508,714</u>	<u>\$ 56,351,714</u>

**C. Lease Revenue Bonds(Qualified School Construction Bonds)**

During fiscal year 2010 the District was awarded \$6,462,000 in Qualified School Construction Bonds (QSCB). These bonds are part of the 2009 federal stimulus bill. The bonds were issued via the Municipal Building Authority to rebuild Farrer Elementary. The bonds carry an interest rate of 1.23% and mature in 2026. Lease revenue bonds payable at June 30, 2012 are as follows:

Year Ending June 30	Principal	Interest	Municipal Building Authority Fund
2013	-	79,483	79,483
2014	-	79,483	79,483
2015	-	79,483	79,483
2016	-	79,483	79,483
2017	-	79,483	79,483
2018-2022	-	397,413	397,413
2023-2026	6,462,000	298,060	6,760,060
	<u>\$ 6,462,000</u>	<u>\$ 1,092,886</u>	<u>\$ 7,554,886</u>

**D. Obligations Under Capital Lease**

**Virtual Driver's Education Vehicles** - In fiscal year 2010, the District entered into a lease agreement for 10 virtual vehicles, in the amount of \$81,721. Annual payments are typically financed through the District's general fund, and future minimum lease payments at June 30, 2012 are as follows:

Year Ending June 30	Principal	Interest	General Fund
2013	8,506	200	8,706
	Total Minimum Lease Payments		8,706
	Amount Representing Interest		(200)
	Present Value of Minimum Lease Payments		\$ 8,506

**E. Combined Maturities on Long-Term Borrowings**

The combined aggregate amounts of maturities on all long-term borrowing (General Obligation Bonds, and Capital Lease) are as follows:

Year Ending June 30	Principal	Interest	Total
2013	4,524,506	1,986,434	6,510,940
2014	4,701,000	1,807,181	6,508,181
2015	4,936,000	1,595,434	6,531,434
2016	5,240,000	1,373,045	6,613,045
2017	3,650,000	1,127,545	4,777,545
2018-2022	9,675,000	4,029,351	13,704,351
2023-2027	17,587,000	1,682,810	19,269,810
	\$ 50,313,506	\$ 13,601,799	\$ 63,915,305

**F. Government Obligation Bond Issuance**

During the current fiscal year, no new government obligation debt was issued.

**7. RETIREMENT PLANS**

**A. Defined Benefit Plan**

The District contributes to the State and School Contributory Retirement System and State and School Non-contributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

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

*Funding Policy.* Tier One plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 17.37% of annual covered salary. Tier Two plan members do not have a required contribution, and the District contributes 12.74% of annual covered salary. For employees participating in the State and School Non-contributory System, the District contributes 16.86% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board; amendments to the plans provisions and contribution requirements must be authorized by statute and the Utah State Retirement Board.

Provo City School District contributions (including employee contributions paid by the employer) to the State and School Contributory Retirement System for the years ended June 30, 2012, 2011, and 2010 were \$316,598, \$124,669, and \$109,236, respectively, and for the Non-contributory Retirement System the contributions for June 30, 2012, 2011, and 2010 were \$7,450,014, \$8,208,118, and \$7,271,586, respectively. The contributions were equal to the required contribution for each year.

### **B. Defined Contribution Plans**

The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Non-contributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. District contributions made for employees for the years ended June 30, 2012, 2011, and 2010 were \$840,850, \$840,230, and \$997,035, respectively; the employee contributions for years ended June 30, 2012, 2011, and 2010 were \$725,975, \$797,340, and \$910,471, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board; amendments to the plan's provisions and contribution requirements must be authorized by statute and the Utah State Retirement Board.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participation. Employee contributions to the Section 457 plan totaled \$51,816 for the year ended June 30, 2012. The assets of the plan are administered and held by URS and a third-party administrator.

## **8. EARLY RETIREMENT INCENTIVE AND POST EMPLOYMENT HEALTH CARE BENEFIT OBLIGATION**

**Plan Description** The District self-administers single-employer retirement plans described below. The District is the only employer participating and contributing to the plans, and the does not issue a publicly available report.

The District provides a voluntary early retirement incentive program. Eligibility is restricted to those employees hired prior to September 1, 2005, and have a minimum of 12 years of service in the District who retire under provisions of the Utah State Employee's Retirement Act. Those qualifying under this program, who choose to retire early, may receive a salary benefit for up to five years and a health and accident benefit up to eight years. Benefits vary based upon years of service, position on salary schedule, and employee classification as follows:

- For those with 20 years of service the Board will pay 5 years of stipend benefits of 54% of final salary above lane 5 step 1 - \$27,680.
- For those with 12-19 year of service the board will pay a single lump sum payment of the present

value of 5 years of stipend of 20% of final salary. The lump sum will be prorated on service as follows:

18-19 years	70%
16-17 years	60%
14-15 years	50%
12-13 years	40%

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005. There are approximately 490 retirees receiving benefit coverage in addition to 277 present employees (and spouses) who have earned vested coverage upon retirement.

**Funding Policy** The District contributes the full cost of the current year benefits for eligible retirees. The contribution is pay-as-you-go, no plan assets are accumulated. District contributions for the 2012, 2011 and 2010 were \$3,289,051 and \$2,781,787 and \$3,720,800 respectively.

**Annual OPEB Cost and Net OPEB Asset** The District's annual other post employment benefit (OPEB) cost is calculated based on the *actuarial required contribution* (ARC). The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed for the year, and changes in the District's net OPEB asset of the plan year:

Normal Cost	\$655,000
Amortization	1,729,000
Annual pension cost	2,384,000
Contributions made	3,289,051
Increase (decrease) in net OEPB asset	905,051
Net OPEB asset at July 1, 2011	2,998,654
Net OPEB asset at June 30, 2012	\$3,903,705

Net OPEB asset at July 1, 2010 was \$2,600,867. The percentage of annual OPEB cost contributed was 138%, 117%, and 154% at June 30 2012, 2011, and 2010, respectively.

**Funded Status and Funding Progress** The actuarial accrued liability of the District's post employment benefit plan as of July 1, 2010 and July 1, 2008 is \$43,337,000, and \$40,539,000, respectively. All of which is unfunded. July 1, 2010 is the most recent actuarial valuation date. The covered payroll (annual payroll of active employees) at June 30, 2012 and 2011 is \$12,937,420 and \$11,841,702, respectively. The ratio of the unfunded actuarial accrued liability to the covered payroll was 335% for fiscal year 2012 and 366% for fiscal year 2011.

The projected benefit payments for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions** Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include

techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2010 actuarial valuation, the projected unit credit with benefits attributed from the date of hire to expected retirement age was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), a 3.5% projected annual salary increase, and an annual health care cost trend rate of 11.0% initially for those under age 65, and 7.5% for those 65 and older, reduced by .5% decrements to an ultimate rate of 5.0%. The actuarial method used for valuing assets is market. The Plan's unfunded actuarial accrued liability is being amortized over 30 years in level dollar amounts on a closed basis. Claim costs assumptions are based on premiums for active employees and do not recognize the effects of Medicare Part D. Demographic and other assumptions include 1) mortality rates; 2) public education retirement rates; 3) termination rates by age, gender, and years of service; and 4) District salary schedules.

**General Fund Balance Designations** At June 30, 2012, the District has committed \$14,198,244 of the general fund balance for future funding of the OPEB.

## 9. GRANTS - CONTINGENT LIABILITY

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. As of September 30, 2012, the District had not received any notification from any grant providing agency or government identifying any noncompliance liabilities associated with past District grant awards.

## 10. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah State law (53A-19-103) allows for the establishment of an undistributed reserve (Unassigned fund balance per GASB 54). The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current operational budget adopted by the Board. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

## 11. LITIGATION AND LEGAL COMPLIANCE

The District is involved in claims arising in the normal course of business. It is not possible to state the ultimate liability, if any, in these matters. These claims are generally insured through the District's risk management insurance and are investigated by the District's insurance representatives and defended by the State Attorney General's office. In the opinion of management, such litigation will have no material effect upon the financial operations of the District.

## 12. SUBSEQUENT EVENTS

As of September 30, 2012, the District has no subsequent events of note.

## 13. COMMITMENTS

As of September 30, 2012, the District has no commitments of note.

## 14. RISK MANAGEMENT

### *A. Property and Liability Insurance Coverage*

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability through policies administered by the Utah State Risk Management (Fund). The District also insures its buildings and contents against all insurable risks of direct physical loss or damage with the fund. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within Utah. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool re-insures sizeable losses to preserve the capital base. During fiscal year ended June 30, 2012, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### *B. Worker's Compensation & Long-Term Disability Insurance Coverage*

The District participates in the Utah School Boards Risk Management Mutual Insurance Association which is a risk pool for workers' compensation. The District has purchased commercial insurance for other risks of loss including employee health and accident insurance. Unemployment compensation is handled on a cost of benefits reimbursement basis with the state of Utah. During the fiscal year ended June 30, 2012, there were no significant reductions in coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### *C. Self-Insured Short-Term Disability Coverage*

The District is self-insured for certain short-term disability benefits. Employees that are on short-term disability are paid by the district until the date long-term disability takes effect (short-term disability payments begin after 15 days sick time has been used). There were no cases that occurred prior to June 30, 2012, which have not been resolved.

## 15. JOINT VENTURE - RECREATION CENTER

Since 1977, the District has contractually agreed with Provo City to jointly fund the operation of a recreation center on District property near Provo High School. The construction costs were shared jointly by both entities; both entities jointly share operational expenditures each year. During fiscal year 2012, Provo City School District remitted \$132,676 to Provo City for its share of operational costs; this amount is reported as an expenditure in the Non K-12 Instruction governmental fund. The facility provides student access for curricular and extra-curricular activities as well as community access. The agreement also provides for a residual equity interest in the building, and the building reverts back to the District 100 years from the original inception of the agreement.

Audited financial statements for Provo City can be obtained through the Utah State Auditor's internet web site at <http://www.sao.state.ut.us/reports/lgfs.htm>. Audited financial statements can also be obtained from Provo City's Department of Finance, 351 West Center, Provo, Utah, 84601, (801) 852-6506.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS  
AND SCHEDULES**



Financial Section

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# Major Governmental Funds



**General  
Fund**

This fund services primary on-going operations of the District. It is used to account for activity and financial resources that are not required to be accounted for in other funds.

**Debt  
Service  
Fund**

The Debt Service Fund is used to account for the accumulation of resources for and payment of principal, interest, and related costs for general obligation debt.

**Capital  
Projects  
Fund**

The Capital Projects Fund accounts for the acquisition, improvement, and construction of capital assets and equipment not being financed by other funds.

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**

*General Fund*

June 30, 2012

With Comparative Totals for 2011

	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 30,269,007	\$ 27,788,297
Receivables:		
Property taxes	19,184,649	18,200,334
Local	868,725	507,252
State	119,217	43,342
Federal	3,847,194	1,683,480
Due from other funds	1,405,960	-
Prepays	396,044	-
Inventories	4,191	5,826
Total assets	<u>\$ 56,094,987</u>	<u>\$ 48,228,531</u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ 1,116,497	\$ 1,602,275
Payroll and related payables	10,539,821	1,519,042
Due to other funds	-	-
Deferred revenue:		
Property taxes	18,659,807	17,687,676
Other local	109,020	122,400
Federal	587,621	1,102,670
Total liabilities	<u>31,012,766</u>	<u>22,034,062</u>
Fund balances:		
Nonspendable:		
Inventories/Prepays	400,235	5,826
Long Term Note Receivable	263,098	307,898
Restricted For:		
Other Purposes	1,330,758	1,158,146
Committed For:		
Board voted contingency	5,344,402	7,044,402
OPEB	14,198,244	12,498,244
Assigned	396,012	792,056
Unassigned	3,149,472	4,387,896
Total fund balances	<u>25,082,221</u>	<u>26,194,468</u>
Total liabilities and fund balances	<u>\$ 56,094,987</u>	<u>\$ 48,228,531</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*General Fund*  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ 19,855,000	\$ 19,855,000	\$ 20,730,368	\$ 875,368	\$ 18,126,128
Interest	295,500	337,500	337,314	(186)	228,715
Other local	3,058,117	3,073,490	3,439,922	366,432	3,575,578
State	51,281,492	52,284,353	51,556,199	(728,154)	51,001,740
Federal	9,857,282	10,892,094	11,381,864	489,770	14,610,869
Total revenues	<u>84,347,391</u>	<u>86,442,437</u>	<u>87,445,667</u>	<u>1,003,230</u>	<u>87,543,030</u>
<b>Expenditures:</b>					
Salaries	51,847,726	53,328,113	51,504,414	1,823,699	50,624,269
Employee benefits	23,486,639	23,984,747	22,695,439	1,289,308	22,359,151
Purchased services	4,166,248	4,315,547	5,383,452	(1,067,905)	3,962,921
Supplies	6,382,199	7,320,962	7,161,035	159,927	6,562,837
Property	597,875	664,077	903,268	(239,191)	1,441,074
Other	698,546	712,424	902,968	(190,544)	1,055,463
Debt Service:					
Principal retirement	14,500	14,500	14,461	39	1,055,464
Interest and fiscal charges	500	500	539	(39)	33,671
Total expenditures	<u>87,194,233</u>	<u>90,340,870</u>	<u>88,565,576</u>	<u>1,775,294</u>	<u>86,040,715</u>
Excess of revenues over (under) expenditures	<u>(2,846,842)</u>	<u>(3,898,433)</u>	<u>(1,119,909)</u>	<u>2,778,524</u>	<u>1,502,314</u>
<b>Other financing sources (uses):</b>					
Transfer in (out)			-	-	(106,331)
Sale of capital assets	20,000	20,000	7,662	(12,338)	29,427
Proceeds from capital lease			-	-	
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>7,662</u>	<u>(12,338)</u>	<u>(76,904)</u>
Net change in fund balances	<u>(2,826,842)</u>	<u>(3,878,433)</u>	<u>(1,112,247)</u>	<u>2,766,186</u>	<u>1,425,410</u>
<b>Fund balances - beginning</b>	<u>26,194,468</u>	<u>26,194,468</u>	<u>26,194,468</u>	<u>-</u>	<u>24,769,058</u>
<b>Fund balances - ending</b>	<u>\$ 23,367,626</u>	<u>\$ 22,316,035</u>	<u>\$ 25,082,221</u>	<u>\$ 2,766,186</u>	<u>\$ 26,194,468</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**

*Debt Service Fund*

June 30, 2011

With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 531,638	\$ 650,631
Receivables:		
Property taxes	<u>5,814,105</u>	<u>5,543,643</u>
Total assets	<u><u>\$ 6,345,743</u></u>	<u><u>\$ 6,194,274</u></u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Deferred revenue:		
Property taxes	<u>\$ 5,650,422</u>	<u>\$ 5,360,714</u>
Total liabilities	<u>5,650,422</u>	<u>5,360,714</u>
Fund Balances:		
Restricted	<u>695,321</u>	<u>833,560</u>
Total fund balances	<u>695,321</u>	<u>833,560</u>
Total liabilities and fund balances	<u><u>\$ 6,345,743</u></u>	<u><u>\$ 6,194,274</u></u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Debt Service Fund*  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			Variance with Final Budget - Positive (Negative)	2011
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ 6,418,000	\$ 6,418,000	\$ 6,282,882	\$ (135,118)	\$ 6,263,180
Interest	-	-	-	-	-
Total revenues	<u>6,418,000</u>	<u>6,418,000</u>	<u>6,282,882</u>	<u>(135,118)</u>	<u>6,263,180</u>
<b>Expenditures:</b>					
Debt service:					
Principal retirement	4,339,000	4,339,000	4,339,000	-	4,186,000
Bond issuance costs				-	
Interest and fiscal charges	<u>2,128,522</u>	<u>2,128,522</u>	<u>2,082,121</u>	<u>46,401</u>	<u>2,239,229</u>
Total expenditures	<u>6,467,522</u>	<u>6,467,522</u>	<u>6,421,121</u>	<u>46,401</u>	<u>6,425,229</u>
Excess of revenues over (under) expenditures	(49,522)	(49,522)	(138,239)	(88,717)	(162,049)
<b>Fund balances - beginning</b>	<u>833,560</u>	<u>833,560</u>	<u>833,560</u>	<u>-</u>	<u>995,609</u>
<b>Fund balances - ending</b>	<u>\$ 784,038</u>	<u>\$ 784,038</u>	<u>\$ 695,321</u>	<u>\$ (88,717)</u>	<u>\$ 833,560</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**

*Capital Projects Fund*

June 30, 2011

With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 2,717,871	\$ 4,444,853
Receivables:		
Property taxes	2,271,462	2,276,397
Total assets	<u>\$ 4,989,333</u>	<u>\$ 6,721,251</u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ 301,787	\$ 283,383
Payroll and related payables	27,265	13,993
Deferred revenue:		
Property taxes	2,170,204	2,061,519
Total liabilities	<u>2,499,256</u>	<u>2,358,895</u>
Fund balances:		
Restricted	2,490,077	4,362,356
Total fund balances	<u>2,490,077</u>	<u>4,362,356</u>
Total liabilities and fund balances	<u>\$ 4,989,333</u>	<u>\$ 6,721,251</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Capital Projects Fund*  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ 3,790,000	\$ 3,790,000	\$ 2,416,148	\$ (1,373,852)	\$ 6,874,280
Interest		-	-	-	-
Other local	100,000	100,000	269,236	169,236	1,140,741
State sources	-	-	-	-	-
Total revenues	<u>3,890,000</u>	<u>3,890,000</u>	<u>2,685,384</u>	<u>(1,204,616)</u>	<u>8,015,021</u>
<b>Expenditures:</b>					
Current:					
Salaries	653,276	713,276	607,414	105,862	1,099,432
Employee benefits	256,828	256,828	233,371	23,457	402,871
Purchased services	3,188,000	3,668,871	3,782,142	(113,271)	2,023,909
Supplies	-	-	169,482	(169,482)	10,594
Property	400,000	825,000	664,851	160,149	1,830,314
Other	-	-	403	(403)	-
Total expenditures	<u>4,498,104</u>	<u>5,463,975</u>	<u>5,457,663</u>	<u>6,312</u>	<u>5,367,120</u>
Excess of revenues over (under) expenditures	<u>(608,104)</u>	<u>(1,573,975)</u>	<u>(2,772,279)</u>	<u>(1,198,304)</u>	<u>2,647,901</u>
<b>Other financing sources (uses):</b>					
Transfers In (Out)	-	900,000	900,000	-	(2,000,000)
Proceeds from sale of assets		-		-	
Proceeds from donated assets		-		-	
Total other financing sources (uses)	<u>-</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>	<u>(2,000,000)</u>
Net change in fund balances	<u>(608,104)</u>	<u>(673,975)</u>	<u>(1,872,279)</u>	<u>(1,198,304)</u>	<u>647,901</u>
<b>Fund balances - beginning</b>	<u>4,362,356</u>	<u>4,362,356</u>	<u>4,362,356</u>	<u>-</u>	<u>3,714,455</u>
<b>Fund balances - ending</b>	<u>\$ 3,754,252</u>	<u>\$ 3,688,381</u>	<u>\$ 2,490,077</u>	<u>\$ (1,198,304)</u>	<u>\$ 4,362,356</u>

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# Non-Governmental Funds



**Non K-12  
Instruction  
Fund**

This special revenue fund accounts for restricted programs outside of the normal K-12 functions of the District. This fund includes preschool, adult education, and community recreation programs.

**Student  
Activities  
Fund**

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

**Food  
Services  
Fund**

This special revenue fund accounts for the restricted funding sources and operations of the school lunch and breakfast programs.

**Building  
Reserve  
Fund**

This special revenue fund accounts for funds designated by the Board for new buildings or remodels.

**Foundation  
for Excellence**

This special revenue fund accounts for the contributions and activities of the foundation.

**Municipal  
Building Au-  
thority**

The Municipal Building Authority Fund accounts for the use of lease revenue bonds and associated lease revenues.

**PROVO CITY SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
June 30, 2012

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Non K-12 Instruction	Student Activities	Food Services	Building Reserve	Provo School District Foundation	Municipal Building Authority	
<b>Assets:</b>							
Cash and investments	\$ 281,339	\$ 1,834,864	\$ 1,665,172	\$ 7,040,240	\$ 1,135,150	\$ -	\$ 11,956,765
Receivables:							
Property taxes	2,469,372	-	-	-	-	-	2,469,372
Other local	-	71,754	-	-	-	-	71,754
State	-	-	7,158	-	-	-	7,158
Federal	138,470	-	52,758	-	-	-	191,228
Inventories	-	-	124,736	-	-	-	124,736
Total assets	<u>\$ 2,889,181</u>	<u>\$ 1,906,618</u>	<u>\$ 1,849,824</u>	<u>\$ 7,040,240</u>	<u>\$ 1,135,150</u>	<u>\$ -</u>	<u>\$ 14,821,013</u>
<b>Liabilities and fund balances:</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 110,574	\$ 74,809	\$ 73,054	\$ -	\$ 305,584	\$ -	\$ 564,021
Payroll and related payables	198,569	-	148,950	-	-	-	347,519
Due to other funds	-	-	-	-	-	1,405,960	1,405,960
Deferred revenue:							
Property taxes	2,399,062	-	-	-	-	-	2,399,062
Total liabilities	<u>2,708,205</u>	<u>74,809</u>	<u>222,004</u>	<u>-</u>	<u>305,584</u>	<u>1,405,960</u>	<u>4,716,562</u>
<b>Fund balances:</b>							
Nonspendable:							
Inventories	-	-	124,736	-	-	-	124,736
Restricted	127,316	-	1,503,084	7,040,240	829,566	-	9,500,206
Assigned to:							
Schools	-	1,831,809	-	-	-	-	1,831,809
Committed	-	-	-	-	-	(1,405,960)	(1,405,960)
Unassigned	53,660	-	-	-	-	-	53,660
Total fund balances	<u>180,976</u>	<u>1,831,809</u>	<u>1,627,820</u>	<u>7,040,240</u>	<u>829,566</u>	<u>(1,405,960)</u>	<u>10,104,451</u>
Total liabilities and fund balances	<u>\$ 2,889,181</u>	<u>\$ 1,906,618</u>	<u>\$ 1,849,824</u>	<u>\$ 7,040,240</u>	<u>\$ 1,135,150</u>	<u>\$ -</u>	<u>\$ 14,821,013</u>

**PROVO CITY SCHOOL DISTRICT**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-major Governmental Funds**  
Year Ended June 30, 2012

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Non K-12 Instruction	Student Activities	School Food Services	Building Reserve	Provo School District Foundation	Municipal Building Authority	
<b>Revenues:</b>							
Local sources:							
Property taxes	\$ 2,694,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,694,589
Contributions	-	-	-	-	251,799	-	251,799
Food service sales	-	-	1,131,545	-	-	-	1,131,545
Interest	-	23,866	-	-	4,634	2,238	30,738
Other local	594,540	3,617,533	-	-	-	-	4,212,073
State	1,233,109	-	677,816	-	-	-	1,910,925
Federal	673,905	-	3,483,233	-	-	-	4,157,138
Total revenues	<u>5,196,143</u>	<u>3,641,399</u>	<u>5,292,594</u>	<u>-</u>	<u>256,433</u>	<u>2,238</u>	<u>14,388,807</u>
<b>Expenditures:</b>							
Current:							
Instructional services	-	3,696,061	-	-	-	-	3,696,061
Supporting services:							
School food services	-	-	5,382,955	-	-	2,313,336	2,313,336
Community services	3,090,701	-	-	-	440,045	-	3,530,746
Total expenditures	<u>3,090,701</u>	<u>3,696,061</u>	<u>5,382,955</u>	<u>-</u>	<u>440,045</u>	<u>2,313,336</u>	<u>14,923,098</u>
Net change in fund balances	2,105,442	(54,662)	(90,361)	-	(183,612)	(2,311,098)	(534,291)
<b>Other financing sources (uses):</b>							
Transfers In (Out)	(2,000,000)	-	-	1,100,000	-	-	(900,000)
Sale of capital assets	-	-	2,700	-	-	-	2,700
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>-</u>	<u>2,700</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>(897,300)</u>
Net change in fund balances	105,442	(54,662)	(87,661)	1,100,000	(183,612)	(2,311,098)	(1,431,591)
<b>Fund balances - beginning</b>	<u>75,534</u>	<u>1,886,471</u>	<u>1,715,481</u>	<u>5,940,240</u>	<u>1,013,178</u>	<u>905,138</u>	<u>11,536,042</u>
<b>Fund balances - ending</b>	<u>\$ 180,976</u>	<u>\$ 1,831,809</u>	<u>\$ 1,627,820</u>	<u>\$ 7,040,240</u>	<u>\$ 829,566</u>	<u>\$ (1,405,960)</u>	<u>\$ 10,104,451</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Non K-12 Instruction*  
**Non-major Special Revenue Fund**  
 June 30, 2012  
 With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 281,339	\$ 267,398
Receivables:		
Property taxes	2,469,372	2,308,587
Local		-
State	-	18,673
Federal	138,470	11,611
Total assets	<u>\$ 2,889,181</u>	<u>\$ 2,606,269</u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ 110,574	\$ 142,203
Payroll and related payables	198,569	89,440
Deferred revenue:		
Property taxes	2,399,062	2,299,091
Total liabilities	<u>2,708,205</u>	<u>2,530,735</u>
Fund balances:		
Restricted	127,316	78,376
Unassigned	53,660	(2,842)
Total fund balances	<u>180,976</u>	<u>75,534</u>
Total liabilities and fund balances	<u>\$ 2,889,181</u>	<u>\$ 2,606,269</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Non K-12 Instruction*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ 2,753,000	\$ 2,753,000	\$ 2,694,589	\$ (58,411)	\$ 627,745
Interest	-	-	-	-	-
Other local	513,538	516,538	594,540	78,002	535,082
State	1,145,992	1,172,055	1,233,109	61,054	1,072,698
Federal	646,379	666,466	673,905	7,439	660,316
Total revenues	5,058,909	5,108,059	5,196,143	88,084	2,895,840
<b>Expenditures:</b>					
Salaries	1,919,885	2,019,240	1,996,485	22,755	1,922,784
Employee benefits	653,032	646,635	647,530	(895)	589,608
Purchased services	262,485	274,263	209,230	65,033	236,829
Supplies	169,380	183,544	205,561	(22,017)	175,087
Property	-	-	10,491	(10,491)	10,625
Other	27,379	32,509	21,404	11,105	38,508
Total expenditures	3,032,161	3,156,191	3,090,701	65,490	2,973,441
Excess of revenues over (under) expenditures / net change in fund balances	2,026,748	1,951,868	2,105,442	153,574	(77,601)
<b>Other financing sources (uses):</b>					
Transfers In (Out)	(2,000,000)	(2,000,000)	(2,000,000)	-	106,331
Total other financing sources (uses)	(2,000,000)	(2,000,000)	(2,000,000)	-	106,331
Net change in fund balances	26,748	(48,132)	105,442	153,574	28,730
<b>Fund balances - beginning</b>	75,534	75,534	75,534	-	46,804
<b>Fund balances - ending</b>	\$ 102,282	\$ 27,402	\$ 180,976	\$ 153,574	\$ 75,534

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Student Activities*  
**Non-major Special Revenue Fund**  
 June 30, 2012  
 With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 1,834,864	\$ 1,889,670
Receivables:		
Local	<u>71,754</u>	<u>105,097</u>
Total assets	<u><u>\$ 1,906,618</u></u>	<u><u>\$ 1,994,767</u></u>
 <b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	<u>\$ 74,809</u>	<u>\$ 108,296</u>
Total liabilities	<u>74,809</u>	<u>108,296</u>
 Fund balances:		
Assigned	<u>1,831,809</u>	<u>1,886,471</u>
Total fund balances	<u>1,831,809</u>	<u>1,886,471</u>
Total liabilities and fund balances	<u><u>\$ 1,906,618</u></u>	<u><u>\$ 1,994,767</u></u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Student Activities*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	8,000	23,866	15,866	7,629
Other local	3,380,705	3,492,000	3,617,533	125,533	3,441,958
Total revenues	<u>3,380,705</u>	<u>3,500,000</u>	<u>3,641,399</u>	<u>141,399</u>	<u>3,449,587</u>
<b>Expenditures:</b>					
Purchased services	1,017,411	1,449,256	1,389,032	60,224	1,135,527
Supplies	1,727,009	1,601,774	1,632,807	(31,033)	1,821,290
Property	10,500	-	-	-	14,004
Other	585,902	648,970	674,222	(25,252)	527,394
Total expenditures	<u>3,340,822</u>	<u>3,700,000</u>	<u>3,696,061</u>	<u>3,939</u>	<u>3,498,215</u>
Excess of revenues over (under) expenditures / net change in fund balances	39,883	(200,000)	(54,662)	145,338	(48,628)
<b>Fund balances - beginning</b>	<u>1,886,471</u>	<u>1,886,471</u>	<u>1,886,471</u>	<u>-</u>	<u>1,935,098</u>
<b>Fund balances - ending</b>	<u>\$ 1,926,354</u>	<u>\$ 1,686,471</u>	<u>\$ 1,831,809</u>	<u>\$ 145,338</u>	<u>\$ 1,886,471</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**

*Food Services*

**Non-major Special Revenue Fund**

June 30, 2012

With Comparative Totals for 2011

	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 1,665,172	\$ 1,609,587
Receivables:		
State	7,158	-
Federal	52,758	-
Inventories	<u>124,736</u>	<u>163,307</u>
Total assets	<u><u>\$ 1,849,824</u></u>	<u><u>\$ 1,772,894</u></u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ 73,054	\$ 32,450
Payroll and related payables	<u>148,950</u>	<u>24,963</u>
Total liabilities	<u>222,004</u>	<u>57,413</u>
Fund balances:		
Nonspendable:		
Inventories	124,736	163,307
Restricted	<u>1,503,084</u>	<u>1,552,174</u>
Total fund balances	<u>1,627,820</u>	<u>1,715,481</u>
Total liabilities and fund balances	<u><u>\$ 1,849,824</u></u>	<u><u>\$ 1,772,894</u></u>



**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Food Services*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Food service sales	\$ 1,160,370	\$ 1,224,241	\$ 1,131,545	\$ (92,696)	\$ 1,149,429
Interest		-	-	-	-
Other local	23,407	52,733	-	(52,733)	19
State	577,500	616,000	677,816	61,816	526,931
Federal	3,428,790	3,460,030	3,483,233	23,203	3,220,657
Total revenues	<u>5,190,067</u>	<u>5,353,004</u>	<u>5,292,594</u>	<u>(60,410)</u>	<u>4,897,036</u>
<b>Expenditures:</b>					
Salaries	1,840,293	1,900,638	1,827,216	73,422	1,818,084
Employee benefits	606,987	606,987	623,287	(16,300)	580,521
Purchased services	151,274	158,274	140,497	17,777	136,445
Supplies	290,457	290,457	283,231	7,226	308,840
Food	1,706,814	1,976,814	1,956,645	20,169	1,635,018
Property	408,000	327,155	117,013	210,142	206,561
Other	295,043	310,043	435,066	(125,023)	523,136
Total expenditures	<u>5,298,868</u>	<u>5,570,368</u>	<u>5,382,955</u>	<u>187,413</u>	<u>5,208,605</u>
Excess of revenues over (under) expenditures / net change in fund balances	(108,801)	(217,364)	(90,361)	127,003	(311,569)
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	2,700	2,700	-
Total other financing sources (uses)	-	-	2,700	2,700	-
Net change in fund balances	(108,801)	(217,364)	(87,661)	129,703	(311,569)
<b>Fund balances - beginning</b>	1,715,481	1,715,481	1,715,481	-	2,027,050
<b>Fund balances - ending</b>	<u>\$ 1,606,680</u>	<u>\$ 1,498,117</u>	<u>\$ 1,627,820</u>	<u>\$ 127,003</u>	<u>\$ 1,715,481</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Building Reserve*  
**Non-major Special Revenue Fund**  
 June 30, 2012  
 With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 7,040,240	\$ 5,940,240
Total assets	<u>\$ 7,040,240</u>	<u>\$ 5,940,240</u>
<b>Liabilities and fund balances:</b>		
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Restricted	<u>7,040,240</u>	<u>5,940,240</u>
Total fund balances	<u>7,040,240</u>	<u>5,940,240</u>
Total liabilities and fund balances	<u>\$ 7,040,240</u>	<u>\$ 5,940,240</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Building Reserve*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures / net change in fund balances	-	-	-	-	-
<b>Other financing sources (uses):</b>					
Transfer In (Out)	2,000,000	1,100,000	1,100,000	-	2,000,000
Total other financing sources (uses)	2,000,000	1,100,000	1,100,000	-	2,000,000
Net change in fund balances	2,000,000	1,100,000	1,100,000	-	2,000,000
<b>Fund balances - beginning</b>	5,940,240	5,940,240	5,940,240	-	3,940,240
<b>Fund balances - ending</b>	<u>\$ 7,940,240</u>	<u>\$ 7,040,240</u>	<u>\$ 7,040,240</u>	<u>\$ -</u>	<u>\$ 5,940,240</u>

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Provo School District Foundation*  
**Non-major Special Revenue Fund**  
 June 30, 2012  
 With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ 1,135,150	\$ 1,360,768
Total assets	<u>\$ 1,135,150</u>	<u>\$ 1,360,768</u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ 305,584	\$ 347,590
Total liabilities	<u>305,584</u>	<u>347,590</u>
Fund balances:		
Restricted	<u>829,566</u>	<u>1,013,178</u>
Total fund balances	<u>829,566</u>	<u>1,013,178</u>
Total liabilities and fund balances	<u>\$ 1,135,150</u>	<u>\$ 1,360,768</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Provo School District Foundation*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	2012			2011	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
<b>Revenues:</b>					
Local sources:					
Interest	4,500	4,500	4,634	134	3,223
Other local	395,500	395,500	251,799	(143,701)	749,180
Total revenues	400,000	400,000	256,433	(143,567)	752,403
<b>Expenditures:</b>					
Purchased services	400,000	400,000	440,045	(40,045)	389,452
Total expenditures	400,000	400,000	440,045	(40,045)	389,452
Excess of revenues over (under) expenditures / net change in fund balances	-	-	(183,612)	(183,612)	362,952
<b>Fund balances - beginning</b>	1,013,178	1,013,178	1,013,178	-	650,226
<b>Fund balances - ending</b>	\$ 1,013,178	\$ 1,013,178	\$ 829,566	\$ (183,612)	\$ 1,013,178

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Municipal Building Authority*  
**Non-major Special Revenue Fund**  
 June 30, 2012  
 With Comparative Totals for 2011

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	<u>2012</u>	<u>2011</u>
<b>Assets:</b>		
Cash and investments	\$ -	\$ 1,680,571
Total assets	<u>\$ -</u>	<u>\$ 1,680,571</u>
<b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts payable	\$ -	\$ 775,433
Payroll and related payables	-	-
Due to other funds	1,405,960	-
Deferred revenue:		
Property taxes	-	-
State	-	-
Federal	-	-
Total liabilities	<u>1,405,960</u>	<u>775,433</u>
Fund balances:		
Committed For:		
Contractual obligations	-	905,138
Unassigned	<u>(1,405,960)</u>	<u>-</u>
Total fund balances	<u>(1,405,960)</u>	<u>905,138</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,680,571</u>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
*Municipal Building Authority*  
**Non-major Special Revenue Fund**  
 Year Ended June 30, 2012  
 With Comparative Totals for 2011

	<u>2012</u>			<u>2011</u>	
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues:</b>					
Local sources:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	2,238	2,238	41,005
Other local	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,238</u>	<u>2,238</u>	<u>41,005</u>
<b>Expenditures:</b>					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	-	2,074,011	2,190,618	(116,607)	9,811,170
Supplies	-	-	5,963	(5,963)	-
Property	850,000	450,000	37,272	412,728	11,916
Interest	79,483	79,483	79,483	-	-
Other	-	-	-	-	-
Total expenditures	<u>929,483</u>	<u>2,603,494</u>	<u>2,313,336</u>	<u>290,158</u>	<u>9,823,086</u>
Excess of revenues over (under) expenditures / net change in fund balances	(929,483)	(2,603,494)	(2,311,098)	292,396	(9,782,080)
<b>Other financing sources (uses):</b>					
Bonds Issued	-	-	-	-	-
Transfer In (Out)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(929,483)	(2,603,494)	(2,311,098)	292,396	(9,782,080)
<b>Fund balances - beginning</b>	<u>905,138</u>	<u>905,138</u>	<u>905,138</u>	<u>-</u>	<u>10,687,218</u>
<b>Fund balances - ending</b>	<u>\$ (24,345)</u>	<u>\$ (1,698,356)</u>	<u>\$ (1,405,960)</u>	<u>\$ 292,396</u>	<u>\$ 905,138</u>

# Fiduciary (Agency) Funds



Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified-accrual basis of accounting. These funds are used to account for assets the District holds for others in an agency capacity.

## **Special Programs Fund**

This fund accounts for assets held by the District for local independent smaller entities and agencies. The District provides services such as payroll and accounts payable for these entities but has no legal control, responsibility and accountability requirements for how these entities use their resources.



**PROVO CITY SCHOOL DISTRICT**  
**Comparative Statement of Fiduciary Fund Assets and Liabilities**  
June 30, 2012 (With Comparative Totals for 2011)

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	<b>2012</b>	<b>2011</b>
<b>Assets:</b>		
Cash and investments	\$ 218,619	\$ -
Receivables:		
Other local	37,752	37,752
Federal	966,734	785,307
Total assets	\$ 1,223,105	\$ 823,059
<b>Liabilities:</b>		
Accounts payable	\$ 497,258	\$ 497,257
Due to other entities:		
Utah State Office of Education:		
Reading program	309	309
Careers and technology education	43,056	43,056
Utah County Local Interagency Council	24,244	24,244
Brigham Young University Partnership	1,398	1,490
Utah Professional Development Center	656,839	256,702
Total liabilities	\$ 1,223,105	\$ 823,059

**PROVO CITY SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities**  
*Special Programs Agency Fund*  
Year Ended June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
<b>Assets:</b>				
Cash and investments	\$ -	\$ 4,740,805	\$ 4,522,186	\$ 218,619
Receivables:				
Other local	37,752	-	-	37,752
Federal	785,306	966,734	785,306	966,734
Total assets	<u>\$ 823,059</u>	<u>\$ 5,707,539</u>	<u>\$ 5,307,492</u>	<u>\$ 1,223,105</u>
<b>Liabilities:</b>				
Accounts payable	\$ 497,257	\$ -	\$ -	\$ 497,257
Fund Balances of Agencies:				
Utah State Office of Education:				
Reading program	309	-	-	309
Careers and technology education	43,056	-	-	43,056
Utah County Local Interagency Council	24,244	-	-	24,244
Brigham Young University Partnership	1,491	-	92	1,399
Utah Professional Development Center	256,701	3,472,739	3,072,601	656,839
Total liabilities	<u>\$ 823,059</u>	<u>\$ 3,472,739</u>	<u>\$ 3,072,693</u>	<u>\$ 1,223,105</u>

# STATISTICAL SECTION



This section of the District's Comprehensive Annual Financial Report presents detailed information as a context to better understand the information in the financial statements, note disclosures, and required supplementary information.

**Financial Trends (pages 83 - 93)**

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

**Revenue Capacity (pages 94 - 101)**

These schedules contain information to help the reader assess the District's most significant revenue sources.

**Debt Capacity (pages 102 - 108)**

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

**Demographic and Economic Information (pages 109 - 111)**

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

**Operating Information (pages 112 - 124)**

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



**PROVO CITY SCHOOL DISTRICT**

**Net Assets By Component**

June 30, 2003 through 2012

(accrual basis of accounting)

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<u>Fiscal Year Ending June 30,</u>	<u>Invested in capital assets, net of related debt</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Assets</u>
2012	53,795,168	17,120,587	26,936,110	97,851,864
2011	49,159,753	18,167,092	29,504,737	96,831,582
2010	37,158,614	15,622,922	37,503,460	90,284,997
2009	38,192,076	32,838,938	6,502,610	77,533,624
2008	32,155,592	19,646,268	(1,074,779)	50,727,080
2007	29,750,263	18,344,287	(1,964,329)	46,130,221
2006	28,454,429	13,103,729	(1,208,661)	40,349,497
2005	23,818,368	9,534,260	(5,879,175)	27,473,453
2004	20,648,636	9,044,523	(4,311,945)	25,381,214
2003	\$ 17,308,576	\$ 5,561,238	\$ (3,363,104)	\$ 19,506,710

Source: District Data

Fiscal year 2004 was the first fiscal year the District's component unit (Foundation) was included in its regular financial statements per GAAP requirements.

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Statements of Net Assets**  
June 30, 2003 through 2012  
(accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Assets:</b>				
Cash and temporary cash investments	\$ 45,475,281	\$ 45,632,014	\$ 50,383,686	\$ 37,018,100
Accounts, taxes, and grants receivables:				
Local	30,680,067	31,542,178	27,967,740	26,661,039
State	126,375	62,015	36,696	90,151
Federal	4,038,422	1,695,091	1,234,451	1,314,559
Inventory	128,927	169,133	239,548	259,543
Prepaid Expenditures	396,044	-	-	-
Bond issuance costs, net of accumulated amortization	43,745	82,485	53,735	70,232
Net other post employment benefits	3,903,705	397,787	2,600,867	1,319,067
Total capital assets, net accumulated depreciation	104,505,216	104,272,570	96,540,410	95,405,670
<b>Total assets</b>	<u>189,297,782</u>	<u>183,853,274</u>	<u>179,057,133</u>	<u>162,138,360</u>
<b>Liabilities:</b>				
Accounts payable	1,982,305	3,291,630	2,259,051	738,185
Accrued interest payable	83,953	91,088	80,874	113,634
Payroll and related payables	10,914,605	1,647,439	1,739,466	1,715,322
Due to other agencies - fiduciary activities		-	-	(552,522)
Deferred revenue:				
Property taxes	26,705,685	24,657,369	23,779,682	24,029,421
Other deferred revenues	696,641	1,225,070	566,533	442,113
Noncurrent liabilities:				
Due within one year	5,455,007	5,349,740	5,164,405	5,206,118
Due in more than one year	46,185,543	50,759,356	55,182,125	52,912,466
<b>Total liabilities</b>	<u>92,023,740</u>	<u>87,021,692</u>	<u>88,772,136</u>	<u>84,604,737</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	53,795,168	49,159,753	37,158,614	38,192,076
Restricted for:				
Debt service	1,195,509	1,365,353	1,510,175	1,245,636
Capital projects	3,083,405	4,955,684	4,304,238	10,334,131
Non K-12 instruction	181,479	132,539	151,893	416,203
Building Reserve	7,040,240	5,940,240	3,940,240	-
Student Activities	1,831,809	1,886,471	1,935,098	1,703,390
Supplemental programs	0	-	-	-
School food services	1,627,820	1,715,481	2,027,050	1,929,635
Foundation	829,566	1,013,178	650,226	527,057
Other restricted programs	1,330,758	1,158,146	1,104,002	788,734
Unrestricted	26,936,110	29,504,737	37,503,460	22,396,764
<b>Total net assets</b>	<u>\$ 97,851,864</u>	<u>\$ 96,831,582</u> *	<u>\$ 90,284,997</u>	<u>\$ 77,533,625</u>

Source: District Data

\*Prior year financial data restated

Fiscal year 2004 was the first fiscal year the District's component unit (Foundation) was included in its regular financial statements per GAAP requirements.

**PROVO CITY SCHOOL DISTRICT**  
**Comparative Statements of Net Assets(continued)**  
June 30, 2003 through 2012  
(accrual basis of accounting)

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 34,707,831	\$ 52,021,467	\$ 12,202,695	\$ 9,714,165	\$ 7,777,841	\$ 8,776,962
21,760,749	20,912,352	25,526,880	18,470,506	18,149,695	17,907,625
95,610	75,348	233,988	191,326	1,496,484	490,242
2,433,460	2,709,098	4,470,152	3,083,366	3,421,979	2,886,247
227,002	257,265	203,741	205,614	283,771	358,659
-	-	-	-	-	-
86,729	398,892	181,467	287,313	370,029	280,097
93,588,175	72,860,474	60,033,896	59,635,515	59,069,537	59,603,753
<u>152,899,556</u>	<u>149,234,896</u>	<u>102,852,819</u>	<u>91,587,805</u>	<u>90,569,336</u>	<u>90,303,585</u>
3,927,176	4,741,970	1,934,854	443,265	669,897	504,578
126,320	175,822	95,146	80,422	90,380	121,177
10,760,273	7,071,982	1,455,239	1,370,467	1,883,741	1,324,016
(589,732)	12,000	-	1,358,525	1,327,563	2,026,137
19,071,813	18,849,716	18,272,470	17,541,792	17,471,602	19,269,242
156,870	153,192	70,527	48,461	459,649	402,565
7,388,802	6,386,343	5,698,672	5,542,189	4,361,173	4,290,132
<u>61,118,673</u>	<u>65,782,889</u>	<u>34,976,414</u>	<u>37,729,231</u>	<u>38,924,117</u>	<u>42,859,029</u>
<u>101,960,196</u>	<u>103,173,914</u>	<u>62,503,322</u>	<u>64,114,352</u>	<u>65,188,122</u>	<u>70,796,876</u>
32,155,592	29,750,263	28,454,429	23,366,925	20,648,636	17,308,576
1,258,025	2,252,802	1,538,526	974,828	897,878	621,656
13,234,320	11,253,722	9,319,565	5,027,562	4,232,125	3,569,714
647,123	576,666	307,754	186,168	410,958	237,102
-	-	-	-	-	-
1,849,953	1,835,600	-	-	-	-
-	-	59,049	25,154	36,855	-
2,199,774	1,980,678	1,522,063	1,125,641	896,264	1,132,765
457,074	444,819	356,772	259,174	223,522	-
742,084	1,062,492	1,750,413	1,935,733	2,346,921	-
<u>(1,816,863)</u>	<u>(3,026,820)</u>	<u>(2,959,074)</u>	<u>(5,427,732)</u>	<u>(4,311,945)</u>	<u>(3,363,104)</u>
<u>\$ 50,727,080</u>	<u>\$ 46,130,221</u>	<u>\$ 40,349,497</u>	<u>\$ 27,473,453</u>	<u>\$ 25,381,214</u>	<u>\$ 19,506,709</u>

**PROVO CITY SCHOOL DISTRICT**  
**Changes in Net Assets**  
Years Ended June 30, 2003 through 2012  
(accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Expenses:</b>				
Instruction	\$ 72,935,322	\$ 70,907,845	\$ 65,458,961	\$ 62,546,410
Supporting services:				
Student	4,117,960	3,932,521	3,924,191	3,913,806
Instructional staff	1,559,232	1,458,566	2,092,586	2,104,484
District administration	1,611,412	1,273,567	1,217,314	833,850
School administration	5,220,467	5,085,658	4,912,708	5,089,616
Business	3,220,175	3,102,163	3,090,296	2,992,513
Operation and maintenance of facilities	5,805,386	6,863,193	5,404,007	5,418,773
Student transportation	2,717,234	2,396,835	2,583,551	2,444,373
Other	1,176,456	1,107,400	61,739	91,078
School food services	5,727,848	5,543,199	5,226,130	5,381,233
Community services	3,675,111	3,502,322	3,590,594	4,839,650
Facilities & Construction	-	-	-	-
Interest on long-term liabilities	2,026,217	2,200,135	2,465,620	2,636,859
Total school district	<u>109,792,820</u>	<u>107,373,403</u>	<u>100,027,696</u>	<u>98,292,645</u>
<b>Program Revenues:</b>				
Instructional services	33,076,742	32,181,593	33,465,497	25,824,392
Supporting services:				
Student	2,249,264	2,456,108	2,207,564	962,090
Instructional staff	223,711	777,618	758,012	543,374
General administration	218,864	651,276	426,727	252,740
School administration	293,359	541,799	627,347	288,900
Business	418,742	435,474	570,906	327,415
Operation and maintenance of facilities	267,385	1,429,453	17,174	7,398
Transportation	1,760,312	524,440	2,252,524	2,316,300
Other	600,050	946,387	75,531	34,926
School food services	5,292,594	4,897,017	5,005,840	4,804,413
Community services	5,957,292	5,841,147	6,704,723	5,028,833
Interest on long-term liabilities	-	-	-	-
Total program revenues	<u>50,358,315</u>	<u>50,682,312</u>	<u>52,111,845</u>	<u>40,390,781</u>
Net (expense) revenue	(59,434,504)	(56,691,092)	(47,915,851)	(57,901,864)
<b>General revenues:</b>				
Property taxes levied for:				
General purposes	13,580,600	13,482,244	13,676,215	10,120,968
Reading Program	579,631	575,433	595,474	-
Class size reduction	1,877,811	1,864,212	1,112,207	8,577,771
Special transportation	-	-	482,285	372,772
Tort liability	-	-	300,198	232,482
Recreation	632,324	627,745	649,608	998,068
Debt service	6,308,871	6,263,180	6,432,102	4,978,314
Capital outlay	4,704,109	4,670,040	4,576,783	3,318,876
Ten percent of basic for construction, textbooks and supplies	4,440,640	4,408,480	4,847,453	3,543,341
Federal and state aid not restricted to specific purposes	20,703,055	22,612,145	22,128,854	35,865,302
Earnings on investments	368,052	280,572	324,949	788,220
Gain on sale of assets	10,362	(17,638)	63,288	13,655
Miscellaneous	7,249,331	8,426,016	5,424,856	6,113,493
Total general revenues	<u>60,454,786</u>	<u>63,192,429</u>	<u>60,614,274</u>	<u>74,923,262</u>
Change in net assets	1,020,282	6,501,337	12,698,421	17,021,398
<b>Net assets - beginning*</b>	<u>96,831,582</u>	<u>90,330,244</u> *	<u>77,586,576</u>	<u>60,565,177</u>
<b>Net assets - ending</b>	<u>\$ 97,851,866</u>	<u>\$ 96,831,582</u>	<u>\$ 90,284,997</u>	<u>\$ 77,586,576</u>

\*beginning net assets may have been restated in prior years

\*

Source: District records

Fiscal year 2004 was the first fiscal year the District's component unit (Foundation) was included in its regular financial statements per GAAP requirements.



**PROVO CITY SCHOOL DISTRICT**  
**Changes in Net Assets(continued)**  
Years Ended June 30, 2003 through 2012  
(accrual basis of accounting)

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	69,059,951	\$ 65,724,634	\$ 56,198,524	\$ 57,155,465	\$ 54,929,906	\$ 55,070,821
	3,452,728	3,575,644	3,180,870	3,362,498	3,217,003	2,751,898
	1,544,884	2,074,350	2,032,397	2,009,129	1,943,838	2,203,449
	1,268,614	1,515,876	1,505,202	887,645	1,077,422	931,906
	4,740,635	4,514,003	4,238,678	4,286,195	4,385,661	4,404,647
	2,719,019	1,213,819	1,226,698	2,702,036	877,342	1,231,771
	5,167,878	4,062,566	4,146,859	3,967,227	5,039,105	5,057,405
	2,734,970	2,480,134	2,091,460	1,663,845	1,546,155	1,731,094
	392,585	2,035,645	1,072,477	39,842	867,238	859,059
	4,494,804	4,340,954	3,929,424	3,984,890	4,099,278	3,522,320
	4,166,235	3,981,248	3,142,504	3,861,900	2,421,091	2,318,056
	-	-	1,504,534	1,256,996	621,857	1,546,646
	<u>2,849,763</u>	<u>1,878,214</u>	<u>-</u>	<u>2,107,402</u>	<u>1,502,020</u>	<u>2,400,897</u>
	<u>102,592,066</u>	<u>97,397,085</u>	<u>84,269,627</u>	<u>87,285,070</u>	<u>82,527,916</u>	<u>84,029,969</u>
	31,544,598	24,131,131	27,234,746	22,867,201	19,659,045	20,089,013
	1,738,554	2,303,521	1,697,596	2,234,342	836,421	952,885
	625,376	514,125	486,344	-	505,398	695,094
	356,406	237,329	233,860	160,971	280,130	293,326
	331,337	287,994	172,264	258,457	321,793	1,388,053
	7,712	62,378	61,249	-	-	-
	-	-	-	-	440,010	2,252,397
	1,669,463	1,579,704	1,407,781	1,304,931	1,362,291	517,212
	53,830	2,177	33,187	-	-	-
	4,346,857	4,329,459	4,135,519	4,236,393	3,782,114	3,714,255
	2,868,356	1,904,807	1,779,262	1,514,383	1,755,783	801,940
	-	-	-	-	-	-
	<u>43,542,490</u>	<u>35,352,626</u>	<u>37,241,808</u>	<u>32,576,678</u>	<u>28,942,985</u>	<u>30,704,175</u>
	(59,049,576)	(62,044,459)	(47,027,819)	(54,708,392)	(53,584,931)	(53,325,794)
	11,057,943	11,036,199	10,402,512	12,064,148	11,982,754	11,610,806
	-	-	-	-	-	-
	1,713,274	1,731,848	1,612,793	-	-	-
	485,175	489,247	483,838	476,401	427,869	414,437
	303,234	307,403	302,399	-	-	-
	1,293,800	1,307,545	1,290,234	739,336	753,632	735,797
	5,144,875	5,199,872	4,044,077	3,871,385	3,831,370	3,820,632
	1,864,891	1,883,384	2,290,166	7,408,371	7,315,096	7,021,686
	4,614,215	4,658,670	4,265,836	-	-	-
	29,161,587	31,124,777	26,995,732	30,633,267	30,459,275	29,225,266
	2,142,078	1,721,041	734,136	393,903	258,841	219,456
	76,952	3,955	6,470,801	-	666,165	-
	5,946,691	5,022,842	607,033	1,213,820	1,503,996	2,359,015
	<u>63,804,715</u>	<u>64,486,783</u>	<u>59,499,557</u>	<u>56,800,631</u>	<u>57,198,998</u>	<u>55,407,095</u>
	4,755,139	2,442,324	12,471,738	2,092,239	3,614,067	2,081,301
	45,971,941	43,687,897	27,877,759	25,381,214	21,767,147	17,425,408
\$	<u>50,727,080</u>	<u>46,130,221</u>	<u>40,349,497</u>	<u>27,473,453</u>	<u>25,381,214</u>	<u>19,506,709</u>

\*

\*

\*

Source: District records

**PROVO CITY SCHOOL DISTRICT**  
**Governmental Funds - Aggregate Fund Balances**

June 30, 2003 through 2012  
(modified-accrual basis of accounting)

Fiscal Year Ended June 30,	General Fund					Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	
2012	663,333	1,330,758	19,542,646	396,012	3,149,472	25,082,221
2011	313,724	1,158,146	19,542,646	792,056	4,387,896	26,194,468
2010	315,088	1,104,007	19,542,647	-	3,807,316	24,769,058
2009	514,053	588,044	14,742,647	-	3,852,927	19,697,670
2008	622,713	1,343,360	9,082,301	-	3,229,681	14,278,055
2007	69,302	3,048,644	-	-	1,782,603	4,900,550
2006	66,448	1,731,027	-	-	3,256,474	5,053,948
2005	74,316	2,270,332	-	-	867,549	3,212,197
2004	74,316	937,645	-	-	1,264,289	2,276,250
2003	81,063	144,987	-	-	840,973	1,067,023

Fiscal Year Ended June 30,	All Other Governmental Funds					Total
	Nonspendable	Restricted	Committed	Assigned	Unassigned	
2012	124,736	12,685,604	-	1,831,808	(1,352,300)	13,289,848
2011	163,307	13,779,885	905,138	1,886,471	(2,842)	16,731,958
2010	232,358	11,192,407	10,687,218	1,935,098	(50,380)	23,996,701
2009	251,304	15,431,130	-	1,703,390	-	17,385,824
2008	172,959	16,956,603	-	2,008,233	-	19,137,795
2007	187,962	36,693,889	-	1,835,600	-	38,717,451
2006	137,293	8,925,594	-	-	-	9,062,886
2005	131,298	7,430,570	-	36,659	-	7,598,527
2004	196,966	6,389,192	-	111,444	-	6,697,602
2003	106,057	5,218,078	-	237,102	-	5,561,237

Source: District Records

Fiscal year 2004 was the first fiscal year the District's component unit (Foundation) was included in its regular financial statements per GAAP requirements.

**PROVO CITY SCHOOL DISTRICT**  
**Governmental Funds - Net Changes in Aggregate Fund Balances**  
Years Ended June 30, 2003 through 2012  
(modified-accrual basis of accounting)

Fiscal Year Ended June 30th	General Fund	Debt Service	Municipal Building Authority	Capital Projects	Building Reserve	Non K-12 Instruction	Student Activities	Supplemental Programs	Food Services	Foundation	Total Governmental Funds
2012	(1,112,247)	(138,239)	(2,311,098)	(1,872,279)	1,100,000	105,442	(54,662)	-	(87,661)	(183,612)	(4,554,357)
2011	1,425,410	(162,049)	(9,782,080)	647,901	2,000,000	28,730	(48,628)	-	(311,569)	362,952	(5,839,333)
2010	4,900,587	12,526	10,687,218	(6,230,367)	2,000,000	(139,993)	231,708	-	97,415	123,169	11,682,264
2009	5,132,777	10,242	-	(2,924,738)	1,940,240	(56,460)	(146,563)	-	(270,139)	14,040	3,699,398
2008	239,261	(734,528)	-	(19,377,864)	-	68,812	172,633	-	219,096	55,943	(19,356,647)
2007	(1,055,752)	466,566	-	26,614,150	-	211,359	(38,386)	-	458,615	88,049	26,744,601
2006	1,841,751	265,974	-	605,712	-	64,759	-	33,895	396,422	97,598	3,306,111
2005	935,947	76,950	-	795,437	-	(224,790)	-	(11,701)	229,377	35,652	1,836,872
2004	423,539	26,535	-	187,975	-	125,072	-	24,447	(236,501)	(539,799)	11,268
2003	(142,721)	(35,761)	-	1,369,117	-	179,546	-	-	254,201	-	1,624,382

Source: District records

Fiscal year 2004 was the first fiscal year the District's component unit (Foundation) was included in its regular financial statements per GAAP requirements.

**PROVO CITY SCHOOL DISTRICT**  
**Governmental Funds - Fund Balances**

June 30, 2003 through 2012  
(modified-accrual basis of accounting)

	2012	2011	2010	2009
<b>General Fund</b>				
Nonspendable	\$ 663,333	\$ 313,724	\$ 315,088	\$ 514,053
Restricted	1,330,758	1,158,146	1,104,007	588,044
Committed	19,542,646	19,542,646	19,542,647	14,742,647
Assigned	396,012	792,056	-	-
Unassigned	3,149,472	4,387,896	3,807,316	3,852,927
	<u>25,082,221</u>	<u>26,194,468</u>	<u>24,769,058</u>	<u>19,697,670</u>
<b>Debt Service Fund</b>				
Restricted	695,321	833,560	995,609	983,083
	<u>695,321</u>	<u>833,560</u>	<u>995,609</u>	<u>983,083</u>
<b>Capital Projects Fund</b>				
Restricted	2,490,077	4,362,356	3,714,455	9,944,822
	<u>2,490,077</u>	<u>4,362,356</u>	<u>3,714,455</u>	<u>9,944,822</u>
<b>Special Revenue Fund</b>				
Restricted	127,316	78,376	97,184	357,598
Assigned	-	-	-	-
Unassigned	53,660	(2,842)	(50,380)	-
	<u>180,976</u>	<u>75,534</u>	<u>46,804</u>	<u>357,598</u>
<b>School Activities Fund</b>				
Assigned	1,831,809	1,886,471	1,935,098	1,703,390
	<u>1,831,809</u>	<u>1,886,471</u>	<u>1,935,098</u>	<u>1,703,390</u>
<b>Supplemental Programs Fund</b>				
Committed	-	905,138	10,687,218	-
Restricted	(1,405,960)	-	-	-
	<u>(1,405,960)</u>	<u>905,138</u>	<u>10,687,218</u>	<u>-</u>
<b>Food Services Fund</b>				
Nonspendable	124,736	163,307	232,358	251,304
Restricted	1,503,084	1,552,174	1,794,693	1,678,331
	<u>1,627,820</u>	<u>1,715,481</u>	<u>2,027,050</u>	<u>1,929,635</u>
<b>Building Reserve Fund</b>				
Restricted	7,040,240	5,940,240	3,940,240	1,940,240
	<u>7,040,240</u>	<u>5,940,240</u>	<u>3,940,240</u>	<u>1,940,240</u>
<b>Foundation for excellence:</b>				
Restricted	829,566	1,013,178	650,226	527,057
	<u>829,566</u>	<u>1,013,178</u>	<u>650,226</u>	<u>527,057</u>
<b>Total All Governmental Funds</b>				
Nonspendable	788,069	477,031	547,446	765,357
Restricted	12,610,402	14,938,030	12,296,414	16,019,174
Committed	19,542,646	20,447,784	30,229,865	14,742,647
Assigned	2,227,821	2,678,527	1,935,098	1,703,390
Unassigned	3,203,132	4,385,054	3,756,936	3,852,927
	<u>38,372,069</u>	<u>42,926,426</u>	<u>48,765,758</u>	<u>37,083,495</u>

Table encompasses information derived from the District's governmental funds.

**PROVO CITY SCHOOL DISTRICT**  
**Governmental Funds - Fund Balances (continued)**  
June 30, 2003 through 2012  
(modified-accrual basis of accounting)

2008	2007	2006	2005	2004	2003
\$ 622,713	\$ 69,302	\$ 66,448	\$ 74,316	\$ 74,316	\$ 81,063
1,343,360	3,048,644	1,731,027	2,270,332	937,645	144,987
9,082,301	-	-	-	-	-
-	-	-	-	-	-
3,229,681	1,782,603	3,256,474	867,549	1,264,289	840,973
<u>14,278,055</u>	<u>4,900,550</u>	<u>5,053,948</u>	<u>3,212,197</u>	<u>2,276,250</u>	<u>1,067,023</u>
972,841	1,707,368	1,240,802	974,828	897,878	621,656
<u>972,841</u>	<u>1,707,368</u>	<u>1,240,802</u>	<u>974,828</u>	<u>897,878</u>	<u>621,656</u>
12,869,560	32,247,424	5,633,274	5,027,562	4,232,125	3,569,714
<u>12,869,560</u>	<u>32,247,424</u>	<u>5,633,274</u>	<u>5,027,562</u>	<u>4,232,125</u>	<u>3,569,714</u>
570,375	501,562	250,927	149,510	299,514	-
-	-	-	36,659	111,444	237,102
-	-	-	-	-	-
<u>570,375</u>	<u>501,562</u>	<u>250,927</u>	<u>186,169</u>	<u>410,958</u>	<u>237,102</u>
2,008,233	1,835,600	-	-	-	-
<u>2,008,233</u>	<u>1,835,600</u>	-	-	-	-
-	-	-	-	-	-
-	-	59,049	25,154	36,855	-
-	-	<u>59,049</u>	<u>25,154</u>	<u>36,855</u>	-
172,959	187,962	137,293	131,298	196,966	106,057
2,026,815	1,792,716	1,384,770	994,343	699,298	1,026,708
<u>2,199,774</u>	<u>1,980,678</u>	<u>1,522,063</u>	<u>1,125,641</u>	<u>896,264</u>	<u>1,132,765</u>
-	-	-	-	-	-
-	-	-	-	-	-
517,013	444,819	356,772	259,174	223,522	-
<u>517,013</u>	<u>444,819</u>	<u>356,772</u>	<u>259,174</u>	<u>223,522</u>	-
795,672	257,265	203,740	205,613	271,282	187,120
18,299,963	39,742,534	10,656,621	9,700,902	7,326,837	5,363,065
9,082,301	-	-	-	-	-
2,008,233	1,835,600	-	36,659	111,444	237,102
3,229,681	1,782,603	3,256,474	867,549	1,264,289	840,973
<u>33,415,850</u>	<u>43,618,002</u>	<u>14,116,835</u>	<u>10,810,724</u>	<u>8,973,852</u>	<u>6,628,260</u>

**PROVO CITY SCHOOL DISTRICT**

**Total Governmental Funds - Changes in Fund Balances**

Years Ended June 30, 2003 through 2012

(modified-accrual basis of accounting)

	2012	2011	2010	2009
<b>Revenues</b>				
Property taxes	\$ 32,123,987	\$ 31,891,333	\$ 32,672,324	\$ 32,142,593
Other local sources	9,672,627	10,872,559	7,859,395	8,538,122
State of Utah	53,467,124	52,601,369	53,877,288	57,520,715
Federal government	15,539,002	18,491,842	18,258,540	17,170,413
Total revenues	<u>110,802,740</u>	<u>113,857,103</u>	<u>112,667,547</u>	<u>115,371,843</u>
<b>Expenditures</b>				
Instruction	68,680,153	68,102,925	64,797,364	66,318,579
Supporting services:				
Students	3,852,848	3,675,095	3,681,968	3,681,831
Instructional staff	1,521,358	1,421,080	2,060,247	2,074,908
District administration	1,551,884	1,216,376	1,160,972	778,689
School administration	5,155,525	5,023,070	4,851,866	5,030,421
Business	3,004,179	2,888,383	2,905,870	2,823,844
Operation and maintenance of buildings	5,849,045	6,833,247	5,378,173	5,395,147
Student transportation	2,216,991	1,901,723	2,156,422	2,053,738
Central	1,176,456	1,107,400	61,739	91,078
School food services	5,382,955	5,208,605	4,910,053	5,077,938
Non K-12 programs	3,530,746	3,362,893	3,456,294	4,709,556
Capital outlay	7,009,197	12,526,166	5,759,945	6,936,233
Debt Service:				
Bond principal	4,353,461	4,219,671	4,326,211	4,127,972
Bond issue costs	-	-	-	-
Bond interest and fees	2,082,660	2,239,229	2,434,054	2,586,166
Total expenditures	<u>115,367,458</u>	<u>119,725,862</u>	<u>107,941,176</u>	<u>111,686,100</u>
Excess (deficiency) of revenues over (under) expenditures	(4,564,718)	(5,868,760)	4,726,371	3,685,743
<b>Other financing sources (uses)</b>				
Capital lease	-	-	81,721	-
Sale of capital assets	10,362	29,427	63,288	13,655
General obligation bonds issued	-	-	-	-
Bond premium (discount)	-	-	-	-
Refunding bonds issued	-	-	6,462,000	-
Payment to refunded bonds escrow agent	-	-	-	-
Insurance recoveries	-	-	-	-
Donated Assets	-	-	348,884	-
Total other financing sources (uses)	<u>10,362</u>	<u>29,427</u>	<u>6,955,893</u>	<u>13,655</u>
Net change in fund balance	<u>\$ (4,554,356)</u>	<u>\$ (5,839,333)</u>	<u>\$ 11,682,264</u>	<u>\$ 3,699,398</u>
Debt service as a percentage of noncapital expenditures	5.9%	6.0%	6.6%	6.4%

Table encompasses information derived from the District's governmental funds.

**PROVO CITY SCHOOL DISTRICT**  
**Total Governmental Funds - Changes in Fund Balances (continued)**  
Years Ended June 30, 2003 through 2012  
(modified-accrual basis of accounting)

2008	2007	2006	2005	2004	2003
\$ 26,477,406	\$ 26,614,168	\$ 24,691,855	\$ 24,559,640	\$ 24,167,503	\$ 23,603,358
10,197,788	9,374,876	3,599,965	3,629,173	3,632,667	3,930,368
59,138,786	52,642,013	49,629,417	49,096,887	46,540,387	46,706,056
11,556,049	12,085,892	12,599,383	12,061,062	12,220,414	11,664,435
<u>107,370,029</u>	<u>100,716,948</u>	<u>90,520,620</u>	<u>89,346,762</u>	<u>86,560,971</u>	<u>85,904,217</u>
68,788,467	62,720,619	54,990,497	54,063,533	54,517,504	54,055,998
3,299,652	3,452,851	3,065,811	3,279,557	3,208,669	2,703,337
1,519,541	2,053,435	2,014,830	1,909,225	1,938,799	2,164,486
1,236,565	1,489,474	1,478,589	855,576	1,074,630	915,463
4,705,273	4,485,853	4,210,928	4,333,483	4,374,293	4,326,847
2,574,485	1,094,542	1,126,515	2,530,560	875,141	1,210,262
5,147,632	4,045,858	4,132,825	3,670,441	5,026,044	4,967,761
2,400,231	2,203,890	1,859,437	1,747,676	1,542,147	1,702,022
392,584	2,035,645	1,072,477	37,172	864,989	843,955
4,293,453	4,180,570	3,778,134	4,007,548	4,088,653	3,460,068
4,084,935	3,914,974	3,078,042	3,964,383	3,575,723	2,277,186
22,703,562	16,571,562	2,765,337	3,296,431	659,873	1,898,304
4,013,261	4,725,450	2,960,617	2,630,748	3,843,479	2,131,501
-	308,305	-	-	-	-
2,792,332	1,772,475	1,543,104	2,034,644	1,752,777	2,333,762
<u>127,951,971</u>	<u>115,055,503</u>	<u>88,077,143</u>	<u>88,360,977</u>	<u>87,342,721</u>	<u>84,990,952</u>
(20,581,943)	(14,338,555)	2,443,477	985,785	(781,750)	913,265
1,148,344	-	91,833	573,340	168,671	504,063
76,952	5,703,955	770,801	249,842	508,968	29,789
-	35,000,000	-	-	-	177,265
-	244,201	-	-	-	-
-	8,220,000	-	-	20,361,106	-
-	(8,085,000)	-	-	(20,245,727)	-
-	-	-	27,905	-	-
-	-	-	-	-	-
<u>1,225,296</u>	<u>41,083,156</u>	<u>862,634</u>	<u>851,087</u>	<u>793,018</u>	<u>711,117</u>
<u>\$ (19,356,647)</u>	<u>\$ 26,744,601</u>	<u>\$ 3,306,111</u>	<u>\$ 1,836,872</u>	<u>\$ 11,268</u>	<u>\$ 1,624,382</u>
6.5%	6.9%	5.3%	5.5%	6.5%	5.3%

**PROVO CITY SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
 Fiscal Years Ended June 30, 2003 through 2012  
 Tax Rates (per \$1)

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Calendar Tax Year	Fiscal Year Ended June 30th	Mill Levy or Tax Rate	Taxable Value	Redevelopment Value	Net Taxable Value	Total Tax Levied
2011	2012	0.007153	4,151,831,455	-	4,151,831,455	29,698,050
2010	2011	0.006706	4,475,415,735	-	4,475,415,735	30,012,138
2009	2010	0.006639	4,653,441,873	-	4,653,441,873	30,894,201
2008	2009	0.006214	4,977,309,060	161,198,488	4,816,110,572	29,550,810
2007	2008	0.005239	4,589,644,669	-	4,589,644,669	24,045,148
2006	2007	0.006147	3,883,034,322	108,478,837	3,774,555,485	23,195,574
2005	2006	0.006124	3,588,753,374	-	3,588,753,374	21,977,526
2004	2005	0.006234	3,575,601,094	-	3,575,601,094	22,289,112
2003	2004	0.006071	3,620,318,521	117,943,526	3,502,374,995	21,262,011
2002	2003	0.006037	3,666,155,635	141,519,665	3,524,635,970	21,277,697

Taxable values are derived from the District's final settlement statement received from the Utah County Treasurer's Office each year.

Total collections may exceed 100% in a collection year if delinquent collections include collection of more than one subsequent levy year. Current data does not provide which individual levy years delinquent tax collections apply to, and are therefore included in the collection year in the presented data.



**PROVO CITY SCHOOL DISTRICT**  
**Property Tax Levies and Collections (continued)**  
Fiscal Years Ended June 30, 2003 through 2012  
Tax Rates (per \$1)

Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collections	
Current	Percent of Current Collections	Fee-in-Lieu & Other Collections	Delinquent Collections	Amount	Percent of Annual Assessment
27,552,286	92.77%	2,313,938	2,284,594	32,150,818	100.47%
26,646,431	88.79%	2,463,553	2,173,810	31,283,794	96.03%
27,282,047	88.31%	2,808,721	2,751,631	32,842,399	97.21%
26,920,710	91.10%	3,140,469	2,018,204	32,079,383	96.70%
22,323,808	91.57%	3,038,185	1,570,642	26,994,798	99.37%
21,316,863	91.90%	2,917,225	1,834,979	26,069,067	99.78%
20,503,408	93.29%	2,630,067	1,438,577	24,572,052	99.84%
20,387,851	91.47%	2,664,542	2,024,523	25,076,916	100.55%
19,369,692	91.10%	2,584,917	1,932,688	23,887,297	100.19%
19,158,439	90.04%	3,116,806	1,517,305	23,792,549	97.17%

**PROVO CITY SCHOOL DISTRICT**  
**Assessed Property Value**  
 Tax Years Ended 2002 through 2011

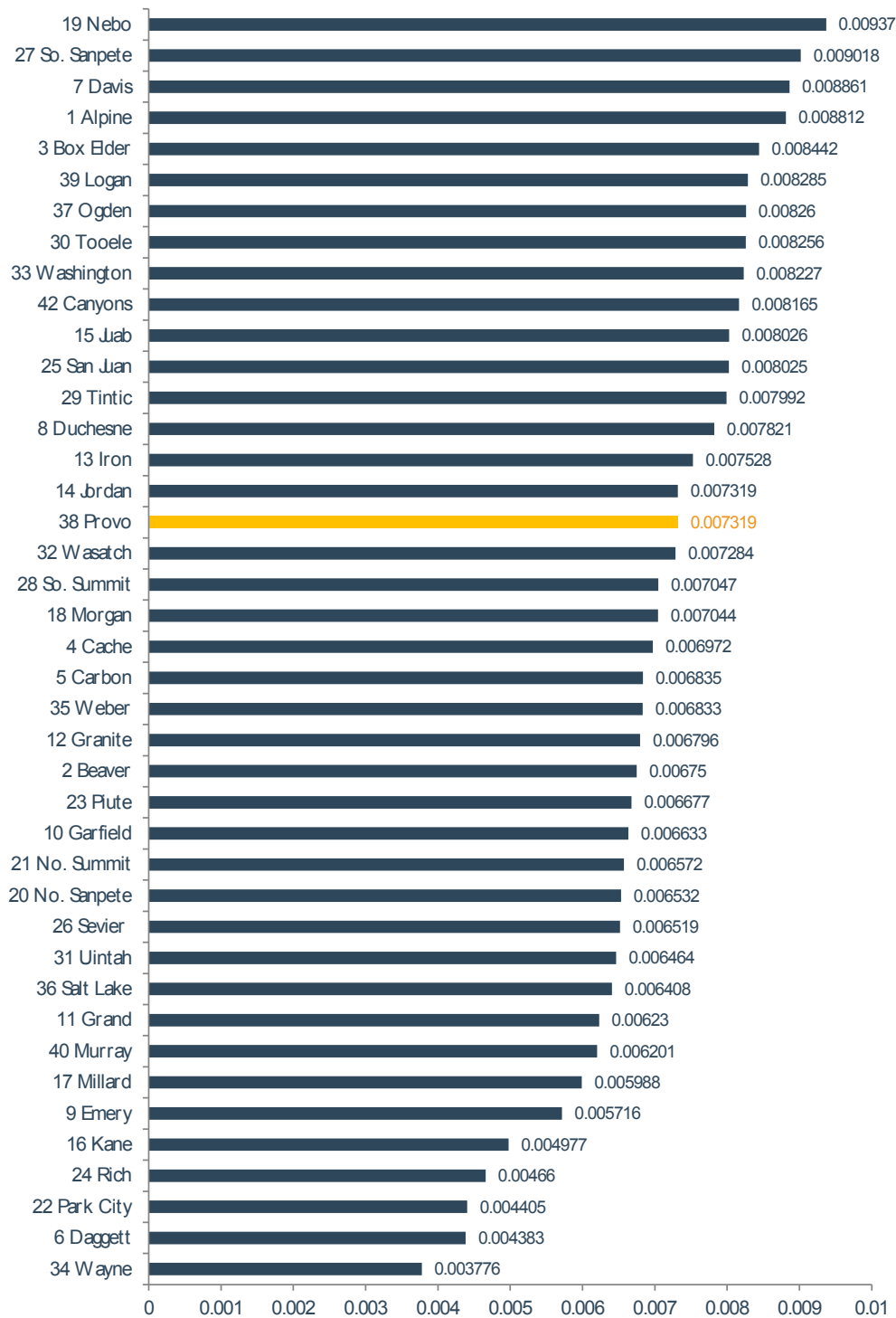
Tax Year	Centrally Assessed	Residential	Industrial & Commercial	Agriculture	Personal	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2011	86,944,769		data not available		263,576,184	4,306,864,257	0.007153	6,447,129,327	66.80%
2010	88,668,674		data not available		362,493,475	4,435,552,148	0.006706	6,573,948,214	67.47%
2009	85,820,447	2,826,394,972	1,479,872,571	12,903,941	389,053,152	4,653,441,873	0.006639	6,966,327,000	66.80%
2008	82,706,866	2,997,124,619	1,459,637,789	38,235,709	399,604,077	4,977,309,060	0.006214	7,956,509,000	62.56%
2007	82,969,989	2,899,850,009	1,306,925,164	45,258,995	382,758,140	4,589,644,669	0.005239	7,336,569,000	62.56%
2006	76,196,427	2,315,587,821	1,138,300,267	49,894,569	302,799,307	3,883,034,322	0.006147	5,736,082,000	67.69%
2005	79,850,599	2,162,304,068	1,114,399,456	59,944,701	289,039,175	3,588,753,374	0.006124	5,443,760,000	65.92%
2004	81,267,943	2,114,291,814	1,143,512,617	59,511,529	300,462,339	3,575,601,094	0.006234	5,353,912,000	66.78%
2003	97,604,011	2,026,640,331	1,103,508,673	63,992,839	330,174,364	3,620,318,521	0.006071	5,199,486,000	69.63%
2002	108,460,693	1,962,596,738	1,139,620,433	70,893,521	384,722,669	3,666,155,635	0.006037	5,310,090,000	69.04%

Source: Utah County Treasurer's Office

**PROVO CITY SCHOOL DISTRICT**

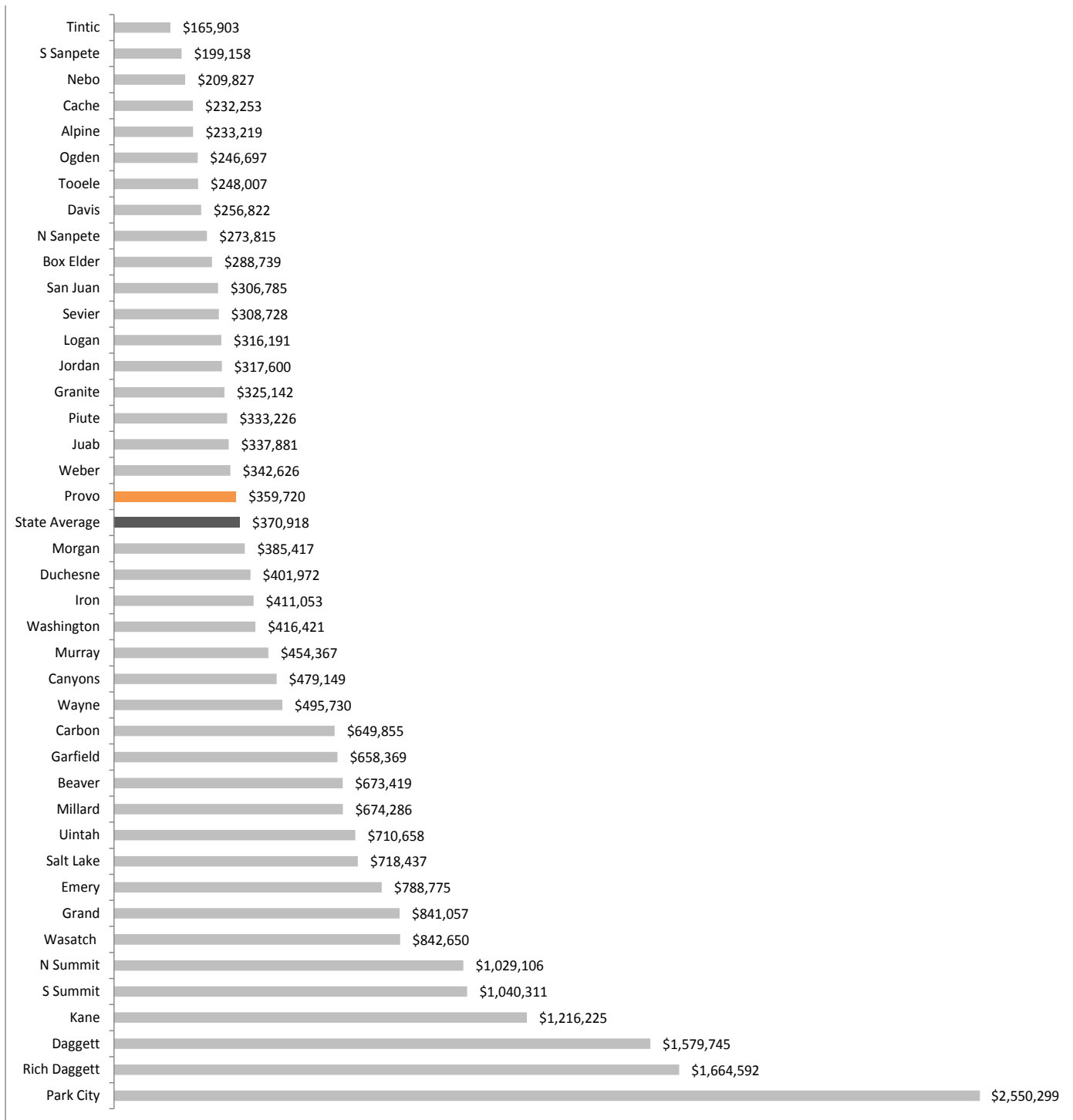
**Comparison of Utah School District Property Tax Rates**

Tax Year 2011, Fiscal Year 2011-12



Source: Utah State Office of Education, Finance & Statistics Department, [www.schools.utah.gov/finance](http://www.schools.utah.gov/finance).

**PROVO CITY SCHOOL DISTRICT**  
**Comparison of Assessed Property Tax Valuation Per Student**  
 Fiscal Year 2011-12



Source: Utah State Office of Education, Finance & Statistics Department, [www.schools.utah.gov/finance](http://www.schools.utah.gov/finance). Most recent data available.

**PROVO CITY SCHOOL DISTRICT**

**Ten Largest Property Taxpayers By Individual Properties**

June 30, 2008 (expressed in thousands)

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Taxpayer	County Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Micron Technology Inc.	162,088,614	1	3.44%
Pacificorp	154,055,407	2	3.27%
Kern River Transmission Co.	101,057,476	3	2.14%
Qwest Communications	80,195,236	4	1.70%
Questar Gas	72,122,754	5	1.53%
Novell	67,000,000	6	1.42%
University Mall Shopping Center	55,649,327	7	1.18%
Anderson Geneva LLC Et Al	44,564,400	8	0.94%
Wal-Mart	41,924,953	9	0.89%
Cabela's Retail Inc.	38,157,004	10	0.81%

Excludes motor vehicles

Source: Utah County Assessor's Office and State Tax Commission  
2008 most recent data at time of printing

**PROVO CITY SCHOOL DISTRICT**  
**Property Tax Rates-Direct and Overlapping Governments (last 10 years)**  
**Based on \$1,000 Assessed Valuation**

	Tax Rates for the year ended December 31,								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Provo City School District									
Direct Rates:									
Basic Program	0.001591	0.001495	0.001433	0.001250	0.001311	0.001515	0.001720	0.001800	0.001825
Voted Leeway	0.001434	0.00134	0.001346	0.001275	0.000877	0.001034	0.000860	0.000903	0.000864
Board Leeway (Class Size Reduction)	0.0004	0.000392	0.000226	0.000214	0.000339	0.000400	0.000400	0.000269	0.000257
Board Leeway (Reading Program) [2]	0.000121	0.000121	0.000121	0.000121	0.000000	0.000000	0.000000	0.000000	0.000000
Transportation	0.0001	-	0.000098	0.000093	0.000096	0.000113	0.000120	0.000112	0.000107
Tort Liability	0.00008	-	0.000061	0.000058	0.000060	0.000071	0.000075	0.000048	0.000046
10% of Basic Operating [1]	0.000602	0.000463	0.000492	n/a	n/a	n/a	n/a	n/a	n/a
Recreation Levy	0.000600	0.000132	0.000132	0.000249	0.000256	0.000302	0.000320	0.000196	0.000188
Debt Service	0.001399	0.001317	0.001307	0.001242	0.001018	0.001201	0.001003	0.000999	0.000957
Capital Outlay Foundation	0.000250	0.000982	0.000930	0.000828	0.000369	0.000435	0.000568	0.000633	0.000606
10% of Basic Capital	0.000576	0.000464	0.000493	0.000884	0.000913	0.001076	0.001058	0.001274	0.001221
Total direct rate	0.007153	0.006706	0.006639	0.006214	0.005239	0.006147	0.006124	0.006234	0.006071
Overlapping rates:*									
Provo City	0.002843	0.002394	0.002307	0.002122	0.002236	0.002722	0.002787	0.002891	0.002776
Utah County	0.001342	0.001294	0.001203	0.001105	0.001000	0.000960	0.001900	0.001391	0.001411
Central UT Water District	0.000436	0.000421	0.000400	0.000286	0.000302	0.000357	0.000400	0.000400	0.000358

\*Source: [www.taxrates.utah.gov](http://www.taxrates.utah.gov)

[1] 10% of Basic Operating was established by state law in 2009, prior to 2009 10% of basic was only for capital

[2] Reading Program not used by District until tax year 2008, become available by law in 2004

[a] Detail of tax rate no longer available

**PROVO CITY SCHOOL DISTRICT**  
**History of the Value of the WPU**  
**Weighted Pupil Unit (WPU)**  
 Utah Legislative Funding Method  
 Fiscal Years Ended 1976- 2012

Year	WPU Amount	Change	% Change
1975-76	\$621	\$	-----
1976-77	683	62	9.98%
1977-78	732	49	7.17%
1978-79	795	63	8.61%
1979-80	852	57	7.17%
1980-81	946	94	11.03%
1981-82	1,003	57	6.03%
1982-83	1,103	100	9.97%
1983-84	1,103	0	0.00%
1984-85	1,124	21	1.90%
1985-86	1,180	56	4.98%
1986-87	1,204	24	2.03%
1987-88	1,204	0	0.00%
1988-89	1,204	0	0.00%
1989-90	1,240	36	2.99%
1990-91	1,346	106	8.55%
1991-92	1,408	62	4.61%
1992-93	1,490	82	5.82%
1993-94	1,539	49	3.29%
1994-95	1,608	69	4.48%
1995-96	1,672	64	3.98%
1996-97	1,739	67	4.01%
1997-98	1,791	52	2.99%
1998-99	1,854	63	3.52%
1999-00	1,901	47	2.54%
2000-01	2,006	105	5.52%
2001-02	2,116	110	5.48%
2002-03	2,132	16	0.76%
2003-04	2,150	18	0.84%
2004-05	2,182	32	1.49%
2005-06	2,280	98	4.49%
2006-07	2,417	137	6.01%
2007-08	2,514	97	4.01%
2008-09	2,577	63	2.51%
2009-10	2,577	0	0%
2010-11	2,577	0	0%
2011-12	2,816	239	9.2%

NOTE: WPU increase in 2011-12 was in part due to a shift in state budget line items, thus as WPU increased, other funding decreased

Source: Utah State Office of Education, Finance & Statistics Department, [www.usoe.k12.ut.us](http://www.usoe.k12.ut.us).

**PROVO CITY SCHOOL DISTRICT**  
**Changes in Fund Balances**  
**& Ratio of Annual Debt Service to General Fund Expenditures**

Years Ended June 30, 2003 through 2012  
(modified-accrual basis of accounting)

	2012	2011	2010	2009
<b>Revenues:</b>				
Property taxes	\$ 20,730,368	\$ 18,126,128	\$ 18,454,770	\$ 15,574,726
Other local sources	3,777,236	3,804,292	2,413,107	2,308,600
State of Utah	51,556,199	51,001,740	51,756,518	55,099,893
Federal government	11,381,864	14,610,869	14,486,136	13,499,469
<b>Total revenues</b>	<b>87,445,667</b>	<b>87,543,029</b>	<b>87,110,531</b>	<b>86,482,688</b>
<b>Expenditures:</b>				
Instructional services	64,984,092	64,604,710	61,744,803	62,639,826
Supporting services:			-	
Students	3,852,848	3,675,095	3,681,968	3,681,831
Instructional staff	1,521,358	1,421,080	2,060,247	2,074,908
District administration	1,551,884	1,216,376	1,160,972	778,689
School administration	5,155,525	5,023,070	4,851,866	5,030,421
Business	3,004,179	2,888,383	2,905,870	2,823,844
Operations and maintenance	5,177,986	4,169,208	3,605,897	1,887,139
Student transportation	2,126,248	1,901,723	1,952,076	2,053,738
Other	1,176,456	1,106,071	61,739	91,078
Community services		-	-	-
Debt service:				
Principal retirement	14,461	33,671	310,211	277,972
Interest and fees	539	1,329	16,789	22,028
<b>Total expenditures</b>	<b>88,565,576</b>	<b>86,040,715</b>	<b>82,352,438</b>	<b>81,361,475</b>
Excess (deficiency) of revenues over expenditures	(1,119,909)	1,502,314	4,758,093	5,121,212
<b>Other financing sources (uses):</b>				
Sale of assets	7,662	29,427	60,773	11,564
Transfers In (Out)		(106,331)		
Insurance recoveries		-	-	-
Proceeds from Capital lease obligation		-	81,721	-
<b>Total other financing sources (uses)</b>	<b>7,662</b>	<b>(76,904)</b>	<b>142,494</b>	<b>11,564</b>
<b>Net change in fund balance</b>	<b>\$ (1,112,247)</b>	<b>\$ 1,425,410</b>	<b>\$ 4,900,587</b>	<b>\$ 5,132,777</b>
Total debt service expenditures (all funds) (general obligations, capital leases, etc.)	\$ 6,436,121	\$ 6,460,229	\$ 6,760,264	\$ 6,714,138
<b>Debt service as a percentage of total general fund expenditures</b>	<b>7.3%</b>	<b>7.5%</b>	<b>8.2%</b>	<b>8.3%</b>

Source: District Data



**PROVO CITY SCHOOL DISTRICT**  
**Changes in Fund Balances**  
**& Ratio of Annual Debt Service to General Fund Expenditures (continued)**  
Years Ended June 30, 2003 through 2012  
(modified-accrual basis of accounting)

2008	2007	2006	2005	2004	2003
\$ 13,559,626	\$ 13,473,520	\$ 12,801,543	\$ 12,540,548	\$ 12,347,734	\$ 12,025,243
2,946,310	2,832,141	2,089,693	2,295,796	2,168,510	2,474,249
56,943,212	50,474,352	46,639,740	46,131,313	43,542,941	44,982,179
8,173,955	8,810,031	8,379,546	6,415,614	6,561,494	9,208,342
<u>81,623,103</u>	<u>75,590,044</u>	<u>69,910,522</u>	<u>67,383,271</u>	<u>64,620,679</u>	<u>68,690,013</u>
64,216,611	58,771,233	52,670,674	50,233,015	48,924,913	53,442,575
3,299,652	3,452,851	3,023,616	3,111,115	2,475,479	2,703,337
1,519,541	2,053,435	2,014,345	1,897,748	1,907,838	2,152,858
1,236,565	1,489,474	1,478,589	855,576	1,074,630	915,463
4,705,273	4,485,853	4,045,607	4,311,056	4,335,979	4,295,133
2,574,485	1,094,542	1,113,650	2,510,104	662,633	662,177
1,460,910	1,335,633	1,008,309	1,767,533	2,373,719	2,099,278
2,400,231	2,203,890	1,859,437	1,747,676	1,542,147	1,630,291
392,584	1,762,840	854,544	37,172	864,989	843,955
-	-	-	-	36,681	89,456
726,335	-	-	-	-	-
21,010	-	-	-	-	-
<u>82,553,195</u>	<u>76,649,751</u>	<u>68,068,771</u>	<u>66,470,995</u>	<u>64,199,008</u>	<u>68,834,523</u>
(930,092)	(1,059,707)	1,841,751	912,276	421,671	(144,510)
76,952	3,955	-	2,500	1,868	1,789
-	-	-	21,171	-	-
1,148,344	-	-	-	-	-
<u>1,225,296</u>	<u>3,955</u>	<u>-</u>	<u>23,671</u>	<u>1,868</u>	<u>1,789</u>
<u><b>\$ 295,204</b></u>	<u><b>\$ (1,055,752)</b></u>	<u><b>\$ 1,841,751</b></u>	<u><b>\$ 935,947</b></u>	<u><b>\$ 423,539</b></u>	<u><b>\$ (142,721)</b></u>
\$ 6,805,593	\$ 6,806,230	\$ 4,503,721	\$ 4,665,392	\$ 5,596,256	\$ 4,465,263
<b>8.2%</b>	<b>8.9%</b>	<b>6.6%</b>	<b>7.0%</b>	<b>8.7%</b>	<b>6.5%</b>

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Long-Term Debt Service**  
Years Ending June 30, 2013 through 2027

		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Debt Service Fund:</b>							
<b>General obligation bonds:</b>							
Series 1998 Refunding	Principal	520,000	-	-	-	-	-
\$ 4,950,000	Interest	21,580	-	-	-	-	-
Series 2004 Refunding	Principal	1,320,000	2,505,000	2,635,000	3,590,000	1,950,000	-
\$ 18,590,000	Interest	586,800	534,000	408,750	277,000	97,500	-
Series 2007A Refunding	Principal	1,226,000	696,000	726,000	-	-	-
\$ 8,220,000	Interest	100,809	54,136	27,639	-	-	-
2010 Lease Revenue Bonds	Principal	-	-	-	-	-	-
\$ 6,462,000	Interest	79,483	79,483	79,483	79,483	79,483	79,483
Series 2006 G.O. Bond	Principal	400,000	400,000	425,000	450,000	475,000	475,000
\$ 9,400,000	Interest	289,000	273,000	257,000	240,000	222,000	203,000
Series 2007B G.O. Bond	Principal	1,050,000	1,100,000	1,150,000	1,200,000	1,225,000	1,275,000
\$ 25,600,000	Interest	908,563	866,563	822,563	776,563	728,563	679,563
	Total Principal - Debt Service Fund	4,516,000	4,701,000	4,936,000	5,240,000	3,650,000	1,750,000
	Total Interest - Debt Service Fund	1,986,234	1,807,181	1,595,434	1,373,045	1,127,545	962,045
	Total - Debt Service Fund	<u>6,502,234</u>	<u>6,508,181</u>	<u>6,531,434</u>	<u>6,613,045</u>	<u>4,777,545</u>	<u>2,712,045</u>
<b>Capital Projects Fund:</b>							
<b>Obligations under lease agreements:</b>							
2010 Capital Lease	Principal	8,506	-	-	-	-	-
\$ 81,721	Interest	200	-	-	-	-	-
	Total Principal - Capital Projects Fund	8,506	-	-	-	-	-
	Total Interest - Capital Projects Fund	200	-	-	-	-	-
	Total - Capital Projects Fund	<u>8,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total long-term debt obligations:</b>							
	Total Principal - All Funds - All Long-Term Debt	4,524,506	4,701,000	4,936,000	5,240,000	3,650,000	1,750,000
	Total Interest - All Funds - All Long-Term Debt	1,986,434	1,807,181	1,595,434	1,373,045	1,127,545	962,045
	Total - All Funds - All Long-Term Debt	<u>\$6,510,940</u>	<u>\$6,508,181</u>	<u>\$6,531,434</u>	<u>\$6,613,045</u>	<u>\$4,777,545</u>	<u>\$2,712,045</u>

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Long-Term Debt Service (continued)**  
Years Ending June 30, 2013 through 2027

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Totals</u>
-	-	-	-	-	-	-	-	-	520,000
-	-	-	-	-	-	-	-	-	21,580
-	-	-	-	-	-	-	-	-	12,000,000
-	-	-	-	-	-	-	-	-	1,904,050
-	-	-	-	-	-	-	-	-	2,648,000
-	-	-	-	-	-	-	-	-	182,584
-	-	-	-	-	-	-	6,462,000	-	6,462,000
79,483	79,483	79,483	79,483	79,483	79,483	79,483	59,612	-	1,092,886
500,000	525,000	550,000	575,000	575,000	600,000	625,000	650,000	-	7,225,000
184,000	164,000	143,000	121,000	98,000	75,000	51,000	26,000	-	2,346,000
1,350,000	1,425,000	1,475,000	1,525,000	1,600,000	1,675,000	1,725,000	1,800,000	1,875,000	21,450,000
<u>628,563</u>	<u>567,813</u>	<u>503,688</u>	<u>437,313</u>	<u>368,688</u>	<u>300,688</u>	<u>229,500</u>	<u>156,188</u>	<u>79,688</u>	<u>8,054,500</u>
1,850,000	1,950,000	2,025,000	2,100,000	2,175,000	2,275,000	2,350,000	8,912,000	1,875,000	50,305,000
892,045	811,295	726,170	637,795	546,170	455,170	359,983	241,799	79,688	13,601,599
<u>2,742,045</u>	<u>2,761,295</u>	<u>2,751,170</u>	<u>2,737,795</u>	<u>2,721,170</u>	<u>2,730,170</u>	<u>2,709,983</u>	<u>9,153,799</u>	<u>1,954,688</u>	<u>63,906,599</u>
-	-	-	-	-	-	-	-	-	8,506
-	-	-	-	-	-	-	-	-	200
-	-	-	-	-	-	-	-	-	8,506
-	-	-	-	-	-	-	-	-	200
-	-	-	-	-	-	-	-	-	8,705
1,850,000	1,950,000	2,025,000	2,100,000	2,175,000	2,275,000	2,350,000	8,912,000	1,875,000	50,313,506
892,045	811,295	726,170	637,795	546,170	455,170	359,983	241,799	79,688	13,601,799
<u>\$2,742,045</u>	<u>\$2,761,295</u>	<u>\$2,751,170</u>	<u>\$2,737,795</u>	<u>\$2,721,170</u>	<u>\$2,730,170</u>	<u>\$2,709,983</u>	<u>\$9,153,799</u>	<u>\$1,954,688</u>	<u>\$70,427,309</u>

**PROVO CITY SCHOOL DISTRICT**  
**Ratios of Outstanding Debt**  
 June 30, 2003 through 2012

Fiscal Year Ended June 30,	Outstanding General Obligation Bonds	Net General Bonded Debt as Percentage of Taxable Value	Net General Obligation Bonded Debt Per Capita	Net General Obligation Bonded Debt Per Student	Capital Lease and Lease Revenue Obligations	Total Debt	Total Debt as Percentage of Taxable Value	Total Debt Per Capita	Total Debt Per Student
2012	43,843,000	0.67%	374	2921	6,470,506	50,313,506	0.78%	436	3,406
2011	48,182,000	0.72%	400	3537	6,484,967	54,666,967	0.83%	461	4,084
2010	52,368,000	0.74%	434	3887	6,518,638	58,886,638	0.85%	497	4,456
2009	56,384,000	1.11%	468	4224	300,000	56,684,000	1.14%	478	4,321
2008	60,234,000	1.29%	520	4518	604,810	60,838,810	1.33%	534	4,638
2007	63,351,000	1.63%	536	4700	352,727	63,703,727	1.69%	554	4,857
2006	31,035,000	0.83%	284	2597	2,269,177	33,304,177	0.93%	317	2,903
2005	33,270,000	0.90%	280	2925	2,998,591	36,268,591	1.01%	314	3,285
2004	35,185,000	0.95%	301	3051	3,145,521	38,330,521	1.06%	336	3,411
2003	37,530,000	1.01%	336	3339	4,644,000	42,174,000	1.15%	383	3,815

Source: District Data

Note - data regarding the District's outstanding debt can be found in the notes to the financial statements

**PROVO CITY SCHOOL DISTRICT**  
**Overlapping and Underlying General Obligation Debt**  
For Fiscal year ending June 30, 2011

Taxing Entity	2011 Taxable Value	Board's Portion of Taxable Value	Board's Percentage	Entity's General Obligation Debt	Board's Portion of G.O. Debt.
<b>Overlapping:</b>					
State of Utah	201,473,174,488	4,385,901,114	2.18%	3,128,890,000	68,113,297
CUWCD (1)	25,238,817,475	4,385,901,114	17.38%	625,069,442	108,622,076
Utah County	25,238,817,475	4,385,901,114	17.38%	4,220,000	733,335
Total Overlapping					<u>177,468,708</u>
<b>Underlying:</b>					
Provo City (2)	4,385,901,114	4,385,901,114	100.00%	48,594,501	48,594,501
Total Underlying					<u>48,594,501</u>
Total Overlapping and Underlying General Obligation Debt					<u><u>226,063,209</u></u>
Total overlapping general obligation debt (excluding the State) (3)					109,355,411
Total direct general obligation bonded indebtedness					<u>43,843,000</u>
Total direct and overlapping general obligation debt (excluding the State) (3)					<u><u>153,198,411</u></u>
Total underlying general obligation debt					48,594,501
Total direct general obligation bonded indebtedness					<u>43,843,000</u>
Total direct and underlying general obligation debt					<u><u>92,437,501</u></u>
Total overlapping and underlying general obligation debt (excluding the State) (3)					157,949,912
Total direct general obligation bonded indebtedness					<u>43,843,000</u>
Total direct, overlapping, and underlying general obligation debt (excluding the State) (3)					<u><u>201,792,912</u></u>

**Taxable Value:** Taxable values used in this table for non-district entities were derived from [www.taxrates.utah.gov](http://www.taxrates.utah.gov)

(1) Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

(2) All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. The District's portion of overlapping general obligation debt does not include user fee revenue supported general obligation debt.

(3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

**PROVO CITY SCHOOL DISTRICT**  
**Computation of Legal Debt Margin**  
Years Ended June 30, 2003 through 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Estimated Fair Market Value	\$ 6,447,129,327	\$ 6,573,948,214	\$ 6,966,327,621	\$ 7,956,509,341	\$ 7,336,569,240	\$ 5,736,082,850	\$ 5,443,759,516	\$ 5,353,912,000	\$ 5,199,485,716	\$ 5,310,090,273
"Fair Market Value" X 4% (Debt Limit)	257,885,173	262,957,929	278,653,105	318,260,374	293,462,770	229,443,314	217,750,381	214,156,480	207,979,429	212,403,611
Less: General Obligation Debt	43,843,000	48,182,000	52,368,000	56,384,000	60,234,000	63,351,000	31,035,000	33,270,000	35,185,000	37,530,000
Legal Debt Margin*	<u>214,042,173</u>	<u>214,775,929</u>	<u>226,285,105</u>	<u>261,876,374</u>	<u>233,228,770</u>	<u>166,092,314</u>	<u>186,715,381</u>	<u>180,886,480</u>	<u>172,794,429</u>	<u>174,873,611</u>
Ratio Legal Debt Margin to Legal Debt Limit	83.00%	81.68%	81.21%	82.28%	79.47%	72.39%	85.75%	84.46%	83.08%	82.33%

The general obligation bonded debt of the District is limited by Utah law to 4% of the fair market value of the total taxable property in the District. The legal debt limit and additional debt incurring capacity of the District are based on estimated fair market value and the calculated valuation value from uniform fees, and are calculated as shown above.

In computing the fair market value of taxable property, the fair market value of all tax equivalent property is included as part of the calculation. Fair market value obtained from Utah County Assessor's Office.

Source: estimated FMV obtained from the Utah County Assessor's Office.

**PROVO CITY SCHOOL DISTRICT**  
**Selected Utah County Economic Statistics**

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate %</u>
2012	219,839	207,233	12,606	5.7
2011	218,762	204,526	14,236	6.5
2010	221,235	203,715	17,520	7.9
2009	224,227	207,815	16,412	7.3
2008	224,686	216,997	7,689	3.4
2007	224,060	218,565	5,495	2.5
2006	214,970	208,768	6,202	2.9
2005	206,358	198,131	8,227	4
2004	198,814	189,202	9,611	4.8
2003	189,964	179,846	10,117	5.3

	Utah County							
	2001	2002	2003	2004	2005	2006	2007	2008
Total personal income (\$ millions)	7,683.1	7,910.4	8,136.6	8,542.9	9,365.3	10,208.2	11,486.0	11,578.2
Per capita income	20,087	20,178	20,377	19,679	20,726	21,964	22,906	21,811
Average family income per IRS returns	48,965	46,375	48,431	50,768	54,538	59,749	60,881	N/A
Average monthly nonfarm wage	2,243	2,250	2,297	2,351	2,423	2,572	2,721	2,836
Gross taxable sales (\$000s)	4,326,455	4,394,333	4,433,228	4,791,033	5,432,300	6,409,994	6,847,708	7,155,220
Permit authorized construction (\$000)	824,155	925,347	889,518	889,518	1,042,802	1,369,824	1,499,277	757,504
New residential building permits	4,272	4,326	4,677	4,677	4,728	5,819	4,970	1,415
Residential building permits value (\$0C	576,294	623,777	706,068	706,068	770,583	1,074,621	1,037,687	284,796

Source: Utah Department of Workforce Services, <http://jobs.utah.gov/wi/>  
 N/A - Data Not Available  
 Years presented are limited to data available from Department of Workforce Services.

**PROVO CITY SCHOOL DISTRICT**  
**Demographic Information - Population Data**

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

1995-2010 (most recent year available)

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

Source: Utah Department of Health, "Utah's Vital Statistics: Births and Deaths, 2010"; Rates are per 1,000 people.

Historical Populations: Utah County and Provo City

1970-2010

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	117,592	501,447
2008	119,850	515,000
2009	122,151	515,000
2010	124,496	516,564

Years presented are limited to data available from stated sources



**PROVO CITY SCHOOL DISTRICT**

**Largest Employers - Provo City and Utah**

2011 (most recent data available)

Largest Employers in Provo City  
2011 (most recent year available)

Company Name	Employees <sub>1</sub>	Type of Company
Brigham Young University	15,000-19,999	Education
Utah Valley Regional Medical Center	2,000-2,999	Health Care
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

Source: Provo City ([www.provo.org](http://www.provo.org))

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

State Employer Source:  
State of Utah ([www.  
utah.gov](http://www.utah.gov))

**PROVO CITY SCHOOL DISTRICT**  
**Full-Time Equivalent Positions By Function**

**Years Ended June 30, 2005 through 2012**

Function	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Instruction	981	1,117	1,141	1,148	1,000	984	977	984
Students	50	59	54	52	52	51	49	50
Instructional Staff	40	36	33	38	40	41	31	32
General Administration	9	24	24	20	16	15	16	17
School Administration	75	79	80	74	74	70	70	70
Business and Central	22	24	25	22	20	26	27	26
Operation and Maintenance	85	119	152	139	148	148	95	95
Transportation	39	47	50	60	44	46	44	46
Other Support				11	1	1	25	26
Food Services	58	83	91	90	92	82	92	92
Community Services	65	186	173	135	146	100	93	93

Fiscal year 2005 was the first year reliable FTE data was available, therefore comparative data is presented from 2005 to present.

For the purpose of this report, full-time equivalent positions are defined by calculating full time and hourly positions based upon a 40 hour work week.

The District uses several different methods for reporting full-time equivalent positions.

Source: District data

**PROVO CITY SCHOOL DISTRICT**  
**Student Average Daily Membership By School**  
**As Reported in S-3 Report (unaudited)**  
Years Ended June 30, 2002 - 2011

	Fiscal Year										Net Change (2012 less 2003)
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>Elementary:</b>											
Amealia Earhart	575	585	630	630	587	588	556	567	568	588	13
Canyon Crest	504	501	501	521	514	481	500	455	490	494	(10)
Edgemont	431	434	447	474	485	446	452	489	528	565	134
Provo Peaks <sup>1</sup>	-	-	-	370	359	359	423	406	359	462	462
Franklin	563	560	532	526	500	486	564	546	494	517	(46)
Lakeview <sup>2</sup>	531	532	531	513	451	424	687	684	683	685	154
Joaquin	420	386	381	0	0	0	0	0	0	0	(420)
Provost	476	438	440	408	414	400	430	431	438	457	(19)
Rock Canyon	578	563	580	574	582	575	633	591	592	625	47
Spring Creek	510	520	511	548	608	611	523	566	568	570	60
Sunset View	676	618	638	614	622	607	580	556	545	531	(145)
Timpanogos	562	568	546	502	540	509	607	606	625	630	68
Wasatch	507	501	533	570	600	613	636	693	770	864	357
Westridge	778	754	783	771	771	794	848	871	860	889	111
<b>Secondary:</b>											
Centennial Middle	690	702	715	913	898	932	1,040	1,010	999	996	306
Dixon Middle	588	629	619	875	835	785	831	855	853	835	247
Farrer Middle	549	565	560	0	0	0	0	0	0	0	(549)
Provo High	1,688	1,731	1,760	1,787	1,763	1,696	1,697	1,652	1,603	1,683	(5)
Timpview High	1,633	1,634	1,607	1,615	1,637	1,699	1,818	1,801	1,944	1,938	305
Independence High	371	341	289	276	302	303	316	255	254	328	(43)
<b>Total:</b>	<b>12,631</b>	<b>12,562</b>	<b>12,604</b>	<b>12,488</b>	<b>12,468</b>	<b>12,308</b>	<b>13,141</b>	<b>13,033</b>	<b>13,173</b>	<b>13,657</b>	<b>1,026</b>

Source: District Data

The state of Utah requires student average daily membership to be audited by an independent auditor at the end of each school year. The state uses average daily membership as a major component in determining much, but not all, of the funds it allocates to public school districts in the next subsequent year.

Total daily membership per this schedule includes Youth in Custody, Early Intervention and Utah State Hospital program counts.

1-previously Farrer Elementary

2-previously Grandviw Elementary

**PROVO CITY SCHOOL DISTRICT**  
**Student Average Daily Membership By School and Grade**  
**As Reported in S-3 Report (unaudited)**  
Year Ended June 30, 2012

Enrollment Information for 2011-2012 **S3 is based on average day membership and does not include special education self-contained students.**  
Special Education self-contained students are reported in totals to the right only.

	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	MEM	
AMELIA EARHART	105	76	81	70	72	77	68	0	0	0	0	0	0	549	
CANYON CREST	72	77	71	69	61	78	65	0	0	0	0	0	0	492	
EDGEMONT	71	94	83	94	66	61	81	0	0	0	0	0	0	550	
PROVO PEAKS/ FARRER ELEM	49	75	52	53	48	30	38	0	0	0	0	0	0	345	
FRANKLIN	77	73	73	55	64	63	59	0	0	0	0	0	0	464	
LAKEVIEW	102	106	94	97	83	91	93	0	0	0	0	0	0	665	
PROVOST	76	69	54	62	46	56	59	0	0	0	0	0	0	422	
ROCK CANYON	88	87	70	104	69	87	99	0	0	0	0	0	0	605	
SPRING CREEK	90	74	88	68	87	72	75	0	0	0	0	0	0	555	
SUNSET VIEW	90	73	72	77	73	67	62	0	0	0	0	0	0	514	
TIMPANOGOS	116	103	96	82	61	87	66	0	0	0	0	0	0	610	
WASATCH	139	155	145	135	85	83	96	0	0	0	0	0	0	839	
WESTRIDGE	150	104	117	114	131	119	128	0	0	0	0	0	0	863	
CENTENNIAL	0	0	0	0	0	0	0	467	479	0	0	0	0	946	
DIXON	0	0	0	0	0	0	0	375	423	0	0	0	0	798	
PROVO H.S.	0	0	0	0	0	0	0	0	0	424	370	361	349	1,504	
TIMPVUE H.S.	0	0	0	0	0	0	0	68	36	488	471	453	419	1,934	
INDEPENDENCE H.S.	0	0	0	0	0	0	0	0	0	12	56	99	58	225	
CENTER FOR H.S. COMP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EAST BAY POST HIGH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Eschool@psd	6	4	3	9	6	6	10	13	10	11	14	12	5	109	
ADM COUNT BY GRADE	1,232	1,170	1,099	1,089	951	975	1,001	923	947	935	911	925	830	12,988	
ADM COUNT BY LEVEL	K	Total 1st-6th						Total 7th-8th		Total 9th-12th					
	1,232	6,285						1,870		3,601					
ADM TOTALS	Total K-6th						Total 7th-12th						12,988		
	7,517						5,471								
														Total Handicap Self-Contained	627
														Total Handicap Homebound	0.0
														Total Self-contained/Homebound	627
														Special Education	
														Resource Services (Time Setting "A","B")	1,238
														Grand Total	13,616

• The S3 report does not include students from the following programs: Youth-In-Custody, Early Intervention, and the Utah State Hospital

Source: District data; audited enrollment reports submitted to State

**PROVO CITY SCHOOL DISTRICT**  
**Number of Students per Teacher**  
 Years Ended June 30, 2003 - 2012

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<u>Grade</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
Kindergarten	24.30	24.00	25.90	23.00	23.10	27.70	27.70	27.70	27.00	27.00
1	22.67	22.40	23.60	22.00	21.80	27.70	27.70	27.70	27.00	27.00
2	23.23	23.20	24.50	22.00	23.10	27.70	27.70	27.70	27.00	27.00
3	25.20	25.30	27.30	23.00	25.80	27.70	27.70	27.70	27.00	27.00
4	28.27	27.60	31.20	26.00	25.60	27.70	27.70	27.70	27.00	27.00
5	26.80	26.60	28.80	25.00	26.20	27.70	27.70	27.70	27.00	27.00
6	26.33	26.20	28.80	24.00	25.80	27.70	27.70	27.70	27.00	27.00
7	23.73	23.80	23.40	24.00	24.00	28.00	28.00	28.00	27.70	27.70
8	23.57	23.70	23.00	24.00	24.00	28.00	28.00	28.00	27.70	27.70
9	24.50	24.40	25.10	24.00	24.00	28.00	28.00	28.00	27.70	27.70
10	25.10	25.20	23.10	27.00	25.50	28.00	28.00	28.00	27.70	27.70
11	25.27	25.30	23.50	27.00	25.50	28.00	28.00	28.00	27.70	27.70
12	26.30	26.10	25.80	27.00	25.50	28.00	28.00	28.00	27.70	27.70

Note: The above represents the average number of students that are required to hire one teacher. Actual class sizes may vary widely depending on the move-in patterns of students, etc.

Fiscal year 2003 was the first year reliable student/teacher data was available, therefore comparative data is presented from 2003 to present

Source: District data

**PROVO CITY SCHOOL DISTRICT**  
**Average Expenditure by Function per Pupil**  
 Years Ended June 30, 2003 - 2012

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	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Function:</b>										
Instruction	4,649	5,088	4,972	5,047	5,611	5,271	4,500	4,535	4,373	4,360
<b>Supporting services:</b>										
Student	261	275	283	280	281	287	255	267	256	218
Instructional staff	103	106	158	158	126	166	163	159	155	174
District administration	105	91	89	59	103	122	121	70	86	74
School administration	349	375	372	383	385	362	339	340	349	349
Business	203	216	223	215	221	97	98	214	70	98
Operation and maintenance of facilities	391	511	413	411	420	326	332	315	401	400
Student transportation	150	142	165	156	222	199	167	132	123	137
Central	80	83	5	7	32	163	86	3	69	68
School food services	364	389	377	386	365	348	315	316	326	279
Community services	239	251	265	358	338	319	252	306	193	184
Facilities & Construction	774	936	442	528	-	-	120	100	50	122
Interest on long-term liabilities	141	167	187	197	232	151	-	167	120	190
Total school district	7,810	8,630	7,950	8,185	8,335	7,812	6,748	6,925	6,570	6,653
Student Average Daily Membership	14,772	13,385	13,033	13,141	12,308	12,468	12,488	12,604	12,562	12,631

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Buildings - Original Year of Construction/Square Footage**

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Location/Site	Year Built/ Renovated Substantially	Square Footage
<b>Elementary Schools:</b>		
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
<b>Secondary Schools:</b>		
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
<b>Other:</b>		
Oakridge	1979	43,992
District Office	1965	28,875

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

Advanced Placement Test Results

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

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	
Total candidates	319	370	370	419	414	400	
Total exams taken	478	571	600	645	666	622	
Total exams passed	389	433	472	458	497	479	
Provo average passed	81%	76%	79%	71%	75%	77%	
	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Total candidates	400	404	408	438	448	570	569
Total exams taken	623	601	690	706	689	918	948
Total exams passed	468	418	480	322	318	379	422
Provo average passed	75%	70%	70%	72%	65%	65%	69%

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		
2003-04	533	2008-09	646		

Graduates

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Provo High School	322	365	344	344	310
Timpview High School	375	378	377	319	355
Independence High School	25	29	26	17	23
District Diplomas	30	37	37	34	60
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Provo High School	373	301	321	275	293
Timpview High School	385	405	376	377	363
Independence High School	38	26	36	34	24
District Diplomas	47	66	76	114	106

Educational Level of Teachers 2011-12

	#	%
Bachelors	392	59%
Masters	259	39%
Doctorate	9	1%
	660	

Staff Assignments 2011-12

	#
Teachers	660
Classified Contracted	142
Administrators	49

Teacher Years of Experience 2011-12

20 or more years	197	30%
6 - 19 years	230	35%
0 - 5 years	232	35%
	659	

Source: District Data



**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

*American College Test (ACT) Results*

The ACT standard scores are based on a scale on which a particular student might obtain a LOW of 1 up to a HIGH of 36.

	2003-04			2004-05			2005-06			2006-07		
	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>
English	22.5	20.9	20.4	22.9	21.2	20.6	22.4	21.2	20.7	22.7	21.3	20.7
Math	22.5	20.9	20.7	22.2	21.0	20.8	22.0	21.0	21.0	22.2	21.1	21.0
Reading	23.5	22.2	21.3	23.6	22.4	21.4	23.2	22.4	21.5	23.1	22.2	21.5
Science	22.6	21.4	20.9	22.3	21.6	20.9	22.1	21.6	21.0	22.4	21.6	21.0
Composite	22.9	21.5	20.9	22.9	21.7	21.1	22.6	21.7	21.2	22.7	21.7	21.2

	2007-08			2008-09			2009-10			2010-11		
	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>
English	22.3	21.4	20.6	21.8	21.4	20.6	21.6	21.4	20.5	22.1	21.4	20.6
Math	22.1	21.1	21.0	21.8	21.1	21.0	21.3	21.1	21.0	21.8	21.2	21.1
Reading	22.3	22.5	21.4	22.9	22.6	21.4	22.5	22.5	21.3	22.8	22.3	21.3
Science	22.3	21.6	20.8	21.8	21.6	20.9	21.6	21.7	20.9	22.0	21.7	20.9
Composite	22.6	21.8	21.1	22.2	21.8	21.1	21.9	21.8	21.0	22.3	21.8	21.1

	2011-12		
	<u>Provo</u>	<u>Utah</u>	<u>Nat'l</u>
English	20.3	20.0	20.5
Math	20.7	20.3	21.1
Reading	21.4	21.3	21.3
Science	20.9	20.8	20.9
Composite	20.9	20.7	21.1

**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

*Norm-Referenced Test (Formerly the SAT, now IOWA)*

	Fall 2004		Fall 2005		Fall 2006		Fall 2007		Fall 2008		Fall 2009	
	Provo	Utah	Provo	Utah	Provo	Utah	Provo	Utah	Provo	Utah	Provo	Utah
Third Grade ITBS												
Reading	64	64	63	65	59	58	57	57	58	57	58	57
Language	52	55	52	55	48	48	41	47	43	46	44	46
Mathematics	56	57	57	57	52	48	47	47	49	47	49	47
Social Studies	64	65	65	66	61	61	58	61	58	60	58	60
Science	69	69	68	69	65	63	62	63	62	63	64	63
Composite Score	64	65	64	65	59	58	55	57	56	57	56	57
Fifth Grade ITBS												
Reading	65	63	64	64	56	56	54	57	56	55	56	56
Language	61	58	57	57	52	53	50	53	53	51	52	51
Mathematics	65	59	62	59	54	52	54	52	60	52	58	53
Social Studies	62	61	59	61	55	57	52	56	54	55	54	54
Science	71	69	68	70	64	65	61	65	66	64	66	65
Composite Score	67	64	63	63	57	58	56	58	59	57	58	57
Eighth Grade ITBS												
Reading	63	62	62	62	59	59	64	59	60	60	61	61
Language	55	54	57	57	53	52	55	53	53	53	52	53
Mathematics	58	57	62	59	52	53	54	52	52	53	54	53
Social Studies	50	52	59	61	50	52	52	51	50	51	52	52
Science	63	64	68	70	63	65	66	65	64	65	66	66
Composite Score	58	58	63	63	55	56	58	56	56	57	57	57
Eleventh Grade ITBS												
Reading	68	62	67	62	65	62	not tested		not tested		not tested	
Spelling	56	52	54	51	52	51	not tested		not tested		not tested	
Revising Writing	58	56	58	55	56	54	not tested		not tested		not tested	
Mathematics	61	58	61	57	62	57	not tested		not tested		not tested	
Social Studies	62	60	64	59	57	58	not tested		not tested		not tested	
Science	65	65	66	62	53	61	not tested		not tested		not tested	
Composite Score	64	61	65	59	60	59	not tested		not tested		not tested	

*A score of 50 is the average score of the ITBS/ITED for the nation. Any score above 50 is above the national average. The first year the IOWA test was given in Utah was 2004.*

**State has discontinued the Iowa for 2 years beginning 2010-11**

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

*Elementary Criterion-Referenced Testing (CRT)*

		2003-2004		2004-2005		2005-06		2006-07		2007-08	
Grade		Average % Correct	Number Tested	Average % Correct	Number Tested	Average % Correct	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested
Language Arts	1	82%	1,037	80%	1,151	76%	1,153	73%	1,131	not tested	
	2	75%	1,020	77%	1,015	79%	1,108	77%	1,068	78%	1,068
	3	76%	995	75%	1,016	78%	1,006	78%	1,083	76%	1,041
	4	81%	951	81%	990	81%	980	79%	980	77%	1,048
	5	78%	914	79%	923	79%	960	77%	937	76%	947
	6	79%	989	82%	897	76%	903	80%	976	80%	917
Math	1	83%	1,038	76%	1,165	77%	1,151	71%	1,130	not tested	
	2	75%	1,020	78%	1,021	80%	1,109	74%	1,073	77%	1,067
	3	79%	999	79%	1,023	80%	998	81%	1,099	77%	1,039
	4	82%	956	80%	999	83%	975	79%	986	81%	4,048
	5	77%	917	83%	936	80%	957	78%	943	77%	940
	6	75%	696	77%	629	77%	608	63%	650	72	625
Science	1-3	not tested		not tested		not tested		not tested		not tested	
	4	62%	950	not available		62%	982	62%	984	64%	1,048
	5	59%	914	64%	931	66%	960	64%	952	65%	931
	6	63%	992	68%	895	72%	904	61%	955	69%	933

		2008-09		2009-10		2010-11		2011-12	
Grade		Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested
Language Arts	1	not tested		not tested		not tested		not tested	
	2	79%	1,064	81%	1,027	not tested		not tested	
	3	83%	1,035	81%	1,061	83%	1,018	86%	1,123
	4	82%	995	84%	1,064	85%	1,020	84%	1,007
	5	79%	1,020	80%	996	86%	1,034	88%	1,041
	6	83%	941	86%	1,017	87%	946	88%	1,045
Math	1	not tested		not tested		not tested		not tested	
	2	**	**	77%	1,027	not tested		not tested	
	3	**	**	75%	1,061	80%	1,018	84%	1,126
	4	**	**	76%	1,064	84%	994	83%	980
	5	**	**	77%	1,021	82%	1,031	83%	1,045
	6	**	**	65%	797	79%	751	82%	1038
Science	1-3	not tested		not tested		not tested		not tested	
	4	66%	1,002	65%	1,064	67%	1,021	69%	1,007
	5	68%	1,022	70%	996	74%	1,038	76%	1,047
	6	71%	943	76%	1,017	79%	946	79%	1,048

\*\* In 2008-09 new, more rigorous math tests were developed for each grade level and math subject the State of Utah has mandated that the new scores not be compared with previous years testing

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

Criterion-Referenced Testing (CRT)

Course	2003-2004		2004-2005		2005-06		2006-07		2007-08	
	Average %	Number Tested	Average %	Number Tested	Average %	Number Tested	Average %	Number Tested	Average %	Number Tested
	Proficient		Proficient		Proficient		Proficient		Proficient	
7th Lang Arts							84%	889	77%	928
8th Lang Arts							81%	911	85%	869
9th Lang Arts							79%	1,008	78%	926
10th Lang Arts							81%	1,005	82%	976
11th Lang Arts							81%	872	84%	924
7th grade Math			69%	403	60%	423	70%	453	73%	496
PreAlgebra	83%	1,201	79%	1,391	81%	1,243	78%	1,197	79%	1156
Algebra	69%	1,228	77%	1,097	72%	1,189	74%	1,192	79%	906
Geometry	72%	804	76%	875	68%	920	75%	907	76%	927
Science 7th	67%	994	63%	964	data not complete from state		69%	441	62%	504
Science 8th	68%	900	67%	978	68%	942	64%	898	67%	858
Earth Systems	64%	359	59%	376	66%	339	65%	356	59%	597
Biology	79%	629	65%	818	65%	978	70%	1,067	66%	989
Chemistry							66%	386	57%	393
Physics							56%	253	49%	294

Course	2008-09		2009-2010		2010-11		2011-12	
	Average %	Number Tested	Average %	Number Tested	Average %	Number Tested	Average %	Number Tested
	Proficient		Proficient		Proficient		Proficient	
7th Lang Arts	83%	903	84%	854	85%	966	84%	970
8th Lang Arts	81%	916	83%	926	90%	900	91%	1000
9th Lang Arts	78%	895	76%	959	87%	952	86%	966
10th Lang Arts	82%	901	83%	882	83%	925	85%	924
11th Lang Arts	76%	939	81%	886	83%	854	83%	912
7th grade Math	**	**	68%	567	67%	467	85%	641
PreAlgebra	**	**	79%	1099	79%	1036	58%	690
Algebra	**	**	63%	1,016	66%	1,103	52%	1,551
Geometry	**	**	59%	841	59%	812	68%	914
Science 7th	69%	388	69%	521	75%	553	72%	961
Science 8th	65%	904	70%	910	73%	899	73%	993
Earth Systems	58%	819	52%	598	55%	567	59%	523
Biology	69%	757	68%	1,073	68%	1,075	68%	1,024
Chemistry	65%	431	58%	450	46%	518	61%	449
Physics	66%	357	57%	395	81%	220	85%	223

\*\* In 2008-09 new, more rigorous math tests were developed for each grade level and math subject the State of Utah has mandated that the new scores not be compared with previous years testing

**PROVO CITY SCHOOL DISTRICT**  
**Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)**

Food Service

	Meals Served	Breakfasts Served	Free Lunch Served	% of Free lunches to Total Served	Reduced Cost Lunch Served	% of Reduced Cost lunches to Total Served
2001-02	1,214,770	252,424	526,438	43.34%	164,461	13.54%
2002-03	1,211,667	261,218	571,446	47.16%	157,921	13.03%
2003-04	1,226,062	267,538	603,325	49.21%	156,125	12.73%
2004-05	1,245,816	282,153	612,228	49.14%	160,509	12.88%
2005-06	1,256,839	289,865	609,996	48.53%	152,639	12.14%
2006-07	1,255,951	293,649	567,608	45.19%	164,048	13.06%
2007-08	1,253,673	305,989	560,368	44.70%	155,779	12.43%
2008-09	1,311,952	324,889	639,746	48.76%	162,320	12.37%
2009-10	1,315,197	345,581	693,426	52.72%	155,354	11.81%
2010-11	1,343,858	363,740	736,472	54.80%	152,940	11.38%
2011-12	1,319,933	357,943	736,901	55.83%	150,151	11.38%

Transportation

	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
2001-02	575,100	9,828	228	2,703	492	\$141	40
2002-03	620,280	9,572	246	2,950	496	\$178	40
2003-04	636,750	7,382	264	3,098	440	\$253	40
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

Vandalism Costs

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Glass replacement	\$ 23,922	\$ 16,480	\$ 11,820	\$11,946	\$ 12,071	\$18,553
Graffiti removal	3,000	2,910	1,944	2,930	3,916	5,500
Break-in repair	3,200	1,385	2,300	1,780	1,260	3,800
Total	<u>\$ 30,122</u>	<u>\$ 20,775</u>	<u>\$ 16,064</u>	<u>\$16,656</u>	<u>\$ 17,247</u>	<u>\$27,853</u>

	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>
Glass replacement	\$ 11,969	\$ 9,333	\$ 7,865	\$ 5,290	\$ 4,497
Graffiti removal	3,402	2,430	2,295	2,100	1,785
Break-in repair	2,500	7,662	6,441	6,548	5,566
Total	<u>\$ 17,871</u>	<u>\$ 19,425</u>	<u>\$ 16,601</u>	<u>\$13,938</u>	<u>\$ 11,847</u>

Cost Per Student

	<u>Total Expense</u>	<u>Number Students</u>	<u>Cost per Student</u>
2002-03	84,029,969	12,631	\$6,653
2003-04	82,527,916	12,562	\$6,570
2004-05	87,285,070	12,604	\$6,925
2005-06	84,316,764	12,488	\$6,752
2006-07	97,397,085	12,517	\$7,781
2007-08	102,592,066	12,998	\$7,893
2008-09	107,558,128	13,096	\$8,213
2009-10	103,614,965	13,081	\$7,921
2010-11	115,506,192	13,226	\$8,733
2011-12	115,367,458	14,772	\$7,810

Source: District Data

**PROVO CITY SCHOOL DISTRICT**  
**Schedule of Insurance in Force**  
June 30, 2011

	Expiration Date	Deductible	Limits	Fiscal Year	
				2012 Premium	2011 Premium
*Property	Until canceled	\$ 1,000	Replacement value	\$165,543	\$160,439
Boiler & Machinery	Until canceled	\$ 1,000	Replacement up to \$ 10,000,000		
Blanket Bond-Employee Fidelity	Until canceled	\$ 1,000	\$ 10,000,000		
Course of Construction	Until canceled	\$ 1,000	Replacement value		
*Liability	Until canceled	No deductible	\$ 10,000,000	89,131	98,385
General Liability	Until canceled	No deductible	\$ 10,000,000		
Auto Liability	Until canceled	No deductible	\$ 10,000,000		
Personal Injury	Until canceled	No deductible	\$ 10,000,000		
Errors or Omissions	Until canceled	No deductible	\$ 10,000,000		
Malpractice Liability	Until canceled	No deductible	\$ 10,000,000		
No Fault	Until canceled	No deductible	\$ 10,000,000		
Uninsured Motorist	Until canceled	No deductible	\$ 10,000,000		
Garage Keepers	Until canceled	No deductible	\$ 10,000,000		
*Automobile Physical Damage	Until canceled	\$ 500	Actual value	9,850	9,650
Busses	Until canceled	\$ 500	Actual value		
Driver Training Vehicles	Until canceled	\$ 500	Actual value		
All Others	Until canceled	\$ 500	Actual value		
**Worker's Compensation	Until canceled	No deductible	\$ 1,000,000	393,317	459,287
				<u>\$ 657,841</u>	<u>\$ 727,761</u>

\*Insurance policy is maintained with the Utah State Division of Risk Management

\*\*Insurance policy is maintained with the Utah School Boards Risk Management Mutual Insurance Association

Source: District Data

