

Provo City School District



Comprehensive Annual Financial Report



For the Year Ended June 30, 2016

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280 W 940 N
Provo, UT 84604
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Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

Keith Rittel
Superintendent

Stefanie Bryant
Business Administrator

Prepared By:
Devyn Dayley
Director of Accounting

Provo City School District
Board of Education and Officers



Back (left to right) Keith Rittel, Superintendent; Julie Rash, Board Chair; McKay Jensen, Board Member; Michelle Kaufusi, Board Member; Jim Pettersson, Board Member; Stefanie Bryant, Business Administrator

Front (left to right) Taz Murray, Board Member; Marsha Judkins, Board Member; Shannon Poulsen, Board Member

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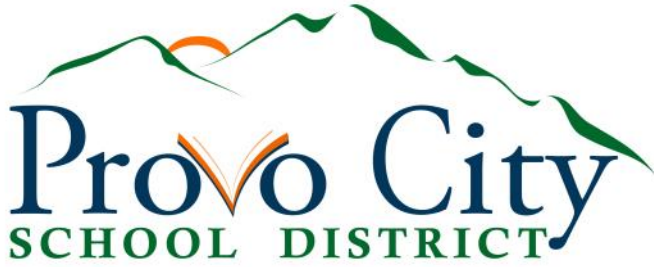
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Introductory Section

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Keith Rittel
Superintendent
Stefanie Bryant
Business Administrator

September 30, 2016

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

We are pleased to present, Provo City School District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. 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. Hansen, Bradshaw, Malmrose & Erickson, P.C., 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 auditors 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, 2016; this opinion indicates the statements are fairly presented in conformity with GAAP. The independent auditors' 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

**Superintendent's
Message**

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 16,983 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 an E-school (online) 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 nontraditional 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, 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, along with existing secondary language programs.

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.

The Provo City School District Foundation (Foundation) is a discretely presented component unit of the District; the Foundation is a legally separate entity established to support the District. The Foundation's financial data is presented as a separate column on the government-wide financial statements of the District. The Municipal Building Authority (Building Authority) of Provo City School District is a blended component unit established to support the District and is reported in the Capital Projects Fund. There are no other units of government that are dependent on the District.

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 AND LONG-TERM FINANCIAL PLANNING

The financial position of the District remains stable. The District has been able to maintain a strong financial position. Fiscal year 2015-16 saw revenue increases from both State and Federal sources. In November of 2014, the Board of Education placed \$108 million in GO bonds on the ballot for the purpose of rebuilding four elementary schools and one high school that were most critical on the long-term capital improvement plan. In 2015, just over \$50 million of the bonds were issued and ground was broken for two of the elementary schools. In 2016, two elementary schools were completed and another elementary school was started. In June 2016 the remainder of the approved bonds were issued.

District Efforts

Provo High School was to be built on its current location with bond funds, but during 2016, it was determined that Provo High School would be rebuilt on property the District owned on the west side of the City. Subsequently, Provo City School District sold the land and buildings of the current Provo High School to Brigham Young University (BYU). BYU will lease back Provo High School to the District at no cost for 18 months, during the construction period for the new school. In 2016, ground was broken for the new Provo High School. In June of 2016, the remainder of the approved bonds were issued. In fiscal year 2016-17 it is anticipated that the District will break ground on the final elementary school. These bonds have allowed the District to replace the most critical buildings, while providing necessary repairs and maintenance to the other District buildings with the property tax revenue generated from the capital levy.

District fund balances have increased from \$90,289,673 at June 30, 2015, to \$128,825,191 at June 30, 2016. This fund balance increase is primarily in the Capital Projects fund and is due to the GO bonds issued this year. While State law allows only a modest committed fund balance in the General fund, 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 City School District is well managed. District administration's first priority is to provide as many resources as possible to teachers and students in the classroom. The budget includes aggressive initiatives to provide up-to-date curriculum and cutting edge technology, along with professional development activities to provide teachers with the tools they need to be the most effective educators to the students of Provo City School District.

District administration has largely implemented the 20/20 initiative. Those areas not yet accomplished have been subsumed by a new District Improvement Plan, developed on the principles of collaboration and evidence-based research. This collaboration and research has allowed, with the support of strong school board goals, administrators to create a District Improvement Plan with one aim: student achievement. With the "aim" in mind, all stakeholders, including teachers, parents, administrators and students, will together create an environment that is conducive to learning and succeeding. During the budget preparation and discussions, District administration's priorities are to keep as many resources in the classroom as possible. With clear direction and goals, administration can provide resources to accomplish many of the aggressive goals provided by the board and the District Improvement Plan.

The District has an established record of being financially transparent and well run, consistently earning national financial awards. The District is committed to maintaining balanced budgets. We are taking

advantage of improving revenues to provide resources to promote educational achievement in the form of cutting-edge technology and professional development for our employees. Resources are also focused on one of the District's most important assets: its people. Making sure that we hire and retain the best teachers is a high priority to District administration.

District Master Plan

Another important asset to Provo City School District is its capital assets. Capital improvements are funded through two major sources: capital tax levies and general obligation bonds. With the general obligation bonds that have been issued over the last two fiscal years, the District continues a targeted and aggressive capital improvement schedule based on a community-based committee's long term capital plan recommendation.

All capital projects and maintenance efforts are part of a progressive 20-year building replacement and major upgrade plan. The oldest buildings, in most need of repair, will be replaced first, the years of original construction range from 1931-2016. The District expended \$28.3 million in large projects, from capital outlay funds, bond funds and other balances, during fiscal year 2016. Fiscal year 2017 will see the construction of Edgemont Elementary and substantial progress in the construction of Provo High School, using the bond proceeds. Ground will be broken for Provost Elementary in late 2016 or the beginning of 2017.

In August 2016, the District's Board of Education held a truth-in-taxation hearing to provide additional resources for ongoing capital needs, along with teacher salaries and other District needs. The District's capital outlay tax levy will provide approximately \$8 million annually, of which is \$1.5 million new revenue, which is used for ongoing building repairs and maintenance and minor renovations. Most major renovations and new building construction is funded through general obligation bonding.

**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, unless a truth-in-taxation is held. 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, 2016 was \$7,337,273. Total restricted governmental fund balances on June 30, 2016 were \$96,468,709, which includes \$3.3 million in restricted General Fund programs, \$1.7 million in Debt Service, \$87.8 million in Capital Projects (including bond proceeds), \$4.9 million in Building Reserve, and \$2.1 million in Food Services. The remaining fund balances include \$638K in Nonspendable fund balances, \$19.5 million in Committed fund balances, and \$1.7 million in assigned fund balances.

State Funding

The 2016 state fiscal school finance program is designed to provide every Utah school district with a basic operation program of \$3,092 per weighted pupil unit (WPU) (up from \$2,972 in fiscal year 2015). 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
Position**

The economic outlook of the District is heavily dependent on state aid, providing 67.5% of General Fund revenues. As noted above, the WPU is provided based on student enrollment. Enrollment in fiscal year 2016 was 16,983. Projected enrollment for FY17 and FY18 is 17,000 and 17,500, 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.

Unemployment rates in Utah have consistently been lower than the national average. In 2016, Utah's nonagricultural employment increased an estimated 3.5%, or 48,500 jobs, between June 2015 and June 2016. Nationally, employment increased 1.8% from June 2015 and June 2016. Utah's unemployment rate was 4.0% during June 2010, increasing slightly from June 2015. The national unemployment rate was 4.9% in June 2016.

Provo City is the county seat of Utah County, which has seen explosive growth in recent years. 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 2016 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) is anticipated to add 36,000 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 around 4,000 people. In addition, the percentage of Provo residents enrolled in the Provo City School District has increased slightly with the addition of Provo E-school, but some Provo residents are choosing to send their children to charter and private schools. Approximately 9 out of every 100 Provo residents is a student in Provo City School District.

The District adopts an annual budget for all revenues and expenditures; the adopted budget serves as the financial operating plan throughout 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.

**Budgetary
Control**

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 \$31.5 million for planned capital projects and improvements for Fiscal Year 2015-16. Appropriations for capital projects and improvements for fiscal year 2015-16 showed a significant increase due to the budget appropriations for bond expenditures. Timpview High School's multi-sports field was completed in FY16, with other ongoing HVAC projects in various stages of completion. Two elementary schools were significantly completed in FY16, with another elementary school and Provo High School started in FY16. Land was acquired for the relocation of the Transportation Department, and construction will commence in FY17.

**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 486 retirees receiving benefit coverage in addition to 195 present employees (and spouses) who have earned vested coverage upon retirement.

An actuarial study was completed in 2015, based on data as of July 1, 2014 that reflects an accrued liability of \$8,877,000 for the Medicare supplement and \$24,140,000 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 \$9,111,000 reflects an accrued liability for early retirement stipends. The annual recommended contribution (assuming 30 year amortization) was reported to be \$2,039,000. The District contributed \$3,226,316 for retiree benefits during fiscal year 2016. More detailed information can be found in Note 8 to the financial statements.

AWARDS AND 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, 2015. This was the thirteenth 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.

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, 2015. 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.

**Association of
School
Business
Officials**

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 thirteenth 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 continues to be critical to the success of District operations and achievements.

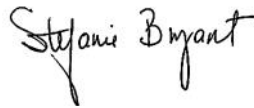
The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of the entire business staff. The District is appreciative of the efforts made by Devyn Dayley, Director of Accounting, for preparing this report and coordinating the annual audit. In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

A handwritten signature in black ink, appearing to read 'K. Rittel', with a stylized flourish extending to the right.

Keith Rittel, Superintendent

A handwritten signature in black ink, clearly legible as 'Stefanie Bryant'.

Stefanie Bryant, Business Administrator



Government Finance Officers Association

**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, 2015

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting Award
is presented to**

Provo City School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Brenda Burkett

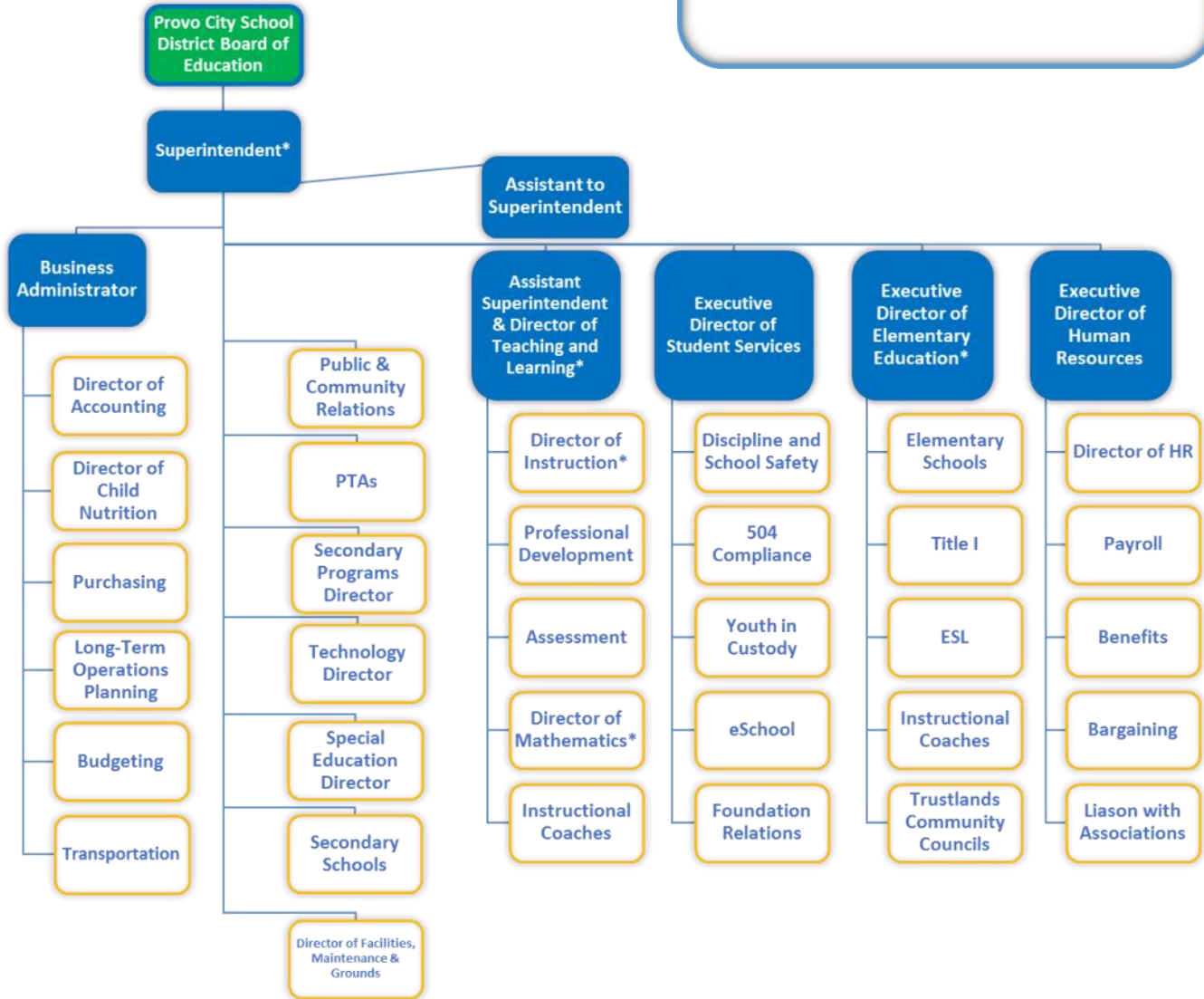
Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director

PROVO CITY SCHOOL DISTRICT
Organizational Chart

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



Board of Education

Taz Murray
District 1
Present Term: 2015-2018
Initial Appointment: 2014

Michelle Kaufusi
District 2
Present Term: 2015-2018
Initial Appointment: 2011

McKay Jensen (Vice President)
District 3
Present Term: 2015-2018
Initial Appointment: 2013

Shannon Poulsen
District 4
Present Term: 2015-2018
Initial Appointment: 2003

Julie Rash (President)
District 5
Present Term: 2013-2016
Initial Appointment: 2013

Marsha Judkins
District 6
Present Term: 2013-2016
Initial Appointment: 2013

Jim Petterson
District 7
Present Term: 2013-2016
Initial Appointment: 2013

District Administration

Keith Rittel
Superintendent
Initial Appointment: 2012

Stefanie Bryant
Business Administrator
Initial Appointment: 2014

Anne-Marie Harrison
Director of Instruction and Literacy

Gary Wilson
Director of Student Services

Jason Cox
Executive Director of Human Resources

Gary Wall
Director of Human Resources

Morgan Anderson
Special Programs Director

Alex Judd
Executive Director of Elementary Education

Jared Ferguson
Career Technology Education Director

Devyn Dayley
Accounting Director

Chad Duncan
Technology Director

Mark Wheeler
Facilities Director

Laura Larsen
Food Services Director

School Administration

Elementary Schools

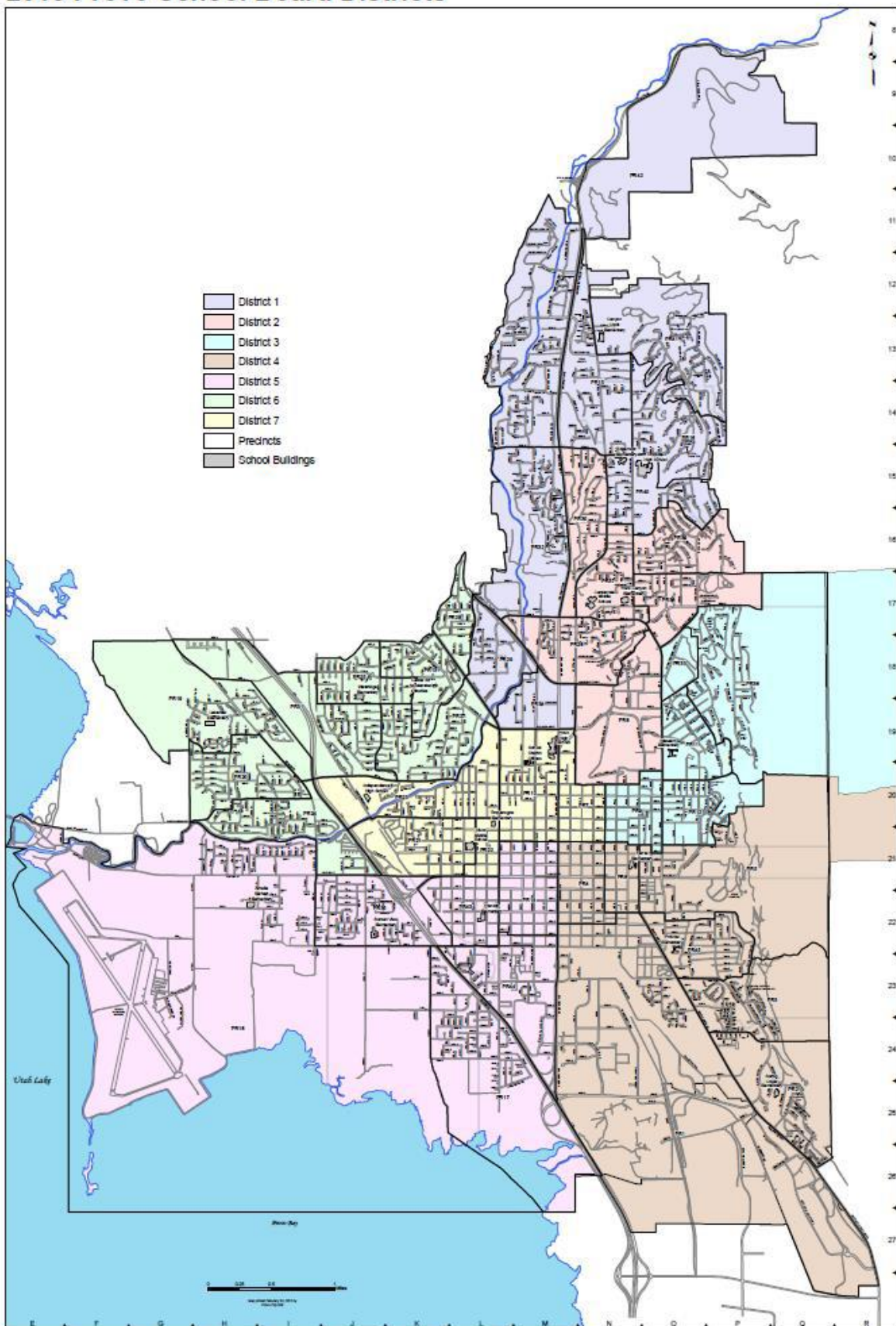
Amelia Earhart Ryan McCarty
Canyon Crest Darren Johnson
Edgemont Doug Finch
Provo Peaks Geo Guzman
Franklin Kim Hawkins
Lakeview Drew Daniels
Provost Dr. Stephen Oliverson
Rock Canyon Dean Nielsen
Spring Creek Jill Franklin
Sunset View Clint Smith
Timpanogos Carrie Rawlins
Wasatch Rene Cunningham
Westridge Rebekah Thomas

Middle Schools

Centennial Gaye Gibbs
Dixon Jarod Sites

High Schools

Provo High Karen Brown
Timpview Dr. Michael Todd McKee
Independence Lani Quisenberry



Financial Section

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Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

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of Certified Public
Accountants*

*Members of the
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Practice Section*

INDEPENDENT AUDITORS' REPORT

Board of Education
Provo City School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-27 and pension schedules on pages 59-62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

September 26, 2016

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Management's Discussion and Analysis

This section of Provo City School District's (the District) Comprehensive Annual Financial Report presents management's discussion and analysis (MD&A) of the District's financial performance during the year ended June 30, 2016. 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, 2016:

Government-Wide Net Position. The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$91.0 million at the close of fiscal year 2016.

Government-Wide Financial Progress (full-accrual basis of accounting): During the year, expenses were \$15.9 million less than the \$141.9 million generated in taxes and other revenues for governmental activities. The \$15.9 million increase in net position is due primarily to an increase in state funding corresponding with an increase in enrollment and the increase in the weighted pupil unit (WPU). State aid is based primarily on WPUs. If a student is in membership a full 180 days, the state awards the District one WPU. The value of the WPU for the year ended June 30, 2016 was \$3,092 (\$2,972 for fiscal year 2015).

Governmental Funds Financial Progress (modified-accrual basis of accounting): During the year ended June 30, 2016 the combined fund balances increased by \$37.2 million. This increase is primarily due to the issuance of an additional \$50 million in general obligation bonds. Construction on two elementary schools has substantially been completed, with construction on two other elementary schools and the high school beginning in fiscal year 2017.

The District's **Capital Projects Fund** makes up the largest portion of the overall total fund balance among all governmental funds at \$87.8 million (this includes bond proceeds). The General fund has a fund balance of \$30.5 million, which increased by \$2.7 million.

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. During fiscal year 2014, District administration, school board members, and community stakeholders began discussions regarding the capital improvement plan and focusing on the most critical buildings. All of the groups came to the consensus that issuing bonds would be the best way to take care of replacing the needed schools. In November 2014, the bonds were on the ballot for the citizens of Provo to vote on. The voters approved the bonds by a significant majority.

All of the new bonds have been issued and will facilitate in the replacement of Edgemont, Provost, Rock Canyon and Sunset View elementaries, along with Provo High School. At June 30, 2016, construction on Rock Canyon and Sunset View elementary schools has substantially been completed, ground has been broken on Edgemont Elementary and Provo High School. The final elementary school will begin in FY17.

Overview of the Financial Statements

This MD&A 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 Position* presents information on all of the assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements can be found on pages 30 to 31 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 are governmental 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. The District has, in the past, used the Municipal Building Authority, reported as a blended component unit, as an additional governmental fund, but this fund is now reported in the Capital Projects fund. The Tax Increment fund is the District's newest fund, reporting on the amount of property tax revenue that the District would receive, but is sent to the Provo Redevelopment Agency for projects throughout the city of Provo. 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 32 to 36 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 37 to 57 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 66 to 77 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 Position - Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91.0 million at the close of the most recent fiscal year. When compared to the previous fiscal year, net position of the District's governmental activities increased 21% to \$91.0 million. The increase is primarily due to an increase in state and local revenue. Further, net position is 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, with the implementation of GASB 68, unrestricted net position is \$1.8 million at the end of this year.

The largest portion of the District's net position (\$67.8 million) 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 position (\$21.4 million) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted net position (\$12.7 million) is for the Capital Projects fund (Capital Projects and Building Reserve).

	Governmental activities		
	2016	2015	Change from 2015
Current and other assets	\$ 193.1	\$ 146.5	\$ 46.6
Capital assets	<u>127.6</u>	<u>101.6</u>	<u>26.0</u>
Total assets	320.7	248.1	72.6
 Total Deferred Outflows of Resources	 20.6	 7.8	 12.8
 Other liabilities	 17.0	 17.0	 0.0
Long-term liabilities outstanding	<u>192.8</u>	<u>130.9</u>	<u>61.9</u>
Total liabilities	209.8	147.9	61.9
 Total Deferred Inflows of Resources	 40.5	 32.9	 7.6
 Net Position:			
Net investment in capital assets	67.8	61.5	6.3
Restricted	21.4	12.1	9.3
Unrestricted	<u>1.8</u>	<u>1.5</u>	<u>0.3</u>
Total net position	<u>\$ 91.0</u>	<u>\$ 75.1</u>	<u>\$ 15.9</u>

B. Changes in Net Position – Governmental Activities

The District's total net position increased by \$15.9 million during the current year. This is primarily due to an increase in state and local revenue. Unrestricted net position remained flat from the previous year.

The District's total revenues for the year were \$141.9 million, which represents an increase of \$13.3 million over the prior year. Total revenue from operating grants and contributions (specific to programs and funds) comprise 67% of the District's revenues; property taxes generated 29% of the District's revenues. Revenues from operating grants and contributions increased from the prior year by \$6.2 million, primarily due to an increase in state revenue.

As compared to the prior year, the total cost of all programs and services increased by \$8.4 million to \$126 million. Instruction and support services (including food services) were 65% and 25%, respectively, of the District's expenses. Increases in expenses were primarily due to normal increases in salaries and benefits and equipment expenses relating to the District's technology initiative.

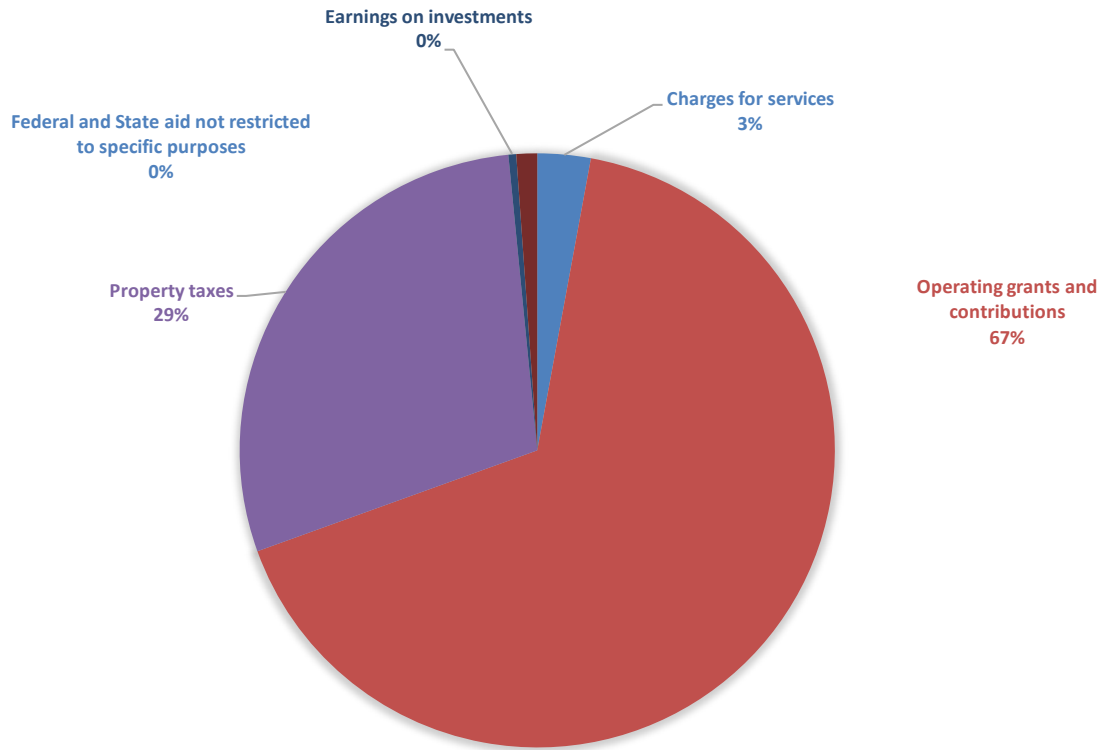
Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. The District's primary source of funding is based on the WPU and other state appropriations. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the difference with state funding.

Provo City School District's Changes in Net Position

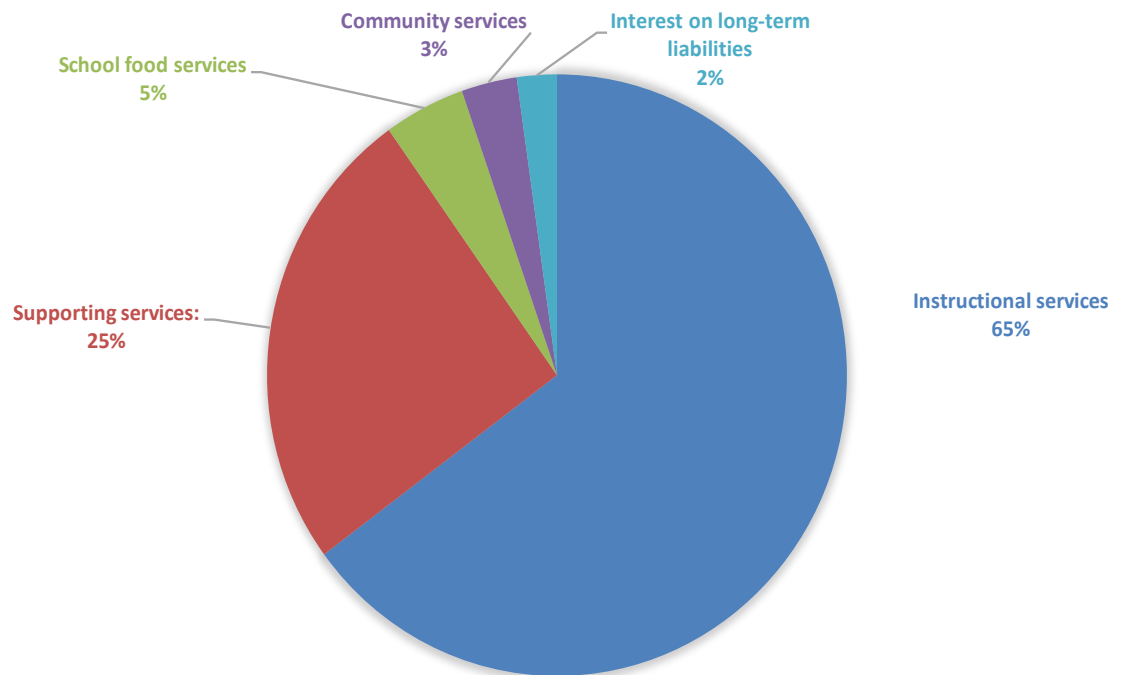
Years Ended June 30, 2016 and 2015

(in millions of dollars)

	Governmental activities		
	2016	2015	Change from 2015
Revenues:			
Program revenues:			
Charges for services	\$ 4.1	\$ 2.7	\$ 1.4
Operating grants and contributions	94.5	88.3	6.2
General revenues:			
Property taxes	41.1	34.5	6.6
Federal and state aid not restricted to specific purposes	-	2.3	(2.3)
Earnings on investments	0.6	0.3	0.3
Miscellaneous	1.6	0.5	1.1
Total revenues	<u>141.9</u>	<u>128.6</u>	<u>13.3</u>
Expenses:			
Instructional services	81.7	79.3	2.4
Supporting services:			
Students	4.5	4.1	0.4
Instructional staff	1.4	1.2	0.2
District administration	2.7	2.2	0.5
School administration	6.1	5.5	0.6
Business	6.8	5.7	1.1
Operation and maintenance of facilities	8.0	6.4	1.6
Transportation	2.4	2.0	0.4
Other	0.0	0.0	-
School food services	5.7	5.6	0.1
Interest on long-term liabilities	2.8	2.0	0.8
Total expenses	<u>126.0</u>	<u>117.6</u>	<u>8.4</u>
Changes in net position	<u>15.9</u>	<u>11.0</u>	<u>4.9</u>
Net position, beginning	<u>75.1</u>	<u>64.1</u>	<u>11.0</u>
Net position, ending	<u>\$ 91.0</u>	<u>\$ 75.1</u>	<u>\$ 15.9</u>



REVENUES BY SOURCES - GOVERNMENTAL ACTIVITIES
FOR YEAR ENDED JUNE 30, 2016



EXPENSES BY FUNCTION - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

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.

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 providing breakfast, lunch, and other food services to students.

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 - a blended component unit, used to account for funds received from lease revenue bonds under the direction of the Municipal Building Authority. This fund is reported with the Capital Projects fund.

Tax Increment Fund (special revenue fund) - used to account for property tax revenue that would be received by Provo City School District, but is collected by Utah County and remitted to the Provo City Redevelopment Agency to assist in major projects within Provo City limits.

As the District completed the year, its governmental funds reported a combined fund balance of \$128.8 million, which is a \$38.5 million increase from the previous year. The primary reason for the increase in fund balance is the issuance of \$50 million of general obligation bonds, the remainder of the bonds approved in 2014. In addition, the following changes should be noted:

- The District's *General* fund balance increased by \$2.7 million. Some of this increase occurred in the restricted portion of the *General* fund balance. This increase is due primarily to an increase in state revenue, along with conservative spending in restricted programs. The other portion is due to an increase in local, unrestricted revenue.
- The *Capital Projects* fund balance increased by \$31.4 million. The primary reason for this change in fund balance is due to the issuance of an additional \$50 million in general obligation bonds. Two elementary schools will be opening for the FY17 school year, with two more elementary schools and a high school in various stages of commencement.
- The *Building Reserve* fund increased by \$1.5 million to continue to provide necessary building replacements and improvements in the future.
- All other changes in fund balances are due to normal fluctuations in operational resources and property tax collections, and economic constraints.
- Total District expenditures totaled \$163 million, an increase of \$34.3 million compared to the previous fiscal year. The increase is primarily due to the expenditures relating to the bond and an aggressive capital improvement plan. There are also normal increases in salaries and benefits.
- General fund salaries totaled \$58.4 million, an increase of \$3.2 million from the previous fiscal year. This is due to an increase in salaries districtwide. Employee benefits, including retirement, Social Security, and insurance (health and accident, industrial, and unemployment) totaled \$28.6 million as compared to \$27.5 million in the previous year. These benefits fluctuated comparatively to salaries, and also included an increase to health insurance.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into non-spendable, restricted, committed, assigned 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. *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 fundraising 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 Local Revenues
(all governmental funds combined)

	2016		2015
Property taxes	\$ 41,153,281	\$	34,716,507
Tuitions	147,185		66,691
Transportation fees	267,544		180,586
Earnings on investments	569,045		331,966
Food Services	1,031,822		1,091,382
Other revenues from local sources	7,466,044		6,476,466
Total	\$ 50,634,921	\$	42,863,598

Budgetary Highlights

During 2016, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1.7 million in total General fund revenues and an increase of \$465K in General fund expenditures. The most significant budget changes may be summarized as follows:

- *State revenue* is the primary source of revenue for the District, with the majority of state revenue being allotted to the school districts on a per student basis. The most significant budget change was to state revenue as a result of the decrease in projected enrollment in Provo City School District, primarily attributable to Provo eSchool. The decrease in state budgeted revenue was \$1.5 million.
- *Property tax revenue* is the second largest source of revenue in the General fund. The budget for property tax revenue was increased by \$2 million during the year, based primarily on an increase in assessed property values.
- *Federal revenue* is also a significant portion of the District’s budget. Federal revenue increased by \$1.3 million during the year due to additional grants awarded for restricted purposes.

- Most budget changes in the *General* fund were minor and between functions to correctly account for expenditures by function. Further changes by function will take place in the next fiscal year with guidance from the Utah State Board of Education.

Capital Assets & Debt Administration

A. Capital Assets

Most capital assets (buildings and equipment) are purchased out of the Capital Projects fund. The Capital Projects fund is also used to account for the costs incurred in maintaining and remodeling District facilities. Other funds are also used to purchase equipment for the functions within each fund.

Capital assets at June 30, 2016 and 2015 are outlined below:

PROVO CITY SCHOOL DISTRICT Capital Assets (net of accumulated depreciation in millions of dollars)				
	2016	2015		Total Change
School sites (land)	\$ 6.2	\$ 6.2		\$ -
Works of art	0.4	0.4		-
Construction in progress	30.6	2.8		27.8
Buildings	83.6	86.0		(2.4)
Furniture & equipment	6.8	6.2		0.6
Total	\$ 127.6	\$ 101.6		\$ 26.0

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

- Construction was completed on the Timpview multi-sports field.
- Significant HVAC projects were completed in various schools.
- Carpet was replaced in several classrooms throughout the District.
- Several hundred computers were purchased, replacing student labs and teacher computers. Several classroom labs of Chromebooks were placed in schools as part of the District's technology initiatives.
- Construction was substantially completed on Rock Canyon and Sunset View elementary schools. These two schools were the first two schools to be started using the bond proceeds that were received in FY15 and FY16. Edgemont Elementary School construction has commenced, along with Provo High School. Construction on Provost Elementary will begin during the next fiscal year.

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, 2016 is \$302.7 million. General obligation debt at June 30, 2016 is \$125.7 million, resulting in a legal debt margin of \$177 million.

Outstanding General Obligation Debt			
	2016	2015	Total Change
Outstanding G.O. Debt	<u>\$ 125.7</u>	<u>\$ 82.0</u>	<u>\$ 43.7</u>

Additional information regarding the District’s 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.

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Basic Financial Statements

Financial Section

PROVO CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Primary Government	Component Unit Provo School District Foundation
	Governmental Activities	
Assets:		
Cash and investments	\$ 54,112,663	947,178
Restricted cash	86,460,704	-
Receivables:		
Property taxes	37,381,541	-
Other local, less allowance for doubtful accounts of \$93,000	225,515	-
State	1,295,937	-
Federal	2,532,608	-
Note receivable	71,072	-
Prepaid expenses	430,940	-
Inventories	138,511	-
Net other post employment benefits	10,427,705	-
Net pension asset	3,643	-
Capital assets:		
Land, construction in progress, and works of art	37,141,463	-
Buildings and equipment, net of accumulated depreciation	90,483,214	-
 Total assets	 <u>320,705,516</u>	 <u>947,178</u>
Deferred Outflows of Resources:		
Deferred loss on refunding	1,305,508	-
Deferred outflows relating to pensions	19,285,859	-
 Total deferred outflows of resources	 <u>20,591,367</u>	 <u>-</u>
Liabilities:		
Accounts payable	6,413,102	103,326
Accrued interest payable	174,074	-
Payroll and related payables	9,862,485	-
Unearned revenue:		
Other local	82,220	-
Federal	517,815	-
Noncurrent liabilities:		
Due within one year	5,888,581	-
Due in more than one year	135,994,988	-
Net pension liability	50,877,986	-
 Total liabilities	 <u>209,811,251</u>	 <u>103,326</u>
Deferred Inflows of Resources:		
Deferred property tax revenue	34,979,933	-
Deferred inflows relating to pensions	5,506,188	-
 Total deferred inflows of resources	 <u>40,486,121</u>	 <u>-</u>
Net Position:		
Net investment in capital assets	67,791,542	-
Restricted for:		
Debt service	1,721,779	-
Capital projects	7,774,982	-
Student activities	1,732,942	-
Building reserve	4,872,240	-
School food services	2,214,535	-
Provo School District Foundation	-	-
State/Federal restricted programs	3,105,603	-
Unrestricted	1,785,888	843,852
 Total net position	 <u>\$ 90,999,511</u>	 <u>\$ 843,852</u>

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

PROVO CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2016

Functions	Expenses	Program Revenues		Net Revenues (Expenses) and Changes in net position	
		Charges for Services	Operating Grants and Contributions	Primary	Component Unit
				Government Total Governmental Activities	Provo School District Foundation
Governmental activities:					
Instructional services	\$ 81,704,867	\$ 2,190,250	\$ 82,945,454	\$ 3,430,837	\$ -
Supporting services:					
Students	4,506,235	1,760	2,336,420	(2,168,055)	-
Instructional staff	1,385,368	-	350,447	(1,034,921)	-
District administration	2,726,120	-	757,370	(1,968,750)	-
School administration	6,069,529	-	416,914	(5,652,615)	-
Business	6,786,963	-	314,039	(6,472,924)	-
Operation and maintenance of facilities	8,999,562	-	-	(8,999,562)	-
Transportation	2,405,649	267,544	1,103,363	(1,034,742)	-
School food services	5,744,991	1,031,822	4,621,708	(91,461)	-
Community services	3,944,727	592,460	1,731,024	(1,621,243)	-
Interest on long-term liabilities	2,753,362	-	-	(2,753,362)	-
Total school district	\$ 127,027,373	\$ 4,083,836	\$ 94,576,739	(28,366,798)	-
Component unit:					
Provo School District Foundation	\$ 199,642	\$ -	290,634	\$ -	\$ 90,992
General Revenues:					
Property taxes levied for:					
Basic state supported program for regular K-12 instruction				9,592,821	-
Voted leeway for regular K-12 instruction				7,374,730	-
Board leeway and Board local leeway				8,611,415	-
Debt service of general obligation bonds				7,828,560	-
Capital outlay for buildings and other capital needs				7,720,775	-
Earnings on investments				569,045	3,447
Miscellaneous				2,570,194	-
Total general revenues				44,267,540	3,447
Changes in net position				15,900,742	94,439
Net position - beginning				75,098,769	749,413
Net position - ending				\$ 90,999,511	\$ 843,852

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

PROVO CITY SCHOOL DISTRICT
Balance Sheet—Governmental Funds
June 30, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
Assets:					
Cash and investments	\$ 35,843,279	\$ -	\$ 11,592,017	\$ 6,677,367	\$ 54,112,663
Restricted cash	3,105,603	1,438,537	80,020,979	1,895,585	86,460,704
Receivables:					
Property tax	27,067,673	7,353,909	2,959,959	-	37,381,541
Other local	188,745	-	17,750	19,020	225,515
State	951,733	-	-	344,204	1,295,937
Federal	2,486,555	-	-	46,053	2,532,608
Note receivable	71,072	-	-	-	71,072
Prepaid items	428,235	-	2,705	-	430,940
Inventories	-	-	-	138,511	138,511
Total assets	\$ 70,142,895	\$ 8,792,446	\$ 94,593,410	\$ 9,120,740	\$ 182,649,491
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,333,187	\$ -	\$ 3,987,757	\$ 92,158	\$ 6,413,102
Payroll and related payables	9,634,172	-	19,448	208,865	9,862,485
Unearned revenue:					
Other local	82,220	-	-	-	82,220
Federal	517,815	-	-	-	517,815
Total liabilities	12,567,394	-	4,007,205	301,023	16,875,622
Deferred Inflows of Resources:					
Deferred property tax revenue	27,090,472	7,070,667	2,787,539	-	36,948,678
Fund Balances:					
Nonspendable:					
Inventories and prepaid items	428,435	-	2,705	138,511	569,651
Long-term portion, note receivable	71,072	-	-	-	71,072
Restricted For:					
Building reserve	-	-	-	4,872,240	4,872,240
School food services	-	-	-	2,076,024	2,076,024
Capital projects	-	-	87,795,961	-	87,795,961
Debt service	-	1,721,779	-	-	1,721,779
State/Federal restricted programs	3,105,603	-	-	-	3,105,603
Committed To:					
OPEB	14,198,244	-	-	-	14,198,244
Board voted contingency	5,344,402	-	-	-	5,344,402
Assigned To:					
Schools	-	-	-	1,732,942	1,732,942
Unassigned	7,337,273	-	-	-	7,337,273
Total fund balances	30,485,029	1,721,779	87,798,666	8,819,717	128,825,191
Total liabilities, deferred inflows of resources, and fund balances	\$ 70,142,895	\$ 8,792,446	\$ 94,593,410	\$ 9,120,740	\$ 182,649,491

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

Total fund balances for governmental funds \$ 128,825,191

Total net position reported for governmental activities in the statement of net position 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	30,556,985	
Works of art	356,150	
Buildings and improvements	154,016,565	
Furniture and equipment	24,855,647	
Accumulated depreciation for:		
Buildings and improvements	(70,382,150)	
Furniture and equipment	(18,006,848)	
	127,624,677	127,624,677

Net OPEB asset is not reported in the governmental funds. This amount represents accumulated plan contributions in excess of annual OPEB costs. 10,427,705

GASB 68 requires state and local governments to disclose in their government-wide statement of net position, their net pension liability and/or the net pension asset and the deferred inflows and outflows of resources relating to pensions and pension expense.

Net pension asset	\$ 3,643	
Deferred outflows relating to pensions	19,285,859	
Net pension liability	(50,877,986)	
Deferred inflows relating to pensions	(5,506,188)	
	(37,094,672)	(37,094,672)

Some of the District's property taxes will be collected after year-end, and are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. 1,968,745

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (174,074)

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

General obligation bonds	\$ (125,700,000)	
Deferred amounts for issuance premium/discount	(8,774,021)	
Deferred amount on refunding	1,305,508	
Lease revenue bonds	(6,462,000)	
Obligations under capital leases	(25,798)	
Notes payable	(197,803)	
Vacation payable	(723,947)	
	(140,578,061)	(140,578,061)

Total net position of governmental activities \$ 90,999,511

The notes to the 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, 2016

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
Revenues:					
Local sources:					
Property taxes	\$ 22,720,856	\$ 10,679,802	\$ 6,506,912	\$ 1,245,711	\$ 41,153,281
Food service sales	-	-	-	1,031,822	1,031,822
Interest	349,896	-	212,946	6,203	569,045
Other local	3,316,901	-	259,795	4,304,077	7,880,773
State	76,361,890	-	905,147	883,962	78,150,999
Federal	10,429,429	-	-	3,737,746	14,167,175
Total revenues	113,178,972	10,679,802	7,884,800	11,209,521	142,953,095
Expenditures:					
Current:					
Instructional services	76,138,778	-	-	3,863,852	80,002,630
Supporting services:					
Students	4,351,628	-	-	-	4,351,628
Instructional staff	1,401,766	-	-	-	1,401,766
District administration	2,677,541	-	-	-	2,677,541
School administration	6,074,372	-	-	-	6,074,372
Business	5,572,004	-	-	1,245,711	6,817,715
Operations and maintenance of facilities	6,855,656	-	821,960	-	7,677,616
Transportation	2,111,779	-	246,276	-	2,358,055
School food services	-	-	-	5,387,139	5,387,139
Community services	3,836,172	-	-	-	3,836,172
Capital outlay	-	-	32,464,306	-	32,464,306
Debt service:					
Principal retirement	-	6,905,000	27,626	-	6,932,626
Interest and fiscal charges	-	2,929,812	79,461	-	3,009,273
Total expenditures	109,019,696	9,834,812	33,639,629	10,496,702	162,990,839
Excess (deficiency) of revenues over (under) expenditures	4,159,276	844,990	(25,754,829)	712,819	(20,037,744)
Other financing sources (uses):					
Proceeds from debt issuance	-	-	50,650,000	-	50,650,000
Proceeds from debt issuance (premium)	-	-	6,511,116	-	6,511,116
Proceeds from sale of capital assets	20,731	-	8,317	996	30,044
Transfers in (out)	(1,500,000)	-	-	1,500,000	-
Total other financing sources (uses)	(1,479,269)	-	57,169,433	1,500,996	57,191,160
Net change in fund balances	2,680,007	844,990	31,414,604	2,213,815	37,153,416
Fund balances - beginning as reported	27,805,022	876,789	55,001,960	6,605,902	90,289,673
Prior period adjustments	-	-	1,382,102	-	1,382,102
Fund balances - ending	\$ 30,485,029	\$ 1,721,779	\$ 87,798,666	\$ 8,819,717	\$ 128,825,191

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

Net change in fund balances - total governmental funds \$ 37,153,416

Total net change in fund balances reported for governmental activities in the statement of activities is different because:

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 expense. 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	\$ 33,835,514	
Sale of capital assets	(1,022,973)	
Depreciation expense - capital assets	<u>(6,764,914)</u>	26,047,627

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. 1,726,000

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 1,087,293

Property tax revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements. (24,980)

The governmental funds report bond proceeds as an other financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of 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 bonds and related items is as follows:

Proceeds from bond issuance	(57,161,116)	
Repayment of bond principal	6,905,000	
Bond interest expense	417,981	
Amortization of deferred amounts, net	<u>(162,070)</u>	(50,000,205)

Capital assets acquired through capital leases are shown as an expenditure and other financing sources 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 position and reduces the District's obligations. Interest expense is recognized as it accrues.

Principal payments on note/lease payable	<u>27,626</u>	27,626
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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)		<u>(116,035)</u>
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Change in net position of governmental activities \$ 15,900,742

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual—*General Fund*
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Postive (Negative)
	Orginal	Final		
Revenues:				
Local sources:				
Property taxes	\$ 21,375,169	\$ 23,341,169	\$ 22,720,856	\$ (620,313)
Interest	360,596	360,596	349,896	(10,700)
Other local	4,713,262	4,570,403	3,316,901	(1,253,502)
State	76,903,945	75,428,011	76,361,890	933,879
Federal	9,860,342	11,182,642	10,429,429	(753,213)
Total revenues	<u>113,213,314</u>	<u>114,882,821</u>	<u>113,178,972</u>	<u>(1,703,849)</u>
Expenditures:				
Current:				
Instructional services	82,614,360	82,045,542	76,138,778	5,906,764
Supporting services:				
Students	3,998,214	4,753,562	4,351,628	401,934
Instructional staff	1,657,046	1,578,801	1,401,766	177,035
District administration	2,632,542	2,918,757	2,677,541	241,216
School administration	5,705,969	5,871,095	6,074,372	(203,277)
Business	6,133,629	5,998,422	5,572,004	426,418
Operations and maintenance of facilities	5,480,276	5,464,791	6,855,656	(1,390,865)
Transportation	2,212,374	2,212,374	2,111,779	100,595
Community services	3,187,511	3,243,886	3,836,172	(592,286)
Total expenditures	<u>113,621,921</u>	<u>114,087,230</u>	<u>109,019,696</u>	<u>5,067,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(408,607)</u>	<u>795,591</u>	<u>4,159,276</u>	<u>3,363,685</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	25,000	25,000	20,731	(4,269)
Transfers in (out)	-	(1,500,000)	(1,500,000)	-
Total other financing sources (uses)	<u>25,000</u>	<u>(1,475,000)</u>	<u>(1,479,269)</u>	<u>(4,269)</u>
Net change in fund balance	<u>(383,607)</u>	<u>(679,409)</u>	<u>2,680,007</u>	<u>3,359,416</u>
Fund balance - beginning	<u>27,805,022</u>	<u>27,805,022</u>	<u>27,805,022</u>	
Fund balance - ending	<u>\$ 27,421,415</u>	<u>\$ 27,125,613</u>	<u>\$ 30,485,029</u>	<u>\$ 3,359,416</u>

The notes to the 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 discrete and 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 discrete component unit. 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. The Municipal Building Authority of Provo City School District has the same board as the Board of Education and provides financing services solely to the District. All of the Building Authority's debt outstanding is expected to be repaid with resources of the District. The Building Authority is presented as a blended component unit of the District as part of the *Capital Projects* fund.

B. Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of changes in net position) display information about the primary government (the District) and its discretely presented component unit. 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, inter-fund 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. Depreciation 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 and blended component unit. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- *General Fund* - 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 nonmajor Special Revenue funds that receive revenues which are restricted to expenditures for specified purposes:

- *Student Activities Fund* – used to account for the receipt and disbursement of monies of student activity organizations and other custodial type transactions within the schools.
- *School Food Services Fund* - to account for preparation and serving of school lunches and breakfasts.
- *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. This fund is reported as part of the Capital Projects fund.
- *Tax Increment Fund* - accounts for property tax revenue that is remitted to the Provo City Redevelopment Agency.

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

The government-wide financial statements are reported using the economic resources measurement focus and are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, 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 are 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 position 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 policy 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 commitment. 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 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, 2016, 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.

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 funds based on the average balance of each participating fund.

G. Prepaids

Prepaid assets are generally accounted for using the consumption method.

H. 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).

I. 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”.

J. 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.

A major outlay 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:

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

K. 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.

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. Comparative Data

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.

N. 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 position. Bond premiums and discounts, as well as gains and losses on refunding, 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 expensed at the time of the bond issuance.

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.

O. 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:

Nonspendable - 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 nonspendable.

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 (building reserve, capital projects, debt service and other purposes), remaining child nutrition funds, and donations held in the Provo City School District Foundation. See Note 12 for more information on restricted fund balances.

Committed - includes fund balance amounts that can only be used for specific purposes established by formal action of the Board of Education. Formal action entails a public Board Meeting with a proposed commitment being voted upon by all Board members. 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 nonspendable, restricted, and remaining positive fund balances in funds *other than* the general fund, such as the 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.

P. 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 nonspendable fund balances of equal amount, indicating they are not expected to be converted to cash.

Q. 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.

R. 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.

S. Bond Discounts/Premiums and Issuance Costs

In the government-wide statements, bond discounts/premiums are deferred and amortized over the life of the bonds. Bond issuance costs are reported as an expense of the current period. Refundings of debt result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

For governmental fund types in the fund financial statements, the bond discounts/premiums, along with all debt issuance costs, are reported as debt service expenditures.

T. Pensions

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

U. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period. The District recognizes deferred inflows in relation to pensions and property tax revenue.

Deferred outflows represent a consumption of net position that applies to a future period. The District recognizes deferred outflows in relation to pensions and a loss on refunding, which results from the difference in the carrying value of the refunded debt and the reacquisition price.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2016, as shown on the financial statements is as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Carrying amount of deposits	\$ 36,954	\$ 532,567
Carrying amount of investments:		
Public Treasurers' Investment Fund	93,965,783	414,611
Zions Public Finance Investment	40,706,912	-
Sinking Fund (Lease Revenue Bond)	1,859,637	
Repurchase Agreement	<u>4,004,081</u>	<u>-</u>
 Total investments	 <u>140,536,413</u>	 <u>414,611</u>
 Total cash and investments	 <u>\$ 140,573,367</u>	 <u>\$ 947,178</u>

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, 2016, the District's exposure to custodial credit risk for deposits was as follows:

<u>Depository Account</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Amount Insured</u>
Provo City School District	\$ (1,167,470)	\$ 37,360	\$ 37,360
Student Activities	<u>1,204,424</u>	<u>1,313,707</u>	<u>1,313,707</u>
 Total primary government	 <u>\$ 36,954</u>	 <u>\$ 1,351,067</u>	 <u>\$ 1,351,067</u>
 Component unit:			
Provo School District Foundation	<u>\$ 532,567</u>	<u>\$ 532,566</u>	<u>\$ 250,000</u>

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. In FY2016, the District invested a portion of the bond proceeds with Zions Capital Advisors to capitalize on higher interest rates. The reported value of the Public Treasurer's Pool and Zions investment accounts are the same as the fair market value of the shares.

As of June 30, 2016, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities</u>	
		<u>< 1 Year</u>	<u>1-5 Years</u>
PTIF	\$ 95,238,089	\$ 95,238,089	\$ -
Corporate Bonds	35,211,480	34,963,168	248,312
Repurchase Agreement	4,004,081	4,004,081	-
Government Bonds	6,497,375	-	6,497,375
	<u>\$ 140,951,025</u>	<u>\$ 134,205,338</u>	<u>\$ 6,745,687</u>

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 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.

Investment Type	Fair Value	Rating			
		AAA	AA - A-	Bbb+	Unrated
PTIF	\$ 95,238,089	\$ -	\$ -	\$ -	\$ 95,238,089
Corporate Bonds	35,211,480	-	32,355,483	2,855,997	-
Repurchase Agreement	4,004,081	4,004,081	-	-	-
Government Bonds	6,497,375	6,497,375	-	-	-
	<u>\$ 140,951,025</u>	<u>\$ 10,501,456</u>	<u>\$ 32,355,483</u>	<u>\$ 2,855,997</u>	<u>\$ 95,238,089</u>

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 \$4,004,081 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 additional tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. 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, 2016, the District had accrued a property tax receivable on the government-wide financial statements of \$37,381,541. This accrual includes calendar year 2015 property taxes of \$35,412,796 levied for the year ended June 30, 2016 due to be collected by November 30, 2016, plus \$1,968,745 of delinquent property taxes receivable for taxes assessed prior to 2015 that remain uncollected.

4. INTERFUND TRANSFERS

During the year ended June 30, 2016, the District made transfers between funds. The District transferred \$1,500,000 from the general fund to the building reserve fund. This was a budgeted transfer to provide resources that are restricted to the building of schools or significant remodels.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,228,328	\$ -	\$ -	\$ 6,228,328
Construction in progress	2,791,336	30,556,986	(2,791,337)	30,556,985
Works of art	356,150	-	-	356,150
Total capital assets, being not being depreciated	<u>9,375,814</u>	<u>30,556,986</u>	<u>(2,791,337)</u>	<u>37,141,463</u>
Capital assets, being depreciated :				
Buildings and improvements	152,944,174	3,727,337	(2,654,946)	154,016,565
Furniture and equipment	23,374,627	2,342,528	(861,508)	24,855,647
Total capital assets, being depreciated	<u>176,318,801</u>	<u>6,069,865</u>	<u>(3,516,454)</u>	<u>178,872,212</u>
Accumulated depreciation for:				
Buildings and improvements	(66,929,443)	(5,088,692)	1,635,985	(70,382,150)
Furniture and equipment	(17,188,122)	(1,676,222)	857,496	(18,006,848)
Total accumulated depreciation	<u>(84,117,565)</u>	<u>(6,764,914)</u>	<u>2,493,481</u>	<u>(88,388,998)</u>
Total capital assets, being depreciated, net	92,201,236	(695,049)	(1,022,973)	90,483,214
Governmental activity capital assets, net	<u>\$ 101,577,050</u>	<u>\$ 29,861,937</u>	<u>\$ (3,814,310)</u>	<u>\$ 127,624,677</u>

For the year ended June 30, 2016, depreciation expense was charged to functions of the District as follows:

Governmental activities:	Buildings and improvements	Furniture and equipment	Total
Instructional services	\$ 4,356,006	\$ 1,077,504	\$ 5,433,510
Supporting services:			
Students	149,376	49,205	198,581
District administration	50,788	18,261	69,049
School administration	49,652	17,853	67,505
Business	-	11,502	11,502
Operation and maintenance of facilities	-	375,548	375,548
Transportation	-	67,841	67,841
School food services	371,151	21,708	392,859
Community services	111,719	36,800	148,519
Total depreciation expense, governmental activities	<u>\$ 5,088,692</u>	<u>\$ 1,676,222</u>	<u>\$ 6,764,914</u>

6. LONG TERM LIABILITIES

A. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 81,955,000	\$ 50,650,000	\$ (6,905,000)	\$ 125,700,000	\$ 5,715,000
Qualified school construction bonds	6,462,000	-	-	6,462,000	-
Deferred amounts for issuance premium/discount	2,382,005	6,511,116	(119,100)	8,774,021	-
Total bonds payable, net	<u>90,799,005</u>	<u>57,161,116</u>	<u>(7,024,100)</u>	<u>140,936,021</u>	<u>5,715,000</u>
Other long-term liabilities:					
Notes payable	217,695	-	(19,892)	197,803	20,547
Obligations under capital leases	33,532	-	(7,734)	25,798	8,245
Net pension liability	40,632,654	10,245,332	-	50,877,986	-
Vacation payable	607,912	188,854	(72,819)	723,947	144,789
Total governmental activity long-term liabilities	<u>\$ 132,290,798</u>	<u>\$ 67,595,302</u>	<u>\$ (7,124,545)</u>	<u>\$ 192,761,555</u>	<u>\$ 5,888,581</u>

Payments on compensated absences are typically charged to the fund in which the employee worked. Funds that include payroll are the general fund, capital projects fund and food services fund.

B. General Obligation Bonds Payable

Bonds payable at June 30, 2016 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	Current Balance
2007B Series G.O. Bonds	School Building	\$ 25,600,000	4.00% to 4.50%	June 15, 2017	\$ 1,225,000
2012 Series G.O. Refunding Bonds	Bond Refunding	9,045,000	.56% to 1.29%	June 15, 2017	1,950,000
2015A Series G.O. Bonds	Bond Refunding	22,790,000	2.13%	June 15, 2027	22,520,000
2015 Series G.O. Bonds	School Building	50,615,000	2.25% to 5%	June 15, 2035	49,355,000
2016 Series G.O. Bonds	School Building	50,650,000	2.00% to 5%	June 15, 2036	50,650,000
		<u>\$ 158,700,000</u>			<u>\$ 125,700,000</u>

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

General Obligation Bonds

Year Ending June 30,	Principal	Interest	Total (Debt Service Fund)
2017	\$ 5,715,000	\$ 4,159,905	\$ 9,874,905
2018	5,670,000	4,061,851	9,731,851
2019	5,915,000	3,836,325	9,751,325
2020	6,175,000	3,600,702	9,775,702
2021	6,420,000	3,353,800	9,773,800
2022-2026	35,550,000	13,168,813	48,718,813
2027-2031	30,305,000	7,701,763	38,006,763
2032-2036	29,950,000	2,755,913	32,705,913
	<u>\$ 125,700,000</u>	<u>\$ 42,639,071</u>	<u>\$ 168,339,071</u>

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 an elementary school (Provo Peaks Elementary). The bonds carry an interest rate of 1.23% and mature in 2026. Lease revenue bonds payable at June 30, 2016 are as follows:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity	Current Balance
2010 Qualified School Construction Bond	School Building	\$ 6,462,000	1.23%	June 30, 2026	\$ 6,462,000

The District transfers \$460,000 annually into a sinking fund. At June 30, 2016, the sinking fund has a balance of \$1,859,637. Payments into the sinking fund come from the capital projects fund. The debt service requirements to maturity, including interest for the QSCB bonds payable are as follows:

Qualified School Construction Bonds

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 79,483	\$ 79,483
2018	-	79,483	79,483
2019	-	79,483	79,483
2020	-	79,483	79,483
2021	-	79,483	79,483
2022-2026	6,462,000	397,413	6,859,413
	<u>\$ 6,462,000</u>	<u>\$ 794,826</u>	<u>\$ 7,256,826</u>

D. Obligations Under Capital Lease

Endpoint Server - In fiscal year 2013, the District entered into a lease agreement for an endpoint server, in the amount of \$45,375. Annual payments are typically financed through the District's General fund, and future minimum lease payments at June 30, 2016 are as follows:

<u>Capital Lease</u>				Total (General Fund)
Year Ending June 30,	Principal	Interest		
2017	\$ 8,496	\$ 579		\$ 9,075
2018	8,513	562		9,075
2019	8,789	286		9,075
	<u>\$ 25,798</u>	<u>\$ 1,427</u>		<u>\$ 27,225</u>
			Total minimum lease payments	\$ 27,225
			Amount representing interest	(1,427)
			Present value of minimum lease payments	<u>\$ 25,798</u>

E. Note Payable

Utah State Office of Energy Development - In fiscal year 2013, the District entered into a note payable agreement in the amount of \$320,720, with an imputed interest rate of 3.25% including interest, until maturity in January 2025. Annual payments are typically financed through the District's General fund, and payments at June 30, 2016 are as follows:

<u>Note Payable</u>				Total (General Fund)
Year Ending June 30,	Principal	Interest		
2017	\$ 20,547	\$ 6,345		\$ 26,892
2018	21,223	5,675		26,898
2019	21,921	4,982		26,903
2020	22,642	4,267		26,909
2021	23,387	3,528		26,915
2022-2025	88,083	6,225		94,308
	<u>\$ 197,803</u>	<u>\$ 31,023</u>		<u>\$ 228,826</u>

F. Combined Maturities on Long-Term Borrowings

The combined aggregate amounts of maturities on all long-term borrowings (general obligation bonds, QSCB bonds, Notes Payable and Capital Lease) are as follows:

<u>All Long-term Borrowings</u>				Total
Year Ending June 30,	Principal	Interest		
2017	\$ 5,744,043	\$ 4,246,564		\$ 10,450,355
2018	5,699,735	4,147,571		10,307,306
2019	5,945,710	3,921,076		10,326,786
2020	6,197,642	3,684,451		10,342,093
2021	6,443,387	3,436,811		10,340,198
2022-2026	42,100,083	13,572,451		51,532,533
2027-2031	30,305,000	7,701,763		38,006,763
2032-2036	29,950,000	2,755,913		32,705,913
	<u>\$ 132,385,601</u>	<u>\$ 43,466,598</u>		<u>\$ 174,011,947</u>
	Less: Deferred amounts, net:	8,774,021		
	Compensated absences:	723,947		
		<u>\$ 141,883,569</u>		

7. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLAN

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds.

- Public Employees Noncontributory Retirement System (Noncontributory System), Public Employees Contributory Retirement System (Contributory System), are multiple employer, cost sharing, public employees, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), is a multiple employer, cost sharing, public employees, retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit trust funds). URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increased not met may be carried forward to subsequent years

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

Utah Retirement Systems

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
Contributory System				
State and School Tier 1	1.00%	5.00%	17.70%	N/A
State and School Tier 2	N/A	N/A	18.24%	1.78%
Noncontributory System				
State and School Tier1	N/A	N/A	22.19%	1.50%
Tier 2 DC Only				
State and School	N/A	N/A	10.02%	10.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans. For fiscal year ended June 30, 2016 the employer and employee contributions to the System were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 8,903,564	N/A
Contributory System	82,894	4,440
Tier 2 Public Employees System	2,189,852	-
Tier 2 DC Only System	139,472	N/A
Total Contributions	\$ 11,315,782	\$ 4,440

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2016, the District reported a net pension asset of \$3,643 and a net pension liability of \$50,877,986.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	1.5900394%	\$ -	\$ 49,947,691
Contributory System	1.4845473%	-	930,295
Tier 2 Public Employees System	1.6688829%	3,643	-
Total Net Pension Asset/Liability		\$ 3,643	\$ 50,877,986

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the system during the plan year.

For the year ended June 30, 2016, the District recognized pension expense of \$10,200,959.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,989,627
Changes in assumptions	-	1,001,792
Net difference between projected and actual earnings on pension plan investments	13,586,463	-
Changes in proportion and differences between contributions and proportionate share of contributions	59,837	514,769
Contributions subsequent to the measurement date	5,639,559	-
Total	\$ 19,285,859	\$ 5,506,188

\$5,639,559 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,		Deferred Outflows (Inflows) of Resources
2016	\$	1,728,796
2017		1,728,796
2018		1,863,341
2019		2,875,814
2020		(10,359)
Thereafter		(46,276)

Actuarial assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary Increases	3.5 - 10.5 percent, average, including inflation
Investment rate of return	7.5 percent, net of pension plan investment, including inflation

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

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

Asset Class	Expected Return Arithmetic Basis		Long-Term expected portfolio real rate of return
	Target Asset Allocation	Real Return Arithmetic Basis	
Equity securities	40.00%	7.08%	2.82%
Debt securities	20.00%	0.80%	0.16%
Real assets	13.00%	5.10%	0.66%
Private equity	9.00%	11.30%	1.02%
Absolute return	18.00%	3.15%	0.57%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100.00%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

The 7.5% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

System	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Noncontributory System	\$ 90,403,434	\$ 49,947,691	\$ 16,025,496
Contributory System	2,103,417	930,295	(64,853)
Tier 2 Public Employees System	668,092	(3,643)	(512,756)
Total Pension Liability	\$ 93,174,943	\$ 50,874,343	\$ 15,447,887

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Service code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Provo School District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

	2016	2015	2014
401(k) Plan			
Employer Contributions	\$ 1,056,078	\$ 978,670	\$ 944,334
Employee Contributions	694,111	679,759	735,265
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	88,618	50,510	68,064
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	79,761	40,624	32,948
Total Contributions	\$ 1,838,807	\$ 1,708,939	\$ 1,747,663

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 they do 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 who 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 years 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 673 retirees receiving benefit coverage in addition to 218 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 2016, 2015, and 2014 were \$3,226,316, \$3,482,154, and \$3,253,059, 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 estimated amount contributed for the year, and changes in the District's net OPEB asset of the plan year. All of these numbers are based on the actuarial report dated July 1, 2014.

Normal cost	\$ 1,956,000
Amortization	83,000
Total ARC	<u>2,039,000</u>
Net OPEB asset at July 1, 2015	8,701,705
Annual required contribution	2,039,000
Adjustment to ARC	262,000
Interest on prior year net OPEB obligation	<u>(301,000)</u>
Annual OPEB cost	2,000,000
Contributions made (estimated)	<u>3,726,000</u>
Increase in net OPEB asset	<u>1,726,000</u>
Net OPEB asset at June 30, 2016	<u>\$ 10,427,705</u>

Net OPEB asset at July 1, 2014 \$7,091,705. The percentage of annual OPEB cost contributed was 158%, 181%, and 189%, at June 30, 2016, 2015, and 2014, respectively.

Funded Status and Funding Progress The actuarial accrued liability of the District's post-employment benefit plan as of July 1, 2014 and July 1, 2012 is \$42,128,000, and \$36,739,000, respectively. All of which is unfunded. July 1, 2014 is the most recent actuarial valuation date. The covered payroll (annual payroll of active employees) at July 1, 2014 and 2012 is \$9,740,147 and \$10,686,150, respectively. The ratio of the unfunded actuarial accrued liability to the covered payroll was 433% for fiscal year 2015 and 344% for fiscal year 2014.

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.

Actuarial Assumptions
July 1, 2014

Rate of investment return (net of administrative expenses)	4.25%
Annual salary increase	3.50%
Inflation rate	3.50%
Health care cost increase (65 and under)	8.00%
Health care cost increase (Over 65) (reduced by decrements of .5% to a targeted rate of 5%)	7.00%
Actuarial accrued liability (level dollar amounts on an open basis)	30 years

In the July 1, 2014 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 4.25% investment rate of return (net of administrative expenses), a 3.5% projected annual salary increase, a 3.5% inflation rate, and an annual health care cost trend rate of 8.0% initially for those under age 65, and 7% 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 an open 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, 2016, 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 9, 2016, 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 RESERVE

Utah State law (53A-19-103) allows for the establishment of an committed reserve (Committed fund balance per GASB 54). The Board must authorize expenditures from the committed 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. RESTRICTED FUND BALANCE

Restricted fund balance 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 (building reserve, capital projects, debt service and other purposes), and remaining child nutrition funds.

The following table shows the detail of the restricted fund balances in all funds in the governmental financial statements.

	Fund				
	General	Debt Service	Capital Projects	Building Reserve	Food Services
Debt Service	\$ -	\$ 1,721,779	\$ -	\$ -	\$ -
Bond Proceeds	-	-	80,020,979	-	-
Capital Levy	-	-	7,774,982	-	-
Food Services	-	-	-	-	2,076,024
Building Reserve	-	-	-	4,872,240	-
Special Education	280,200	-	-	-	-
Special Education/Preschool	34,773	-	-	-	-
Adult Education	2,792	-	-	-	-
Central Utah Enterprises	261,174	-	-	-	-
Advanced Placement	59,988	-	-	-	-
Programs Youth in Custody	196,841	-	-	-	-
Utah State Hospital	8,778	-	-	-	-
Career/Technical Education	990,686	-	-	-	-
Inverventions for At Risk Students	674,596	-	-	-	-
Gang Prevention	5,255	-	-	-	-
Art Education	1,700	-	-	-	-
School Land Trust	235,642	-	-	-	-
Running Start (Native American)	10,000	-	-	-	-
Dual Immersion	1,601	-	-	-	-
Optional Extended Day Kindergarten	29,714	-	-	-	-
K-3 Reading	225,872	-	-	-	-
Elementary STEM	40,100	-	-	-	-
Teacher Materials/Supplies	43,391	-	-	-	-
Arts Supplies	2,500	-	-	-	-
Total	<u>\$ 3,105,603</u>	<u>\$ 1,721,779</u>	<u>\$ 87,795,961</u>	<u>\$ 4,872,240</u>	<u>\$ 2,076,024</u>
Total Restricted Fund Balances	<u>\$ 99,571,607</u>				

13. 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, 2016, 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, 2016, 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, 2016, which have not been resolved.

14. PRIOR PERIOD ADJUSTMENT

In FY10, the Provo City School District Municipal Building Authority issued Qualified School Construction Bonds. From the time of issuance, payments of \$460,000 a year, plus interest, were paid. The principal payments had been applied to the principal balance of the bonds. In actuality, the principal payments have been deposited into a sinking fund at Zions National Bank, with a single payment of the principal amount (\$6,462,000) due at time of maturity. The current balance of the sinking fund is \$1,857,637, which includes the prior period adjustment of \$1,382,102, and the \$460,000 from the current year plus interest. This prior period adjustment has no impact on the government-wide beginning balance of net position.

15. SUBSEQUENT EVENT

In April 2016, Provo City School District entered an agreement to sell the property where Provo High School currently resides to Brigham Young University for the amount of \$25 million. The District also determined to build a new Provo High School on land that was donated many years ago on the west side of the City of Provo. The purchase agreement allows Provo City School District to lease back the property and buildings for no charge for the period of 30 months. The sale of Provo High School was final on September 9, 2016. In FY17, all buildings associated with Provo High School, including accumulated depreciation, will be disposed. The current book value as of June 30, 2016 is approximately \$8.9 million. All equipment and furniture that are still usable will be moved to the new school when complete.

Required Supplemental Information

	2016	2015
Noncontributory Retirement System		
Proportion of Net Pension Liability	1.5900394%	1.6109284%
Proportionate share of the net pension liability (asset)	\$ 49,947,691	\$ 40,475,038
Covered employee payroll	\$ 40,944,924	\$ 42,956,230
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	121.99%	94.2%
Plan fiduciary net position as percentage of covered employee payroll	84.5%	87.2%
Contributory Retirement System		
Proportion of Net Pension Liability	1.4845473%	1.4374656%
Proportionate share of the net pension liability (asset)	\$ 930,295	\$ 157,616
Covered employee payroll	\$ 470,271	\$ 528,776
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	197.8%	29.8%
Plan fiduciary net position as percentage of covered employee payroll	92.4%	98.7%
Tier 2 Public Employees System		
Proportion of Net Pension Liability	1.6688829%	1.8017097%
Proportionate share of the net pension liability (asset)	\$ (3,643)	\$ (54,600)
Covered employee payroll	\$ 10,775,651	\$ 8,814,157
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-0.03%	-0.6%
Plan fiduciary net position as percentage of covered employee payroll	100.2%	103.5%

This schedule usually covers the 10 most recent fiscal years; however, this is the information available since the implementation year of GASB 68. This information was provided by Utah Retirement Systems and represents amounts for the District.

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of Contributions
 Last 10 Fiscal Years
 June 30, 2016

	2016	2015	2014
Noncontributory System			
Actuarial determined contributions	\$ 8,903,564	\$ 9,137,526	\$ 8,700,556
Contributions in relation to			
contractually required contribution	8,903,564	9,137,526	8,700,556
Covered employee payroll	40,564,154	42,407,414	43,781,598
Contributions as a percentage of			
covered employee payroll	21.95%	21.55%	19.87%
Contributory System			
Actuarial determined contributions	\$ 82,894	\$ 81,264	\$ 91,919
Contributions in relation to			
contractually required contribution	82,894	81,264	91,919
Covered employee payroll	480,171	466,690	586,091
Contributions as a percentage of			
covered employee payroll	17.26%	17.41%	15.68%
Tier 2 Public Employees System*			
Actuarial determined contributions	\$ 2,189,852	\$ 1,628,003	\$ 1,339,134
Contributions in relation to			
contractually required contribution	2,189,852	1,628,003	1,339,134
Covered employee payroll	11,950,243	9,005,387	8,082,471
Contributions as a percentage of			
covered employee payroll	18.32%	18.08%	16.57%
Tier 2 Public Employees DC Only System*			
Actuarial determined contributions	\$ 139,472	\$ 94,707	\$ 41,043
Contributions in relation to			
contractually required contribution	139,472	94,707	41,043
Covered employee payroll	1,363,576	897,234	544,216
Contributions as a percentage of			
covered employee payroll	10.23%	10.56%	7.54%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011

The 10-year schedule will need to be built prospectively. The schedule above is only this year and the previous two years. More years will be added as information is available.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

PROVO CITY SCHOOL DISTRICT
 Required Supplemental Information
Schedule of Unfunded Progress (OPEB)
 Last 10 Fiscal Years

Actuarial Valuation Date	Actuarial Accrued Liability (AAL)	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percentage of Covered Payroll
July 1, 2014	\$ 42,128,000	\$ -	\$ 42,128,000	0%	\$ 9,740,147	433%
July 1, 2012	\$ 36,739,000	\$ -	\$ 36,739,000	0%	\$ 10,686,150	344%
July 1, 2010	\$ 43,337,000	\$ -	\$ 43,337,000	0%	\$ 11,841,702	366%
July 1, 2008	\$ 40,539,000	\$ -	\$ 40,539,000	0%	\$ 16,203,379	250%

The 10-year schedule will need to be built prospectively. The schedule above is only the previous four actuarial evaluations the District has had completed.

Changes in Assumptions:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.5%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre-retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

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

MAJOR GOVERNMENTAL FUNDS

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets
 General Fund
 June 30, 2016 (with comparative totals for 2015)

	2016	2015
Assets:		
Cash and investments	\$ 35,843,279	\$ 37,089,435
Restricted cash	3,105,603	2,016,530
Receivables:		
Property taxes	27,067,673	22,756,439
Other local	259,817	180,819
State	951,733	553,053
Federal	2,486,555	3,075,092
Prepaid items	428,235	435,398
Inventories	-	6,925
Total assets	\$ 70,142,895	\$ 66,113,691
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Accounts payable	\$ 2,333,187	\$ 3,460,152
Payroll and related payables	9,634,172	11,469,216
Deferred revenue:		
Other local	82,220	155,087
Federal	517,815	463,428
Total liabilities	12,567,394	15,547,883
Deferred Inflows of Resources:		
Deferred property tax revenue	27,090,472	22,760,786
Fund balance:		
Nonspendable:		
Inventories and prepaid items	428,435	442,323
Long-term portion, note receivable	71,072	91,028
Restricted For:		
State/Federal restricted programs	3,105,603	2,016,530
Committed To:		
OPEB	14,198,244	14,198,244
Board voted contingency	5,344,402	5,344,402
Unassigned	7,337,273	5,712,495
Total fund balance	30,485,029	27,805,022
Total liabilities, deferred inflows of resources, and fund balance	\$ 70,142,895	\$ 66,113,691

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - *General Fund*
Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Postive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Orginal	Final			
Revenues:					
Local sources:					
Property taxes	\$ 21,375,169	\$ 23,341,169	\$ 22,720,856	\$ (620,313)	20,808,558
Interest	360,596	360,596	349,896	(10,700)	235,293
Other local	4,713,262	4,570,403	3,316,901	(1,253,502)	2,754,969
State	76,903,945	75,428,011	76,361,890	933,879	70,389,904
Federal	9,860,342	11,182,642	10,429,429	(753,213)	10,593,904
Total revenues	113,213,314	114,882,821	113,178,972	(1,703,849)	104,782,628
Expenditures:					
Salaries	59,043,997	59,664,948	58,432,411	1,232,537	55,275,878
Employee benefits	29,870,010	30,304,287	28,616,567	1,687,720	27,487,042
Purchased services	12,835,565	12,152,689	11,580,499	572,190	10,520,904
Supplies	8,517,057	8,689,749	7,034,255	1,655,494	7,060,716
Property	1,730,160	1,556,573	1,755,375	(198,802)	1,684,655
Other	1,625,132	1,718,984	1,600,589	118,395	823,320
Total expenditures	113,621,921	114,087,230	109,019,696	5,067,534	102,852,515
Excess (deficiency) of revenues over (under) expenditures	(408,607)	795,591	4,159,276	3,363,685	1,930,113
Other financing sources (uses):					
Proceeds from sale of capital assets	25,000	25,000	20,731	(4,269)	15,824
Transfer out	-	(1,500,000)	(1,500,000)	-	-
Total other financing sources (uses)	25,000	(1,475,000)	(1,479,269)	(4,269)	15,824
Net change in fund balance	(383,607)	(679,409)	2,680,007	3,359,416	1,945,937
Fund balance - beginning	27,805,022	27,805,022	27,805,022		24,463,641
Fund balance - ending	\$ 27,421,415	\$ 27,125,613	\$ 30,485,029	\$ 3,359,416	\$ 26,409,574

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets
Debt Service Fund
 June 30, 2016 (with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and investments	\$ 1,438,537	\$ 694,439
Receivables:		
Property taxes	<u>7,353,909</u>	<u>6,145,399</u>
Total assets	<u><u>8,792,446</u></u>	<u><u>6,839,838</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities	\$ -	\$ -
Deferred Inflows of Resources:		
Deferred property tax revenue	<u>7,070,667</u>	<u>5,963,049</u>
Fund balance:		
Restricted for:		
Debt service	<u>1,721,779</u>	<u>876,789</u>
Total fund balance	<u>1,721,779</u>	<u>876,789</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 8,792,446</u></u>	<u><u>\$ 6,839,838</u></u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - *Debt Service Fund*
Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 10,047,591	\$ 10,972,591	\$ 10,679,802	\$ (292,789)	6,728,676
Total revenues	<u>10,047,591</u>	<u>10,972,591</u>	<u>10,679,802</u>	<u>(292,789)</u>	<u>6,728,676</u>
Expenditures:					
Debt service:					
Principal retirement	6,635,000	6,635,000	6,905,000	(270,000)	5,181,000
Interest and fiscal charges	<u>3,412,591</u>	<u>3,412,591</u>	<u>2,929,812</u>	<u>482,779</u>	<u>1,274,797</u>
Total expenditures	<u>10,047,591</u>	<u>10,047,591</u>	<u>9,834,812</u>	<u>212,779</u>	<u>6,455,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>925,000</u>	<u>844,990</u>	<u>(80,010)</u>	<u>272,879</u>
Other financing sources (uses):					
Proceeds from debt issuance	-	-	-	-	22,789,999
Payment to bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,719,924)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,075</u>
Net change in fund balance	-	925,000	844,990	(80,010)	342,954
Fund balance - beginning	<u>876,789</u>	<u>876,789</u>	<u>876,789</u>	<u>-</u>	<u>687,750</u>
Fund balance - ending	<u>\$ 876,789</u>	<u>\$ 1,801,789</u>	<u>\$ 1,721,779</u>	<u>\$ (80,010)</u>	<u>\$ 1,030,704</u>

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets
Capital Projects Fund
 June 30, 2016 (with comparative totals for 2015)

	2016	2015
Assets:		
Cash and investments	\$ 11,592,017	\$ 3,054,989
Restricted cash	80,020,979	52,402,555
Receivables:		
Property taxes	2,959,959	2,507,375
Other Local	17,750	
Prepaid items	2,705	2,705
Total assets	\$ 94,593,410	\$ 57,967,624
Liabilities, Deferred Inflows of Resources, and Fund Balance:		
Liabilities:		
Accounts payable	\$ 3,987,757	\$ 614,792
Payroll and related payables	19,448	-
Total liabilities	4,007,205	614,792
Deferred Inflows of Resources:		
Deferred property tax revenue	2,787,539	2,350,872
Fund balance:		
Nonspendable	2,705	-
Restricted for:		
Capital projects	87,795,961	55,001,960
Total fund balance	87,798,666	55,001,960
Total liabilities, deferred inflows of resources, and fund balance	\$ 94,593,410	\$ 57,967,624

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - *Capital Projects Fund*
Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Postive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Orginal	Final			
Revenues:					
Local sources:					
Property taxes	\$ 6,126,492	\$ 6,685,492	\$ 6,506,912	\$ (178,580)	6,069,273
Interest	-	-	212,946	212,946	88,830
Other local	67,651	67,651	259,795	192,144	56,265
State	-	-	905,147	905,147	127,370
Federal	-	-	-	-	290,662
Total revenues	<u>6,194,143</u>	<u>6,753,143</u>	<u>7,884,800</u>	<u>1,131,657</u>	<u>6,632,400</u>
Expenditures:					
Salaries	825,256	825,256	223,389	601,867	672,671
Employee benefits	405,755	405,755	75,372	330,383	289,864
Purchased services	35,805,834	30,924,487	32,176,815	(1,252,328)	6,002,328
Supplies	179,981	239,173	61,436	177,737	234,480
Property	816,777	1,867,314	995,405	871,909	1,150,285
Other	487,000	487,000	125	486,875	125
Debt service:					
Principal retirement	-	-	27,626	(27,626)	486,993
Interest and fiscal charges	-	-	79,461	(79,461)	79,463
Total expenditures	<u>38,520,603</u>	<u>34,748,985</u>	<u>33,639,629</u>	<u>1,109,356</u>	<u>8,916,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,326,460)</u>	<u>(27,995,842)</u>	<u>(25,754,829)</u>	<u>2,241,013</u>	<u>(2,283,809)</u>
Other financing sources (uses):					
Proceeds from debt issuance	-	57,161,116	57,161,116	-	52,997,005
Proceeds from sale of capital assets	-	-	8,317	8,317	399,983
Transfers in (out)	-	-	-	-	2,000,000
Total other financing sources (uses)	<u>-</u>	<u>57,161,116</u>	<u>57,169,433</u>	<u>8,317</u>	<u>55,396,988</u>
Net change in fund balance	<u>(32,326,460)</u>	<u>29,165,274</u>	<u>31,414,604</u>	<u>2,249,330</u>	<u>53,113,179</u>
Fund balance - beginning	<u>55,001,960</u>	<u>55,001,960</u>	<u>55,001,960</u>	<u>-</u>	<u>1,888,781</u>
Fund balance - ending	<u>\$ 24,057,602</u>	<u>\$ 85,549,336</u>	<u>\$ 87,798,666</u>	<u>\$ 2,249,330</u>	<u>\$ 55,001,960</u>

Nonmajor Governmental Funds

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PROVO CITY SCHOOL DISTRICT
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Assets:					
Cash and investments	\$ 1,805,127	\$ -	\$ 4,872,240	\$ -	\$ 6,677,367
Restricted cash	-	1,895,585	-	-	1,895,585
Receivables:					
Other local	7,751	11,269	-	-	19,020
State	-	344,204	-	-	344,204
Federal	-	46,053	-	-	46,053
Inventories	-	138,511	-	-	138,511
Total assets	\$ 1,812,878	\$ 2,435,622	\$ 4,872,240	\$ -	\$ 9,120,740
Liabilities and Fund Balance					
Liabilities:					
Accounts payable	\$ 79,936	\$ 12,222	\$ -	\$ -	\$ 92,158
Payroll and related payables	-	208,865	-	-	208,865
Total liabilities	79,936	221,087	-	-	301,023
Fund Balance:					
Nonspendable:					
Inventories	-	138,511	-	-	138,511
Restricted	-	2,076,024	4,872,240	-	6,948,264
Assigned to:					
Schools	1,732,942	-	-	-	1,732,942
Total fund balance	1,732,942	2,214,535	4,872,240	-	8,819,717
Total liabilities and fund balance	\$ 1,812,878	\$ 2,435,622	\$ 4,872,240	\$ -	\$ 9,120,740

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - *Nonmajor Governmental Funds*
Year Ended June 30, 2016

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Student Activities	Food Services	Building Reserve	Tax Increment	
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ 1,245,711	\$ 1,245,711
Food service sales	-	1,031,822	-	-	1,031,822
Interest	6,203	-	-	-	6,203
Other local	4,036,349	267,728	-	-	4,304,077
State	-	883,962	-	-	883,962
Federal	-	3,737,746	-	-	3,737,746
Total revenues	4,042,552	5,921,258	-	1,245,711	11,209,521
Expenditures:					
Current:					
Instructional services	3,863,852	-	-	-	3,863,852
School food services	-	5,387,139	-	-	5,387,139
Business	-	-	-	1,245,711	1,245,711
Total expenditures	3,863,852	5,387,139	-	1,245,711	10,496,702
Excess of revenues over expenditures	178,700	534,119	-	-	712,819
Other financing sources:					
Proceeds from sale of capital assets	-	996	-	-	996
Transfers In	-	-	1,500,000	-	1,500,000
Total other financing sources	-	996	1,500,000	-	1,500,996
Net change in fund balance	178,700	535,115	1,500,000	-	2,213,815
Fund balances, beginning	1,554,242	1,679,420	3,372,240	-	6,605,902
Fund balances, ending	\$ 1,732,942	\$ 2,214,535	\$ 4,872,240	\$ -	\$ 8,819,717

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets - Nonmajor Governmental Funds
Student Activities Special Revenue Fund
 June 30, 2016 (with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and investments	\$ 1,805,127	\$ 1,613,262
Receivables:		
Other local	<u>7,751</u>	<u>2,261</u>
Total assets	<u>\$ 1,812,878</u>	<u>\$ 1,615,523</u>
Liabilities and Fund Balance:		
Liabilities:		
Accounts payable	<u>79,936</u>	<u>61,281</u>
Total liabilities	<u>79,936</u>	<u>61,281</u>
Fund Balance:		
Assigned To:		
Schools	<u>1,732,942</u>	<u>1,554,242</u>
Total fund balance	<u>1,732,942</u>	<u>1,554,242</u>
Total liabilities and fund balance	<u>\$ 1,812,878</u>	<u>\$ 1,615,523</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
Budget and Actual - *Student Activities Special Revenue Fund*
Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Orginal	Final			
Revenues:					
Local sources:					
Interest	\$ 5,325	\$ 5,325	\$ 6,203	\$ 878	\$ 4,453
Other local	3,738,135	4,039,235	4,036,349	(2,886)	3,915,880
Total revenues	3,743,460	4,044,560	4,042,552	(2,008)	3,920,333
Expenditures:					
Purchased services	1,294,850	1,604,000	1,518,861	85,139	1,545,215
Supplies	1,959,325	1,699,225	1,502,780	196,445	1,568,318
Property	21,775	21,775	-	21,775	-
Other	572,950	825,000	842,211	(17,211)	649,639
Total expenditures	3,848,900	4,150,000	3,863,852	286,148	3,763,172
Excess (deficiency) of revenues over (under) expenditures	(105,440)	(105,440)	178,700	284,140	157,161
Net change in fund balances	(105,440)	(105,440)	178,700	284,140	157,161
Fund balance - beginning	1,554,242	1,554,242	1,554,242	-	1,521,583
Fund balance - ending	\$ 1,448,802	\$ 1,448,802	\$ 1,732,942	\$ 284,140	\$ 1,678,744

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets - Nonmajor Governmental Funds
Food Services Special Revenue Fund
 June 30, 2016 (with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and investments	\$ -	\$ 1,438,102
Restricted cash	1,895,585	-
Receivables:		
Other Local	11,269	23,436
State	344,204	227,335
Federal	46,053	47,164
Inventories	<u>138,511</u>	<u>146,980</u>
 Total assets	 <u>\$ 2,435,622</u>	 <u>\$ 1,883,017</u>
 Liabilities and Fund Balance:		
Liabilities:		
Accounts payable	\$ 12,222	\$ 15,395
Payroll and related payables	<u>208,865</u>	<u>188,202</u>
 Total liabilities	 <u>221,087</u>	 <u>203,597</u>
 Fund Balance:		
Nonspendable:		
Inventories	138,511	146,980
Restricted	<u>2,076,024</u>	<u>1,532,440</u>
 Total fund balance	 <u>2,214,535</u>	 <u>1,679,420</u>
 Total liabilities and fund balance	 <u>\$ 2,435,622</u>	 <u>\$ 1,883,017</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
Budget and Actual - *Food Services Special Revenue Fund*
Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Food sales	\$ 1,153,902	\$ 1,153,902	\$ 1,031,822	\$ (122,080)	\$ 1,091,466
Other local	-	-	267,728	267,728	-
State	787,174	787,174	883,962	96,788	843,428
Federal	3,711,895	3,711,895	3,737,746	25,851	3,783,961
Total revenues	5,652,971	5,652,971	5,921,258	268,287	5,718,855
Expenditures:					
Salaries	1,976,719	1,896,850	1,883,897	12,953	1,867,062
Employee benefits	802,223	759,662	705,297	54,365	718,135
Purchased services	171,930	179,843	144,583	35,260	143,699
Supplies	186,588	301,176	273,209	27,967	237,897
Food	2,257,020	2,236,706	2,033,214	203,492	2,029,890
Property	132,747	155,431	43,953	111,478	127,462
Other	346,633	344,192	302,986	41,206	212,800
Total expenditures	5,873,860	5,873,860	5,387,139	486,721	5,336,945
Excess (deficiency) of revenues over (under) expenditures	(220,889)	(220,889)	534,119	755,008	381,910
Other financing sources:					
Proceeds from sale of capital assets	-	-	996	996	-
Total other financing sources	-	-	996	996	-
Net change in fund balance	(220,889)	(220,889)	535,115	756,004	381,910
Fund balance - beginning	1,679,420	1,679,420	1,679,420	-	1,633,037
Fund balance - ending	\$ 1,458,531	\$ 1,458,531	\$ 2,214,535	\$ 756,004	\$ 2,014,947

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets - Nonmajor Governmental Funds
Building Reserve Special Revenue Fund
 June 30, 2016 (with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and investments	\$ 4,872,240	\$ 3,372,240
Total assets	<u>\$ 4,872,240</u>	<u>\$ 3,372,240</u>
Liabilities and Fund Balance:		
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:		
Restricted for:		
Other purposes	<u>4,872,240</u>	<u>3,372,240</u>
Total fund balance	<u>4,872,240</u>	<u>3,372,240</u>
Total liabilities and fund balance	<u>\$ 4,872,240</u>	<u>\$ 3,372,240</u>

PROVO CITY SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
 Budget and Actual - *Building Reserve Special Revenue Fund*
 Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:					
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Other financing sources:					
Transfer in	-	1,500,000	1,500,000	-	(2,000,000)
Total other financing sources	-	1,500,000	1,500,000	-	(2,000,000)
Net change in fund balance	-	1,500,000	1,500,000	-	(2,000,000)
Fund balance - beginning	3,372,240	3,372,240	3,372,240	-	5,372,240
Fund balance - ending	\$ 3,372,240	\$ 4,872,240	\$ 4,872,240	\$ -	\$ 3,372,240

PROVO CITY SCHOOL DISTRICT
 Comparative Balance Sheets - Nonmajor Governmental Funds
Tax Increment Special Revenue Fund
 June 30, 2016 (with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Assets:		
Cash and investments	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance:		
Total liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance:		
Restricted For:		
Other Purposes	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>

PROVO CITY SCHOOL DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds
 Budget and Actual - Tax Increment Special Revenue Fund
 Year Ended June 30, 2016 (with comparative totals for 2015)

	2016			Variance with Final Budget - Positive (Negative)	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,245,711	\$ (4,289)	\$ 1,110,000
Total revenues	1,250,000	1,250,000	1,245,711	(4,289)	1,110,000
Expenditures:					
Other	1,250,000	1,250,000	1,245,711	4,289	1,110,000
Total expenditures	1,250,000	1,250,000	1,245,711	4,289	1,110,000
Net change in fund balance	-	-	-	-	-
Fund balance - beginning	-	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -

Statistical Information

This part of Provo City School District's Comprehensive Annual Financial report presents detailed unaudited information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

Financial Trends

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

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

Debt Capacity

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

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

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.

Fiscal Year Ending June 30,	Net investment in capital assets	Restricted	Unrestricted	Total Net Position
2016	\$ 67,791,542	\$ 21,422,081	\$ 1,785,888	\$ 90,999,511
2015	61,464,177	12,098,626	1,535,966	75,098,769
2014	61,596,204	11,972,365	31,801,620	105,370,189
2013	56,728,164	16,346,158	27,846,480	100,920,802
2012	53,795,168	17,120,587	26,936,110	97,851,865
2011	49,159,753	18,167,092	29,504,737	96,831,582
2010	37,158,614	15,622,922	37,503,460	90,284,996
2009	38,192,076	32,838,938	6,502,610	77,533,624
2008	32,155,592	19,646,268	(1,074,778)	50,727,082
2007	29,750,263	18,344,287	(1,964,329)	46,130,221

PROVO CITY SCHOOL DISTRICT
 Statements of Net Position
 June 30,2007 through June 30, 2016
 (full accrual-based accounting)

	<u>2016</u>	<u>2015</u>	<u>2014**</u>	<u>2013</u>
Assets:				
Cash and temporary cash investments	\$ 140,573,367	\$ 101,681,552	\$ 42,961,335	\$ 45,364,687
Accounts, taxes, and grants receivables:				
Local	37,607,056	31,524,701	30,783,129	30,475,167
State	1,295,937	780,388	908,619	971,442
Federal	2,532,608	3,122,256	2,879,066	2,463,606
Note receivable	71,072	91,028	169,634	217,234
Prepaid expenditures	430,940	438,103	430,845	384,693
Inventory	138,511	153,905	100,912	109,219
Net Pension Asset	3,643	54,600	5,454	-
Bond issuance costs, net of accumulated amortization	-	-	-	-
Net other post employment benefits	10,427,705	8,701,705	7,091,705	5,419,705
Total capital assets, net accumulated depreciation	<u>127,624,677</u>	<u>101,577,050</u>	<u>100,560,480</u>	<u>102,796,170</u>
Total assets	<u>320,705,516</u>	<u>248,125,288</u>	<u>185,891,179</u>	<u>188,201,923</u>
Deferred Outflows of Resources:				
Deferred outflows relating to pensions	19,285,859	6,252,334	5,205,304	-
Deferred loss on refundings	1,305,508	1,588,780	387,432	609,213
Total deferred outflows of resources	<u>20,591,367</u>	<u>7,841,114</u>	<u>5,592,736</u>	<u>609,213</u>
Liabilities:				
Accounts payable	6,413,102	4,151,620	926,131	1,423,772
Accrued interest payable	174,074	592,055	58,021	63,563
Payroll and related payables	9,862,485	11,657,418	9,741,907	10,556,031
Due to other agencies - fiduciary activities	-	-	-	-
Deferred revenue:				
Property taxes	-	-	-	-
Other deferred revenues	600,035	618,515	899,816	1,273,468
Noncurrent liabilities:				
Due within one year	5,888,581	7,514,299	5,774,253	5,557,145
Net Pension Liability	50,877,986	40,632,654	46,548,297	-
Due in more than one year	<u>135,994,988</u>	<u>82,763,845</u>	<u>35,741,928</u>	<u>41,608,177</u>
Total liabilities	<u>209,811,251</u>	<u>147,930,406</u>	<u>99,690,353</u>	<u>60,482,156</u>
Deferred Inflows of Resources:				
Deferred inflows relating to pensions	5,506,188	-	-	-
Deferred property tax revenue	34,979,933	27,760,912	27,408,178	-
Total Deferred inflows of resources	<u>40,486,121</u>	<u>27,760,912</u>	<u>27,408,178</u>	<u>-</u>
Net Position:				
Net investment in capital assets	67,791,542	61,596,204	56,728,164	53,795,168
Restricted for:				
Debt service	1,721,779	533,835	687,750	1,195,509
Capital projects	7,774,982	1,888,781	5,253,070	3,083,405
Non K-12 instruction	-	273,857	272,732	181,479
Building Reserve	4,872,240	5,372,240	1,521,583	7,040,240
Student Activities	1,732,942	1,397,081	5,372,240	1,831,809
School food services	2,214,535	1,297,510	1,633,037	1,627,820
Foundation	-	-	-	829,566
Other restricted programs	3,105,603	1,209,061	1,605,746	1,330,758
Unrestricted	<u>1,785,888</u>	<u>(9,535,919)</u>	<u>27,846,480</u>	<u>26,936,110</u>
Total net position	<u>\$ 90,999,511</u>	<u>\$ 64,032,650</u>	<u>\$ 100,920,802</u>	<u>\$ 97,851,864</u>

** Numbers are restated for GASB 68 implementation

Source: District Data

Fiscal year 2004 was the first year the Provo School District Foundation was included in its basic financial statements as a blended component unit. During 2013, the Foundation was accounted for as a discretely presented component unit.

PROVO CITY SCHOOL DISTRICT
 Statements of Net Position - Continued
 June 30, 2007 through June 30, 2016
(full accrual-based accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	45,475,281	\$ 45,632,014	\$ 50,383,686	\$ 37,018,100	\$ 34,707,831	\$ 52,021,467
	30,680,067	31,542,178	27,967,740	26,661,039	21,760,749	20,912,352
	126,375	62,015	36,696	90,151	95,610	75,348
	4,038,422	1,695,091	1,234,451	1,314,559	2,433,460	2,709,098
	-	-	-	-	-	-
	396,044	-	-	-	-	-
	128,927	169,133	239,548	259,543	227,002	257,265
	-	-	-	-	-	-
	43,745	82,485	53,735	70,232	86,729	398,892
	3,903,705	397,787	2,600,867	1,319,067	-	-
	104,505,216	104,272,570	96,540,410	95,405,670	93,588,175	72,860,474
	<u>189,297,782</u>	<u>183,853,274</u>	<u>179,057,133</u>	<u>162,138,360</u>	<u>152,899,556</u>	<u>149,234,896</u>
	1,982,305	3,291,630	2,259,051	738,185	3,927,176	4,741,970
	83,953	91,088	80,874	113,634	126,320	175,822
	10,914,605	1,647,439	1,739,466	1,715,322	10,760,273	7,071,982
	-	-	-	(552,522)	(589,732)	12,000
	26,705,685	24,657,369	23,779,682	24,029,421	19,071,813	18,849,716
	696,641	1,225,070	566,533	442,113	156,870	153,192
	5,455,007	5,349,740	5,164,405	5,206,118	7,388,802	6,386,343
	<u>46,185,543</u>	<u>50,759,356</u>	<u>55,182,125</u>	<u>52,912,466</u>	<u>61,118,673</u>	<u>65,782,889</u>
	<u>92,023,740</u>	<u>87,021,692</u>	<u>88,772,136</u>	<u>84,604,737</u>	<u>101,960,196</u>	<u>103,173,914</u>
	49,159,753	37,158,614	38,192,076	32,155,592	29,750,263	28,454,429
	1,365,353	1,510,175	1,245,636	1,258,025	2,252,802	1,538,526
	4,955,684	4,304,238	10,334,131	13,234,320	11,253,722	9,319,565
	132,539	151,893	416,203	647,123	576,666	307,754
	5,940,240	3,940,240	-	-	-	-
	1,886,471	1,935,098	1,703,390	1,849,953	1,835,600	-
	1,715,481	2,027,050	1,929,635	2,199,774	1,980,678	1,522,063
	1,013,178	650,226	527,057	457,074	444,819	356,772
	1,158,146	1,104,002	788,734	742,084	1,062,492	1,750,413
	29,504,737	37,503,460	22,396,764	(1,816,863)	(3,026,820)	(2,959,074)
\$	<u>96,831,582</u>	<u>\$ 90,284,997</u>	<u>\$ 77,533,625</u>	<u>\$ 50,727,080</u>	<u>\$ 46,130,221</u>	<u>\$ 40,349,497</u>

PROVO CITY SCHOOL DISTRICT
Changes in Net Position
June 30,2007 through June 30, 2016
(full accrual-based accounting)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses:				
Instruction	\$ 81,704,867	\$ 79,335,822	\$ 76,511,349	\$ 73,787,894
Supporting services:				
Student	4,506,235	4,136,695	4,020,840	3,835,378
Instructional staff	1,385,368	1,230,402	1,405,164	1,603,967
District administration	2,726,120	2,217,104	1,671,347	1,613,516
School administration	6,069,529	5,495,155	5,503,377	5,273,792
Business	6,786,963	5,700,965	4,997,337	2,997,607
Operation and maintenance of facilities	8,006,633	6,421,600	6,191,211	6,070,069
Student transportation	2,405,649	1,983,217	2,005,850	2,607,556
Other	-	-	21,617	1,011,101
School food services	5,744,991	5,554,392	6,115,057	5,848,990
Community services	3,944,727	3,570,276	5,705,292	6,306,128
Facilities & Construction	-	-	-	-
Interest on long-term liabilities	2,753,362	1,973,634	1,563,458	1,727,099
Total school district	<u>126,034,444</u>	<u>117,619,262</u>	<u>115,711,899</u>	<u>112,683,097</u>
Program Revenues:				
Instructional services	85,135,704	74,173,782	65,062,008	62,594,300
Supporting services:				
Student	2,338,180	4,028,684	1,252,593	1,229,288
Instructional staff	350,447	1,570,259	2,023,938	1,546,259
General administration	757,370	606,471	-	-
School administration	416,914	155,889	3,478,936	345,880
Business	314,039	-	-	-
Operation and maintenance of facilities	-	474,297	108,195	148,527
Transportation	1,370,907	1,293,995	1,029,391	3,566,805
Other	-	-	-	-
School food services	5,653,530	5,718,773	5,350,662	5,466,384
Community services	2,323,484	3,038,102	4,564,121	5,012,525
Interest on long-term liabilities	-	-	-	-
Total program revenues	<u>98,660,575</u>	<u>91,060,252</u>	<u>82,869,844</u>	<u>79,909,968</u>
Net (expense) revenue	(27,373,869)	(26,559,010)	(32,842,055)	(32,773,129)
General revenues:				
Property taxes levied for:				
General purposes	25,578,966	21,439,190	20,319,458	13,411,652
Reading Program	-	-	-	1,773,442
Class size reduction	-	-	-	536,466
Special transportation	-	-	-	443,360
Tort liability	-	-	-	354,688
Recreation	-	-	-	2,660,162
Debt service	7,828,560	6,561,563	6,218,864	6,202,612
Capital outlay	7,720,775	6,471,222	6,133,242	1,108,401
Ten percent of basic for constuction, textbooks and supplies	-	-	-	5,222,786
Federal and state aid not restricted to specific purposes	-	2,309,132	3,942,631	3,751,789
Earnings on investments	569,045	328,576	234,793	306,619
Gain on sale of assets	(992,929)	37,086	23,970	27,169
Miscellaneous	2,570,194	478,360	418,483	297,493
Total general revenues	<u>43,274,611</u>	<u>37,625,129</u>	<u>37,291,441</u>	<u>36,096,639</u>
Change in net position	15,900,742	11,066,119	4,449,386	3,323,510
Net position - beginning	75,098,769	105,370,189	100,920,802	97,022,299
Prior period adjustments	-	(41,337,539)	-	574,993
Net position - ending	<u>\$ 90,999,511</u>	<u>\$ 75,098,769</u>	<u>\$ 105,370,189</u>	<u>\$ 100,920,802</u>

PROVO CITY SCHOOL DISTRICT
Changes in Net Position - Continued
June 30, 2007 through June 30, 2016
(full accrual-based accounting)

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 72,935,322	\$ 70,907,845	\$ 65,458,961	\$ 62,546,410	\$ 69,059,951	\$ 65,724,634
4,117,960	3,932,521	3,924,191	3,913,806	3,452,728	3,575,644
1,559,232	1,458,566	2,092,586	2,104,484	1,544,884	2,074,350
1,611,412	1,273,567	1,217,314	833,850	1,268,614	1,515,876
5,220,467	5,085,658	4,912,708	5,089,616	4,740,635	4,514,003
3,220,175	3,102,163	3,090,296	2,992,513	2,719,019	1,213,819
5,805,386	6,863,193	5,404,007	5,418,773	5,167,878	4,062,566
2,717,234	2,396,835	2,583,551	2,444,373	2,734,970	2,480,134
1,176,456	1,107,400	61,739	91,078	392,585	2,035,645
5,727,848	5,543,199	5,226,130	5,381,233	4,494,804	4,340,954
3,675,111	3,502,322	3,590,594	4,839,650	4,166,235	3,981,248
-	-	-	-	-	-
2,026,217	2,200,135	2,465,620	2,636,859	2,849,763	1,878,214
<u>109,792,820</u>	<u>107,373,403</u>	<u>100,027,696</u>	<u>98,292,645</u>	<u>102,592,066</u>	<u>97,397,085</u>
33,076,742	32,181,593	33,465,497	25,824,392	31,544,598	24,131,131
2,249,264	2,456,108	2,207,564	962,090	1,738,554	2,303,521
223,711	777,618	758,012	543,374	625,376	514,125
218,864	651,276	426,727	252,740	356,406	237,329
293,359	541,799	627,347	288,900	331,337	287,994
418,742	435,474	570,906	327,415	7,712	62,378
267,385	1,429,453	17,174	7,398	-	-
1,760,312	524,440	2,252,524	2,316,300	1,669,463	1,579,704
600,050	946,387	75,531	34,926	53,830	2,177
5,292,594	4,897,017	5,005,840	4,804,413	4,346,857	4,329,459
5,957,292	5,841,147	6,704,723	5,028,833	2,868,356	1,904,807
-	-	-	-	-	-
<u>50,358,315</u>	<u>50,682,312</u>	<u>52,111,845</u>	<u>40,390,781</u>	<u>43,542,490</u>	<u>35,352,626</u>
(59,434,504)	(56,691,092)	(47,915,851)	(57,901,864)	(59,049,576)	(62,044,459)
13,580,600	13,482,244	13,676,215	10,120,968	11,057,943	11,036,199
579,631	575,433	595,474	-	-	-
1,877,811	1,864,212	1,112,207	8,577,771	1,713,274	1,731,848
-	-	482,285	372,772	485,175	489,247
-	-	300,198	232,482	303,234	307,403
632,324	627,745	649,608	998,068	1,293,800	1,307,545
6,308,871	6,263,180	6,432,102	4,978,314	5,144,875	5,199,872
4,704,109	4,670,040	4,576,783	3,318,876	1,864,891	1,883,384
4,440,640	4,408,480	4,847,453	3,543,341	4,614,215	4,658,670
20,703,055	22,612,145	22,128,854	35,865,302	29,161,587	31,124,777
368,052	280,572	324,949	788,220	2,142,078	1,721,041
10,362	(17,638)	63,288	13,655	76,952	3,955
<u>7,249,331</u>	<u>8,426,016</u>	<u>5,424,856</u>	<u>6,113,493</u>	<u>5,946,691</u>	<u>5,022,842</u>
<u>60,454,786</u>	<u>63,192,429</u>	<u>60,614,274</u>	<u>74,923,262</u>	<u>63,804,715</u>	<u>64,486,783</u>
1,020,282	6,501,337	12,698,421	17,021,398	4,755,139	2,442,324
96,831,582	90,330,244	77,586,576	60,565,177	45,971,941	43,687,897
-	-	-	-	-	-
<u>\$ 97,851,866</u>	<u>\$ 96,831,582</u>	<u>\$ 90,284,997</u>	<u>\$ 77,586,576</u>	<u>\$ 50,727,080</u>	<u>\$ 46,130,221</u>

PROVO CITY SCHOOL DISTRICT
 Governmental Funds - Aggregate Fund Balances
 June 30,2007 through June 30, 2016

Fiscal Year Ended June 30,	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2016	\$ 499,507	\$ 3,105,603	\$ 19,542,646	\$ -	\$ 7,337,273	\$ 30,485,029
2015	533,351	2,016,530	19,542,646	-	5,712,495	27,805,022
2014	606,666	1,209,061	19,542,646	-	5,025,862	26,384,235
2013	605,384	1,605,746	19,542,646	-	2,709,865	24,463,641
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

Fiscal Year Ended June 30,	All Other Governmental Funds					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2016	\$ 141,216	\$ 96,466,004	\$ -	\$ 1,732,942	\$ -	\$ 98,340,162
2015	146,980	60,783,429	-	1,554,242	-	62,484,651
2014	91,355	9,274,868	-	1,397,081	(506,002)	10,257,302
2013	105,762	13,025,168	-	1,521,583	(1,827,994)	12,824,519
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)	16,731,959
2010	232,358	11,192,407	10,687,218	12,622,316	(50,380)	34,683,919
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

PROVO CITY SCHOOL DISTRICT
 Governmental Funds - Net Changes in Aggregate Fund Balances
 June 30,2007 through June 30, 2016

Fiscal Year Ended June 30th	General Fund	Debt Service	Capital Projects	Non K-12 Instruction	Student Activities	Food Services	Building Reserve	Municipal Building Authority	Foundation	Total Governmental Funds
2016	\$ 2,680,007	\$ 844,990	\$ 31,414,604	\$ -	\$ 178,700	\$ 535,115	\$ 1,500,000	\$ -	\$ -	\$ 37,153,416
2015	1,420,787	342,954	53,113,179	232,145	157,161	381,910	(2,000,000)	-	-	53,648,136
2014	1,920,594	(153,915)	(3,364,289)	(534,417)	(124,502)	(335,527)	-	1,945,433	-	(646,623)
2013	(618,580)	(7,571)	2,121,553	121,296	(200,226)	5,217	(1,668,000)	(539,473)	-	(785,784)
2012	(1,112,247)	(138,239)	(1,872,279)	105,442	(54,662)	(87,661)	1,100,000	(2,311,098)	(183,612)	(4,554,357)
2011	1,425,410	(162,049)	647,901	28,730	(48,628)	(311,569)	2,000,000	(9,782,080)	362,952	(5,839,333)
2010	4,900,587	12,526	(6,230,367)	(139,993)	231,708	97,415	2,000,000	10,687,218	123,169	11,682,264
2009	5,132,777	10,242	(2,924,738)	(56,460)	(146,563)	(270,139)	1,940,240	-	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

PROVO CITY SCHOOL DISTRICT
Governmental Funds - Fund Balances
June 30,2007 through June 30, 2016

	2016	2015	2014	2013
General Fund				
Nonspendable	\$ 499,507	\$ 533,351	\$ 606,666	\$ 605,384
Restricted	3,105,603	2,016,530	1,209,061	1,605,746
Committed	19,542,646	19,542,646	19,542,646	19,542,646
Assigned	-	-	-	-
Unassigned	7,337,273	5,712,495	5,025,862	2,709,865
	<u>30,485,029</u>	<u>27,805,022</u>	<u>26,384,235</u>	<u>24,463,641</u>
Debt Service Fund				
Restricted	1,721,779	876,789	533,835	687,750
	<u>1,721,779</u>	<u>876,789</u>	<u>533,835</u>	<u>687,750</u>
Capital Projects Fund				
Nonspendable	2,705	-	-	-
Restricted	87,795,961	55,001,960	1,888,781	5,253,070
	<u>87,798,666</u>	<u>55,001,960</u>	<u>1,888,781</u>	<u>5,253,070</u>
Non K-12 Instruction Fund				
Restricted	-	-	273,857	272,732
Assigned	-	-	-	-
Unassigned	-	-	(506,002)	29,540
	<u>-</u>	<u>-</u>	<u>(232,145)</u>	<u>302,272</u>
School Activities Fund				
Assigned	1,732,942	1,554,242	1,397,081	1,521,583
	<u>1,732,942</u>	<u>1,554,242</u>	<u>1,397,081</u>	<u>1,521,583</u>
Food Services Fund				
Nonspendable	138,511	146,980	91,355	105,762
Restricted	2,076,024	1,532,440	1,206,155	1,527,275
	<u>2,214,535</u>	<u>1,679,420</u>	<u>1,297,510</u>	<u>1,633,037</u>
Building Reserve Fund				
Restricted	4,872,240	3,372,240	5,372,240	5,372,240
	<u>4,872,240</u>	<u>3,372,240</u>	<u>5,372,240</u>	<u>5,372,240</u>
Municipal Building Authority				
Committed	-	-	-	-
Restricted	-	-	-	(1,945,433)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,945,433)</u>
Provo School District Foundation				
Restricted	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Governmental Funds				
Nonspendable	640,723	680,331	698,021	711,146
Committed	19,542,646	19,542,646	19,542,646	19,542,646
Restricted	99,571,607	62,799,959	10,483,929	12,773,380
Assigned	1,732,942	1,554,242	1,397,081	1,521,583
Unassigned	7,337,273	5,712,495	4,519,860	2,739,405
	<u>\$ 128,825,191</u>	<u>\$ 90,289,673</u>	<u>\$ 36,641,537</u>	<u>\$ 37,288,160</u>

2012	2011	2010	2009	2008	2007
\$ 663,333	\$ 313,724	\$ 315,088	\$ 514,053	\$ 622,713	\$ 69,302
1,330,758	1,158,146	1,104,007	588,044	1,343,360	3,048,644
19,542,646	19,542,646	19,542,647	14,742,647	9,082,301	-
396,012	792,056	-	-	-	-
3,149,472	4,387,896	3,807,316	3,852,927	3,229,681	1,782,603
25,082,221	26,194,468	24,769,058	19,697,670	14,278,055	4,900,550
695,321	833,560	995,609	983,083	972,841	1,707,368
695,321	833,560	995,609	983,083	972,841	1,707,368
-	-	-	-	-	-
2,490,077	4,362,356	3,714,455	9,944,822	12,869,560	32,247,424
2,490,077	4,362,356	3,714,455	9,944,822	12,869,560	32,247,424
127,316	78,376	97,184	357,598	570,375	501,562
-	-	-	-	-	-
53,660	(2,842)	(50,380)	-	-	-
180,976	75,534	46,804	357,598	570,375	501,562
1,831,809	1,886,471	1,935,098	1,703,390	2,008,233	1,835,600
1,831,809	1,886,471	1,935,098	1,703,390	2,008,233	1,835,600
124,736	163,307	232,358	251,304	172,959	187,962
1,503,084	1,552,174	1,794,693	1,678,331	2,026,815	1,792,716
1,627,820	1,715,481	2,027,050	1,929,635	2,199,774	1,980,678
7,040,240	5,940,240	3,940,240	1,940,240	-	-
7,040,240	5,940,240	3,940,240	1,940,240	-	-
-	905,138	10,687,218	-	-	-
(1,405,960)	-	-	-	-	-
(1,405,960)	905,138	10,687,218	-	-	-
829,566	1,013,178	650,226	527,057	517,013	444,819
829,566	1,013,178	650,226	527,057	517,013	444,819
788,069	477,031	547,446	765,357	795,672	257,265
19,542,646	20,447,784	30,229,865	14,742,647	9,082,301	-
12,610,402	14,938,030	12,296,414	16,019,174	18,299,963	39,742,534
2,227,821	3,583,665	12,622,316	1,703,390	2,008,233	1,835,600
3,203,132	4,385,054	3,756,936	3,852,927	3,229,681	1,782,603
\$ 38,372,069	\$ 43,831,564	\$ 59,452,977	\$ 37,083,495	\$ 33,415,850	\$ 43,618,002

PROVO CITY SCHOOL DISTRICT
 Total Governmental Funds - Change in Fund Balances
 June 30,2007 through June 30, 2016

	2016	2015	2014	2013
Revenues				
Property taxes	\$ 41,153,281	\$ 34,716,507	\$ 32,444,766	\$ 32,428,761
Other local sources	9,481,640	8,147,091	9,600,553	8,949,455
State of Utah	78,150,999	71,360,702	61,612,174	57,509,778
Federal government	14,167,175	14,668,527	16,253,024	16,756,453
Total revenues	<u>142,953,095</u>	<u>128,892,827</u>	<u>119,910,517</u>	<u>115,644,447</u>
Expenditures				
Instruction	80,002,630	77,992,377	71,499,205	69,533,767
Supporting services:				
Students	4,351,628	4,103,008	3,804,067	3,542,614
Instructional staff	1,401,766	1,277,995	1,405,164	1,569,945
District administration	2,677,541	2,220,421	1,595,972	1,541,051
School administration	6,074,372	5,650,292	5,429,688	5,196,888
Business	6,817,715	5,814,250	4,984,781	2,803,584
Operation and maintenance of buildings	7,677,616	6,251,578	5,781,259	6,042,890
Student transportation	2,358,055	1,986,869	2,005,641	2,158,201
Other	-	-	21,617	1,011,101
School food services	5,387,139	5,336,863	5,686,209	5,464,818
Non K-12 programs	3,836,172	3,565,614	5,543,167	6,138,445
Capital outlay	32,464,306	7,506,058	5,904,104	4,589,266
Debt Service:				
Bond principal	6,932,626	5,667,993	5,427,727	5,235,098
Bond issue costs	-	-	-	-
Bond interest and fees	3,009,273	1,354,260	1,492,509	1,762,279
Total expenditures	<u>162,990,839</u>	<u>128,727,578</u>	<u>120,581,110</u>	<u>116,589,947</u>
Excess (deficiency) of revenues over (under) expenditures	(20,037,744)	165,249	(670,593)	(945,500)
Other financing sources (uses)				
Capital lease	-	-	-	41,266
Sale of capital assets	30,044	415,807	23,970	27,169
General obligation bonds issued	50,650,000	50,615,000	-	-
Bond premium (discount)	6,511,116	2,382,005	-	-
Refunding bonds issued	-	22,789,999	-	9,045,000
Payment to refunded bonds escrow agent	-	(22,719,924)	-	(8,953,719)
Insurance recoveries	-	-	-	-
Donated Assets	-	-	-	-
Total other financing sources (uses)	<u>57,191,160</u>	<u>53,482,887</u>	<u>23,970</u>	<u>159,716</u>
Net change in fund balances	<u>\$ 37,153,416</u>	<u>\$ 53,648,136</u>	<u>\$ (646,623)</u>	<u>\$ (785,784)</u>
Debt service as a percentage of noncapital expenditures	7.6%	5.8%	6.0%	6.2%

2012	2011	2010	2009	2008	2007
\$ 32,123,987	\$ 31,891,333	\$ 32,672,324	\$ 32,142,593	\$ 26,477,406	\$ 26,614,168
9,672,627	10,872,559	7,859,395	8,538,122	10,197,788	9,374,876
53,467,124	52,601,369	53,877,288	57,520,715	59,138,786	52,642,013
15,539,002	18,491,842	18,258,540	17,170,413	11,556,049	12,085,892
<u>110,802,740</u>	<u>113,857,103</u>	<u>112,667,547</u>	<u>115,371,843</u>	<u>107,370,029</u>	<u>100,716,948</u>
68,680,153	68,102,925	64,797,364	66,318,579	68,788,467	62,720,619
3,852,848	3,675,095	3,681,968	3,681,831	3,299,652	3,452,851
1,521,358	1,421,080	2,060,247	2,074,908	1,519,541	2,053,435
1,551,884	1,216,376	1,160,972	778,689	1,236,565	1,489,474
5,155,525	5,023,070	4,851,866	5,030,421	4,705,273	4,485,853
3,004,179	2,888,383	2,905,870	2,823,844	2,574,485	1,094,542
5,849,045	6,833,247	5,378,173	5,395,147	5,147,632	4,045,858
2,216,991	1,901,723	2,156,422	2,053,738	2,400,231	2,203,890
1,176,456	1,107,400	61,739	91,078	392,584	2,035,645
5,382,955	5,208,605	4,910,053	5,077,938	4,293,453	4,180,570
3,530,746	3,362,893	3,456,294	4,709,556	4,084,935	3,914,974
7,009,197	12,526,166	5,759,945	6,936,233	22,703,562	16,571,562
4,353,461	4,219,671	4,326,211	4,127,972	4,013,261	4,725,450
-	-	-	-	-	308,305
2,082,660	2,239,229	2,434,054	2,586,166	2,792,332	1,772,475
<u>115,367,458</u>	<u>119,725,862</u>	<u>107,941,176</u>	<u>111,686,100</u>	<u>127,951,971</u>	<u>115,055,503</u>
(4,564,718)	(5,868,760)	4,726,371	3,685,743	(20,581,943)	(14,338,555)
-	-	81,721	-	1,148,344	-
10,362	29,427	63,288	13,655	76,952	5,703,955
-	-	-	-	-	35,000,000
-	-	-	-	-	244,201
-	-	6,462,000	-	-	8,220,000
-	-	-	-	-	(8,085,000)
-	-	-	-	-	-
-	-	348,884	-	-	-
<u>10,362</u>	<u>29,427</u>	<u>6,955,893</u>	<u>13,655</u>	<u>1,225,296</u>	<u>41,083,156</u>
<u>\$ (4,554,356)</u>	<u>\$ (5,839,333)</u>	<u>\$ 11,682,264</u>	<u>\$ 3,699,398</u>	<u>\$ (19,356,647)</u>	<u>\$ 26,744,601</u>
5.9%	6.0%	6.6%	6.4%	6.5%	6.9%

PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections
June 30,2007 through June 30, 2016

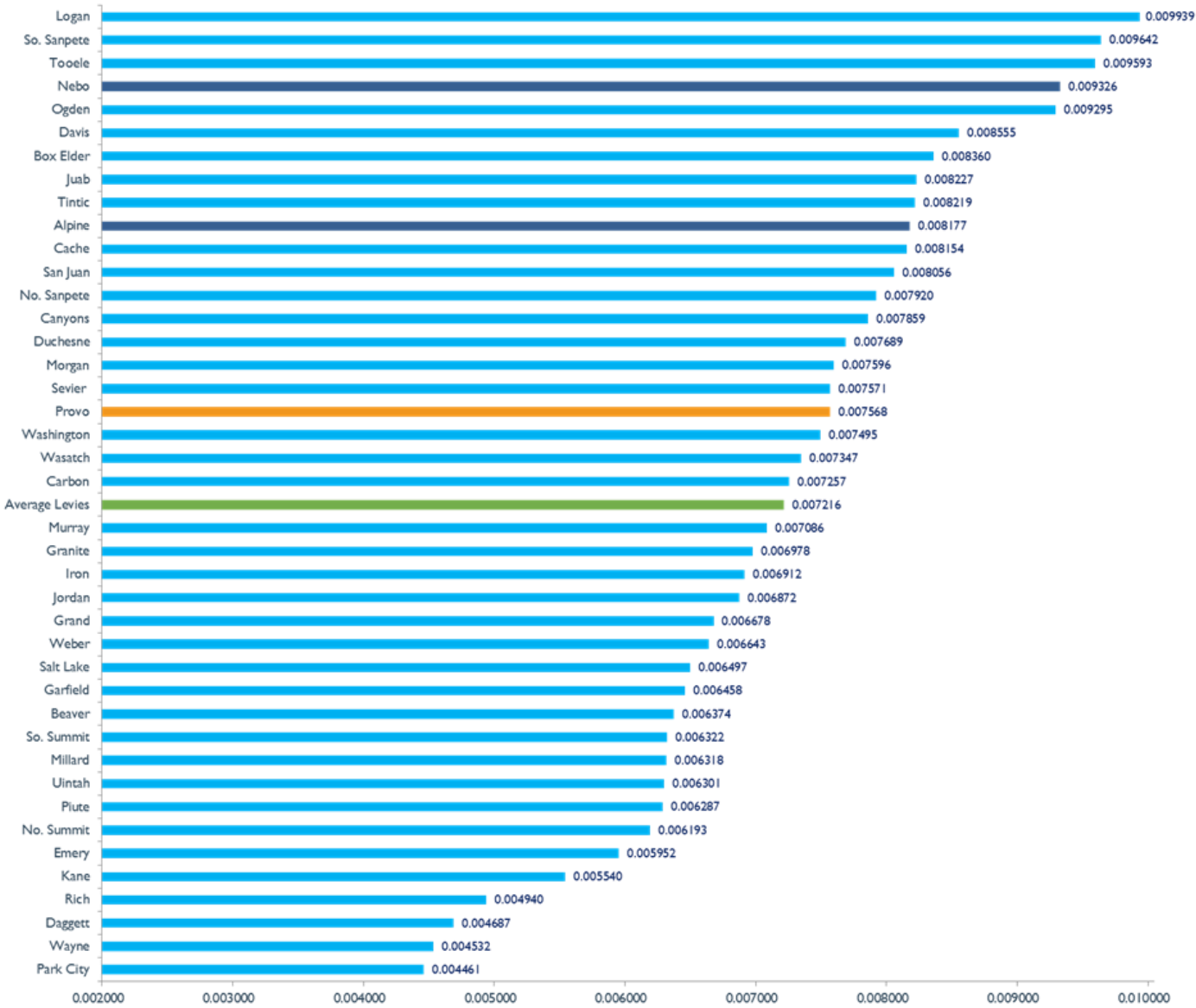
<u>Calendar Tax Year</u>	<u>Fiscal Year Ended June 30th</u>	<u>Mill Levy or Tax Rate</u>	<u>Taxable Value</u>	<u>Redevelopment Value</u>	<u>Net Taxable Value</u>	<u>Total Tax Levied</u>
2015	2016	0.007568	\$ 4,683,063,300	\$ 177,179,882	\$ 4,505,883,418	\$ 38,521,083
2014	2015	0.006636	4,437,390,095	152,685,850	4,284,704,245	30,457,762
2013	2014	0.007094	4,146,424,992	137,588,204	4,008,836,788	30,457,762
2012	2013	0.007319	4,153,830,545	-	4,153,830,545	30,401,886
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

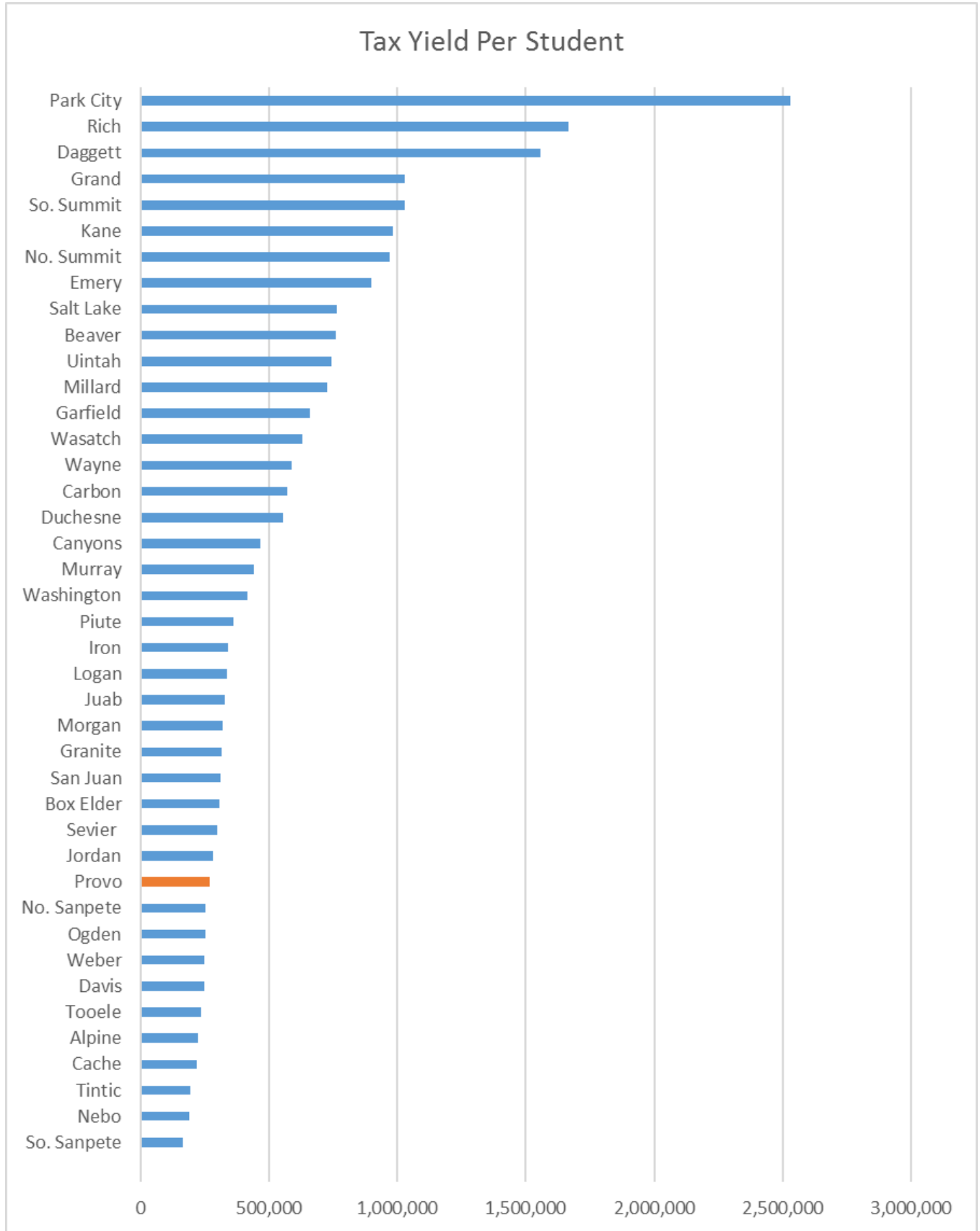
Calendar Tax Year	Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collections	
	Current	Percent of Current Collections	Fee-in-Lieu & Other Collections	Delinquent Collections	Amount	Percent of Annual Assessment
2015	\$ 34,956,657	93.98%	\$ 2,535,560	\$ 2,263,279	\$ 39,755,497	90.75%
2014	29,042,289	93.16%	2,375,155	2,018,705	33,436,150	95.35%
2013	28,375,468	93.16%	2,271,140	2,360,582	33,007,190	93.16%
2012	28,163,850	92.64%	2,333,134	2,036,439	32,533,423	92.64%
2011	27,552,286	92.77%	2,313,938	2,284,594	32,150,818	92.77%
2010	26,646,431	88.79%	2,463,553	2,173,810	31,283,794	88.79%
2009	27,282,047	88.31%	2,808,721	2,751,631	32,842,399	88.31%
2008	26,920,710	91.10%	3,140,469	2,018,204	32,079,383	91.10%
2007	22,323,808	91.57%	3,038,185	1,570,642	26,994,798	92.84%
2006	21,316,863	91.90%	2,917,225	1,834,979	26,069,067	91.90%

PROVO CITY SCHOOL DISTRICT
 Assessed Value and Estimated Actual Value of Taxable Property
 Tax Years 2006 through 2015

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
2015	\$ 101,032,025	\$2,984,495,487	\$ 1,557,330,708	\$ 1,966,767	\$ 487,123,189	\$ 5,131,948,176	0.007568	7,568,631,079	67.81%
2014	82,937,762	2,772,015,561	1,478,928,761	1,491,220	476,336,473	4,790,839,169	0.006636	7,204,269,301	66.50%
2013	89,859,373	2,518,526,525	1,530,457,068	1,471,444	437,940,237	4,578,254,647	0.007094		69.01%
2012	87,002,827	1,801,508,388	961,043,880	1,331,238	278,833,085	4,344,956,950	0.007319	6,310,719,080	68.85%
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%

PROVO CITY SCHOOL DISTRICT
 Comparison of Utah School District Property Tax Rates
 Tax Year 2015 (Fiscal Year 2016)





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

	Tax Rates for the year ended December 31,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Direct Rates:										
Basic Program	0.001736	0.001419	0.001535	0.001651	0.001591	0.001495	0.001433	0.001250	0.001311	0.001515
Voted Leeway	0.001151	0.001228	0.001300	0.001455	0.001434	0.001340	0.001346	0.001275	0.000877	0.001034
Board Leeway (Class Size Reduction)	0.001293	0.001445	0.001518	0.001904	0.000400	0.000392	0.000226	0.000214	0.000339	0.000400
Board Leeway (Reading Program) [2]	0.000000	0.000000	0.000000	0.000000	0.000121	0.000121	0.000121	0.000121	0.000000	0.000000
Transportation	0.000000	0.000000	0.000000	0.000000	0.000100	0.000000	0.000098	0.000093	0.000096	0.000113
Tort Liability	0.000000	0.000000	0.000000	0.000000	0.000080	0.000000	0.000061	0.000058	0.000060	0.000071
10% of Basic Operating [1]	0.000000	0.000000	0.000000	0.000000	0.000602	0.000463	0.000492	n/a	n/a	n/a
Recreation Levy	0.000000	0.000000	0.000000	0.000000	0.000600	0.000132	0.000132	0.000249	0.000256	0.000302
Debt Service	0.002139	0.001268	0.001380	0.001432	0.001399	0.001317	0.001307	0.001242	0.001018	0.001201
Capital Outlay Foundation	0.001249	0.001276	0.001361	0.000877	0.000250	0.000982	0.000930	0.000828	0.000369	0.000435
10% of Basic Capital	0.000000	0.000000	0.000000	0.000000	0.000576	0.000464	0.000493	0.000884	0.000913	0.001076
Total direct rate	0.007568	0.006636	0.007094	0.007319	0.007153	0.006706	0.006639	0.006214	0.005239	0.006147
Overlapping rates:*										
Provo City	0.002377	0.002775	0.002956	0.003032	0.002843	0.002394	0.002307	0.002122	0.002236	0.002722
Utah County	0.000870	0.000916	0.001006	0.001127	0.001342	0.001294	0.001203	0.001105	0.001000	0.000960
Central UT Water District	0.000405	0.000422	0.000446	0.000455	0.000436	0.000421	0.000400	0.000286	0.000302	0.000357

* source: 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

[n/a] Detail of tax rate no longer available

School Year	WPU	Dollar Change	Percent Change
1975-76	\$ 621	\$ -	-
1976-77	\$ 683	\$ 62	10.0%
1977-78	\$ 732	\$ 49	7.2%
1978-79	\$ 795	\$ 63	8.6%
1979-80	\$ 852	\$ 57	7.2%
1980-81	\$ 946	\$ 94	11.0%
1981-82	\$ 1,003	\$ 57	6.0%
1982-83	\$ 1,103	\$ 100	10.0%
1983-84	\$ 1,103	\$ -	0.0%
1984-85	\$ 1,124	\$ 21	1.9%
1985-86	\$ 1,180	\$ 56	5.0%
1986-87	\$ 1,204	\$ 24	2.0%
1987-88	\$ 1,204	\$ -	0.0%
1988-89	\$ 1,204	\$ -	0.0%
1989-90	\$ 1,240	\$ 36	3.0%
1990-91	\$ 1,346	\$ 106	8.5%
1991-92	\$ 1,408	\$ 62	4.6%
1992-93	\$ 1,490	\$ 82	5.8%
1993-94	\$ 1,539	\$ 49	3.3%
1994-95	\$ 1,608	\$ 69	4.5%
1995-96	\$ 1,672	\$ 64	4.0%
1996-97	\$ 1,739	\$ 67	4.0%
1997-98	\$ 1,791	\$ 52	3.0%
1998-99	\$ 1,854	\$ 63	3.5%
1999-200	\$ 1,901	\$ 47	2.5%
2000-01	\$ 2,006	\$ 105	5.5%
2001-02	\$ 2,116	\$ 110	5.5%
2002-03	\$ 2,132	\$ 16	0.8%
2003-04	\$ 2,150	\$ 18	0.8%
2004-05	\$ 2,182	\$ 32	1.5%
2005-06	\$ 2,280	\$ 98	4.5%
2006-07	\$ 2,417	\$ 137	6.0%
2007-08	\$ 2,514	\$ 97	4.0%
2008-09	\$ 2,577	\$ 63	2.5%
2009-10	\$ 2,577	\$ -	0.0%
2010-11	\$ 2,577	\$ -	0.0%
2011-12	\$ 2,816	\$ 239	9.3%
2012-13	\$ 2,842	\$ 26	0.9%
2013-14	\$ 2,899	\$ 57	2.0%
2014-15	\$ 2,971	\$ 72	2.5%
2015-16	\$ 3,092	\$ 121	4.1%

PROVO CITY SCHOOL DISTRICT

Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures

June 30,2007 through June 30, 2016

Modified Accrual-Based Accounting

	2016	2015	2014	2013
Revenues:				
Property taxes	\$ 22,720,856	\$ 20,808,558	\$ 20,657,597	\$ 19,574,339
Other local sources	3,666,797	2,990,279	4,241,205	3,673,465
State of Utah	76,361,890	70,389,904	59,502,309	55,110,921
Federal government	10,429,429	10,593,904	11,992,367	12,616,532
Total revenues	<u>113,178,972</u>	<u>104,782,645</u>	<u>96,393,478</u>	<u>90,975,257</u>
Expenditures:				
Instructional services	76,138,778	74,229,205	67,739,515	65,776,955
Supporting services:				
Students	4,351,628	4,103,008	3,804,067	3,542,614
Instructional staff	1,401,766	1,277,995	1,405,164	1,569,945
District administration	2,677,541	2,220,421	1,595,972	1,541,051
School administration	6,074,372	5,650,292	5,429,688	5,196,888
Business	5,572,004	4,704,250	4,984,781	2,803,584
Operations and maintenance	6,855,656	5,407,883	5,137,464	5,065,572
Student transportation	2,111,779	1,986,869	2,005,641	2,158,201
Other	-	-	21,617	1,011,101
Community services	3,836,172	3,291,762	2,372,925	2,992,710
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	<u>109,019,696</u>	<u>102,871,685</u>	<u>94,496,834</u>	<u>91,658,621</u>
Excess (deficiency) of revenues over expenditures	4,159,276	1,910,960	1,896,644	(683,364)
Other financing sources (uses):				
Sale of assets	20,731	15,824	23,950	23,518
Transfers In (Out)	(1,500,000)	(505,997)		
Insurance recoveries				
Proceeds from Capital lease obligation	-	-	-	41,266
Total other financing sources (uses)	<u>(1,479,269)</u>	<u>(490,173)</u>	<u>23,950</u>	<u>64,784</u>
Net change in fund balance	<u>\$ 2,680,007</u>	<u>\$ 1,420,787</u>	<u>\$ 1,920,594</u>	<u>\$ (618,580)</u>
Total debt service expenditures (all funds) (general obligations, capital leases, etc.)	\$ 9,834,812	\$ 6,455,797	\$ 6,920,236	\$ 6,997,377
Debt service as a percentage of total general fund expenditures	9.0%	6.3%	7.3%	7.6%

PROVO CITY SCHOOL DISTRICT
 Changes in Fund Balance & Ratio of Annual Debt Service to General Fund Expenditures - Continued
 June 30, 2007 through June 30, 2016
 Modified Accrual-Based Accounting

2012	2011	2010	2009	2008	2007
\$ 20,730,368	\$ 18,126,128	\$ 18,454,770	\$ 15,574,726	\$ 13,559,626	\$ 13,473,520
3,777,236	3,804,292	2,413,107	2,308,600	2,946,310	2,832,141
51,556,199	51,001,740	51,756,518	55,099,893	56,943,212	50,474,352
<u>11,381,864</u>	<u>14,610,869</u>	<u>14,486,136</u>	<u>13,499,469</u>	<u>8,173,955</u>	<u>8,810,031</u>
<u>87,445,667</u>	<u>87,543,029</u>	<u>87,110,531</u>	<u>86,482,688</u>	<u>81,623,103</u>	<u>75,590,044</u>
64,984,092	64,604,710	61,744,803	62,639,826	64,216,611	58,771,233
3,852,848	3,675,095	3,681,968	3,681,831	3,299,652	3,452,851
1,521,358	1,421,080	2,060,247	2,074,908	1,519,541	2,053,435
1,551,884	1,216,376	1,160,972	778,689	1,236,565	1,489,474
5,155,525	5,023,070	4,851,866	5,030,421	4,705,273	4,485,853
3,004,179	2,888,383	2,905,870	2,823,844	2,574,485	1,094,542
5,177,986	4,169,208	3,605,897	1,887,139	1,460,910	1,335,633
2,126,248	1,901,723	1,952,076	2,053,738	2,400,231	2,203,890
1,176,456	1,106,071	61,739	91,078	392,584	1,762,840
	-	-	-	-	-
14,461	33,671	310,211	277,972	726,335	-
539	1,329	16,789	22,028	21,010	-
<u>88,565,576</u>	<u>86,040,715</u>	<u>82,352,438</u>	<u>81,361,475</u>	<u>82,553,195</u>	<u>76,649,751</u>
(1,119,909)	1,502,314	4,758,093	5,121,212	(930,092)	(1,059,707)
7,662	29,427	60,773	11,564	76,952	3,955
	(106,331)				
	-	-	-	-	-
	-	81,721	-	1,148,344	-
<u>7,662</u>	<u>(76,904)</u>	<u>142,494</u>	<u>11,564</u>	<u>1,225,296</u>	<u>3,955</u>
#####	\$ 1,425,410	\$ 4,900,587	\$ 5,132,777	\$ 295,204	#####
\$ 6,436,121	\$ 6,460,229	\$ 6,760,264	\$ 6,714,138	\$ 6,805,593	\$ 6,806,230
7.3%	7.5%	8.2%	8.3%	8.2%	8.9%

PROVO CITY SCHOOL DISTRICT
Schedule of Long Term Debt Service

		2017	2018	2019	2020	2021	2022	2023	2024
General obligation bonds:									
<i>Debt Service Fund</i>									
Series 2012 Refunding	Principal	\$ 1,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$9,045,000	Interest	25,155	-	-	-	-	-	-	-
Series 2015 Refunding	Principal	750,000	2,020,000	2,095,000	2,155,000	2,195,000	2,225,000	2,255,000	2,315,000
\$22,790,000	Interest	479,676	463,701	420,675	376,052	330,150	283,397	236,004	187,973
Series 2015	Principal	1,790,000	1,875,000	1,970,000	2,070,000	2,175,000	2,280,000	2,395,000	2,450,000
\$50,615,000	Interest	1,729,838	1,640,338	1,546,588	1,448,088	1,344,588	1,235,838	1,121,838	1,067,950
Series 2016	Principal	-	1,775,000	1,850,000	1,950,000	2,050,000	2,125,000	2,250,000	2,350,000
\$9,400,000	Interest	1,876,237	1,957,813	1,869,063	1,776,563	1,679,063	1,597,063	1,490,813	1,378,313
Series 2007B G.O. Bond	Principal	1,225,000	-	-	-	-	-	-	-
\$25,600,000	Interest	49,000	-	-	-	-	-	-	-
Total Principal - General Obligation Bonds		5,715,000	5,670,000	5,915,000	6,175,000	6,420,000	6,630,000	6,900,000	7,115,000
Total Interest - General Obligation Bonds		4,159,906	4,061,852	3,836,326	3,600,703	3,353,801	3,116,298	2,848,655	2,634,236
Total - General Obligation Bonds		9,874,906	9,731,852	9,751,326	9,775,703	9,773,801	9,746,298	9,748,655	9,749,236
Lease revenue bonds:									
<i>Debt Service Fund</i>									
2010 Lease Revenue Bonds	Principal	-	-	-	-	-	-	-	-
\$ 6,462,000	Interest	56,851	51,193	45,535	39,877	34,219	28,561	22,903	17,245
Total - Lease Revenue Bonds		56,851	51,193	45,535	39,877	34,219	28,561	22,903	17,245
Total - Bonds payable		9,931,757	9,783,045	9,796,861	9,815,580	9,808,020	9,774,859	9,771,558	9,766,481
Obligations under lease agreements:									
<i>General Fund</i>									
2012 Capital Lease	Principal	8,245	8,513	8,789	-	-	-	-	-
\$45,375	Interest	830	562	286	-	-	-	-	-
Total Principal - lease obligations		8,245	8,513	8,789	-	-	-	-	-
Total Interest - lease obligations		830	562	286	-	-	-	-	-
Total lease obligations		9,075	9,075	9,075	-	-	-	-	-
Note payable:									
<i>Capital Projects Fund</i>									
2011 Energy Efficiency Chiller	Principal	20,547	21,223	21,921	22,642	23,387	24,157	24,951	25,772
\$264,697	Interest	6,180	5,504	4,806	4,085	3,340	2,570	1,776	955
Total note payable		26,727	26,727	26,727	26,727	26,727	26,727	26,727	26,727
Total long-term debt obligations:									
Total Principal - All Funds - All Long-Term Debt		5,743,792	5,699,736	5,945,710	6,197,642	6,443,387	6,654,157	6,924,951	7,140,772
Total Interest - All Funds - All Long-Term Debt		4,223,767	4,119,111	3,886,953	3,644,665	3,391,360	3,147,429	2,873,334	2,652,436
Total - All Funds - All Long-Term Debt		\$ 9,967,559	\$ 9,818,847	\$ 9,832,663	\$ 9,842,307	\$ 9,834,747	\$ 9,801,586	\$ 9,798,285	\$ 9,793,208

PROVO CITY SCHOOL DISTRICT
Schedule of Long Term Debt Service

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950,000
-	-	-	-	-	-	-	-	-	-	-	-	25,155
2,345,000	2,395,000	1,770,000	-	-	-	-	-	-	-	-	-	22,520,000
138,663	88,715	37,701	-	-	-	-	-	-	-	-	-	3,042,707
2,510,000	2,580,000	2,655,000	2,735,000	2,830,000	2,930,000	3,035,000	3,125,000	3,220,000	3,315,000	3,415,000	-	49,355,000
1,006,700	937,675	860,275	780,625	684,900	585,850	483,300	392,250	298,500	201,900	102,450	-	17,469,491
2,475,000	2,600,000	2,725,000	2,775,000	2,825,000	2,950,000	3,075,000	3,150,000	3,275,000	3,375,000	3,475,000	3,600,000	50,650,000
1,260,813	1,137,063	1,007,063	952,563	897,063	784,063	666,063	566,125	463,750	357,313	247,625	126,000	22,090,432
-	-	-	-	-	-	-	-	-	-	-	-	1,225,000
-	-	-	-	-	-	-	-	-	-	-	-	49,000
7,330,000	7,575,000	7,150,000	5,510,000	5,655,000	5,880,000	6,110,000	6,275,000	6,495,000	6,690,000	6,890,000	3,600,000	125,700,000
2,406,176	2,163,453	1,905,039	1,733,188	1,581,963	1,369,913	1,149,363	958,375	762,250	559,213	350,075	126,000	42,676,785
9,736,176	9,738,453	9,055,039	7,243,188	7,236,963	7,249,913	7,259,363	7,233,375	7,257,250	7,249,213	7,240,075	3,726,000	168,376,785
-	6,462,000	-	-	-	-	-	-	-	-	-	-	6,462,000
11,587	59,612	-	-	-	-	-	-	-	-	-	-	367,579
11,587	6,521,612	-	-	-	-	-	-	-	-	-	-	6,829,579
9,747,763	16,260,065	9,055,039	7,243,188	7,236,963	7,249,913	7,259,363	7,233,375	7,257,250	7,249,213	7,240,075	3,726,000	175,206,364
-	-	-	-	-	-	-	-	-	-	-	-	25,547
-	-	-	-	-	-	-	-	-	-	-	-	1,678
-	-	-	-	-	-	-	-	-	-	-	-	25,547
-	-	-	-	-	-	-	-	-	-	-	-	1,678
-	-	-	-	-	-	-	-	-	-	-	-	27,225
13,202	-	-	-	-	-	-	-	-	-	-	-	219,546
161	-	-	-	-	-	-	-	-	-	-	-	29,377
13,363	-	-	-	-	-	-	-	-	-	-	-	227,179
7,343,202	14,037,000	7,150,000	5,510,000	5,655,000	5,880,000	6,110,000	6,275,000	6,495,000	6,690,000	6,890,000	3,600,000	132,385,349
2,417,924	2,223,065	1,905,039	1,733,188	1,581,963	1,369,913	1,149,363	958,375	762,250	559,213	350,075	126,000	43,075,419
\$ 9,761,126	\$ 16,260,065	\$ 9,055,039	\$ 7,243,188	\$ 7,236,963	\$ 7,249,913	\$ 7,259,363	\$ 7,233,375	\$ 7,257,250	\$ 7,249,213	\$ 7,240,075	\$ 3,726,000	\$ 175,460,768

PROVO CITY SCHOOL DISTRICT
Ratios of Outstanding Debt
June 30,2006 through June 30, 2016

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	Outstanding Capital Lease, Notes Payable, and Lease Revenue Obligations	Total Debt	Total Debt as Percentage of Taxable Value	Total Debt Per Capita	Total Debt Per Student
2016	\$ 125,700,000	2.42%	\$ 1,075	\$ 7,300	\$ 6,707,093	\$ 132,407,093	2.58%	\$ 1,148	\$ 7,796
2015	84,337,005	1.63%	724	5,028	5,333,227	89,670,232	1.75%	778	5,402
2014	35,006,000	0.96%	304	2,479	5,583,266	40,589,266	0.98%	352	2,874
2013	39,947,000	0.96%	346	2,829	6,051,772	45,998,772	1.11%	399	3,257
2012	43,843,000	0.67%	374	2,921	6,470,506	50,313,506	0.78%	436	3,406
2011	48,182,000	0.72%	400	3,537	6,484,967	54,666,967	0.83%	461	4,084
2010	52,368,000	0.74%	434	3,887	6,518,638	58,886,638	0.85%	497	4,456
2009	56,384,000	1.11%	468	4,224	300,000	56,684,000	1.14%	478	4,321
2008	60,234,000	1.29%	520	4,518	604,810	60,838,810	1.33%	534	4,638
2007	63,351,000	1.63%	536	4,700	352,727	63,703,727	1.69%	554	4,857

PROVO CITY SCHOOL DISTRICT
Overlapping and Underlying General Obligation Debt
Fiscal Year Ending June 30, 2016

Taxing Entity	2015 Taxable Value	Board's Portion of Taxable Value	Board's Percentage	Entity's General Obligation Debt	Board's Portion of G.O. Debt.
Overlapping:					
State of Utah	\$ 224,102,669,104	\$ 5,131,948,176	2.29%	\$ 2,830,150,000	\$ 64,810,398
CUWCD (1)	31,885,720,388	\$ 5,131,948,176	16.09%	266,759,996	42,934,532
Utah County	31,885,720,388	\$ 5,131,948,176	16.09%	-	-
Total Overlapping					107,744,930
Underlying:					
Provo City (2)	\$ 5,131,948,176	\$ 5,131,948,176	100.00%	35,810,000	35,810,000
Total Underlying					35,810,000
Total Overlapping and Underlying General Obligation Debt					\$ 143,554,930
Total overlapping general obligation debt (excluding the State) (3)					42,934,532
Total direct general obligation bonded indebtedness					89,670,232
Total direct and overlapping general obligation debt (excluding the State) (3)					\$ 132,604,764
Total underlying general obligation debt					35,810,000
Total direct general obligation bonded indebtedness					89,670,232
Total direct and underlying general obligation debt					\$ 125,480,232
Total overlapping and underlying general obligation debt (excluding the State) (3)					78,744,532
Total direct general obligation bonded indebtedness					89,670,232
Total direct, overlapping, and underlying general obligation debt (excluding the State) (3)					\$ 168,414,764

Taxable Value: Taxable values used in this table for non-district entities were derived from 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
 June 30,2007 through June 30, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Estimated Fair Market Value	\$ 7,568,631,079	\$7,204,269,301	\$ 6,634,648,400	\$ 6,310,719,080	\$ 6,447,129,327	\$ 6,573,948,214	\$ 6,966,327,621	\$ 7,956,509,341	\$ 7,336,569,240	\$ 5,736,082,850
"Fair Market Value" X 4% (Debt Limit)	302,745,243	288,170,772	252,428,763	252,428,763	257,885,173	262,957,929	278,653,105	318,260,374	293,462,770	229,443,314
Less: General Obligation Debt	127,500,000	81,955,000	35,006,000	39,947,000	43,843,000	48,182,000	52,368,000	56,384,000	60,234,000	63,351,000
Legal Debt Margin*	<u>175,245,243</u>	<u>206,215,772</u>	<u>217,422,763</u>	<u>212,481,763</u>	<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>
Ratio Legal Debt Margin to Legal Debt Limit	57.89%	71.56%	86.13%	84.17%	83.00%	81.68%	81.21%	82.28%	79.47%	72.39%

*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.

Year	Labor		Unemployment	
	Force	Employment	Unemployment	Rate %
2000	180,176	174,879	5,297	2.94
2001	182,734	175,283	7,451	4.08
2002	185,759	175,179	10,580	5.70
2003	189,181	179,388	9,792	5.18
2004	202,674	192,814	9,860	4.86
2005	210,889	202,461	8,428	4.00
2015	271,499	261,820	9,679	3.60
2014	260,387	251,291	9,097	3.50
2013	245,698	235,207	10,491	4.27
2012	233,753	221,555	12,198	5.22
2011	226,079	211,035	15,044	6.65
2010	225,454	207,406	18,048	8.01
2009	227,898	210,779	17,119	7.51
2008	228,050	220,487	7,563	3.32
2007	228,188	222,562	5,626	2.47
2006	219,279	213,036	6,243	2.85

PROVO CITY SCHOOL DISTRICT
 Demographic Information - Population Information

Birth Rates 1995-2014

Year	Utah County	Utah	US
1995	25.56	19.8	14.6
1996	26.07	20.6	14.4
1997	26.02	20.5	14.2
1998	26.77	21.1	14.3
1999	27.36	21.1	14.2
2000	26.77	21.1	14.4
2001	26.21	20.8	14.1
2002	26.08	20.8	13.9
2003	25.38	20.6	14.1
2004	25.03	20.5	14
2005	24.81	20.2	14
2006	24.66	20.4	14.2
2007	24.5	20.4	14.3
2008	24.07	20.2	13.9
2009	22.9	19.2	13.5
2010	23.2	18.9	12.9
2011	22.7	18.2	12.7
2012	22.2	18	12.6
2013	21.5	17.5	12.5
2014	21.3	17.4	12.5

Population 1970-2015

Year	Provo	Utah County
1970	53,131	139,300
1980	74,111	220,000
1990	86,835	265,766
1993	92,630	300,447
1994	94,210	405,977
2000	105,439	371,894
2004	111,718	437,627
2005	115,135	456,073
2006	116,217	475,425
2007	117,791	501,447
2008	118,468	515,000
2009	119,775	515,000
2010	112,945	516,564
2011	114,684	530,499
2012	115,461	540,404
2013	116,507	551,926
2014	115,784	561,534
2015 ^P	115,070	575,205

P—projected

Largest Employers in Provo City
 2016 (Most recent year available)

Company Name	Employees	Industry
Brigham Young University	15,000 - 19,999	Higher Education
Utah Valley Regional Medical Center	4,000 - 4,999	Health Care
Vivint	2,000 - 2,999	Electrical Contractor
Provo School District	1,000 - 1,999	Public Education
Utah County	1,000 - 1,999	Local Government
Provo City	1,000 - 1,999	Local Government
Central Utah Medical Clinic	500 - 999	Health Care
Qualtrics	500 - 999	Internet and Web Services
Nu Skin International	500 - 999	Wholesale Skin Care Products
Chrysalis Utah, Inc.	500 - 999	Health Care

Largest Employers in Utah County
 2014 (Most recent year available) with comparative data from 2006

2014			2006		
Company Name	Employees	Industry	Company Name	Employees	
Brigham Young University	15,000 - 19,999	Higher Education	Brigham Young University	15,000 - 19,999	
Alpine School District	5,000 - 6,999	Public Education	Alpine School District	5,000 - 6,999	
Utah Valley University	5,000 - 6,999	Higher Education	Utah Valley University	4,000 - 4,999	
Utah Valley Regional Medical Center	4,000 - 4,999	Health Care	Utah Valley Regional Medical Center	4,000 - 4,999	
Nebo School District	3,000 - 3,999	Public Education	Nebo School District	3,000 - 3,999	
State of Utah	3,000 - 3,999	State Government	Provo School District	2,000 - 2,999	
Vivint	2,000 - 2,999	Electrical Contractors	Walmart	2,000 - 2,999	
Walmart	2,000 - 2,999	Warehouse clubs and Supercenters	Convergys	1,000 - 1,999	
Bluefin Office Group	2,000 - 2,999	Office Supplies	Novell	1,000 - 1,999	
Provo School District	1,000 - 1,999	Public Education	Nestles	1,000 - 1,999	

PROVO CITY SCHOOL DISTRICT
 Full Time Equivalent by Function
 Fiscal Years 2007 through 2016

Function	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Instruction	1,141	1,148	1,000	984	977	984	998	1,005	1,002	1,022
Students	54	52	52	51	49	50	50	50	50	68
Instructional Staff	33	38	40	41	31	32	32	32	27	29
General Administration	24	20	16	15	16	17	17	17	17	24
School Administration	80	74	74	70	70	70	70	72	65	71
Business and Central	25	22	20	26	27	26	26	26	41	47
Operation and Maintenance	152	139	148	148	95	95	95	95	133	109
Transportation	50	60	44	46	44	46	46	46	66	51
Other Support		11	1	1	25	26	26	26	0	0
Food Services	91	90	92	82	92	92	80	84	77	82
Community Services	173	135	146	100	93	93	93	93	103	62
Total FTEs	1,823	1,789	1,633	1,564	1,519	1,531	1533	1,546	1,583	1,566

PROVO CITY SCHOOL DISTRICT
Average Daily Membership , by School (Unaudited)
Fiscal Years 2007 through 2016

School	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Amelia Earhart Elementary	598	537	549	569	560	588	558	551	515	531
Canyon Crest Elementary	524	519	497	469	487	494	532	541	541	538
Edgemont Elementary	464	467	455	505	525	565	569	570	632	623
Franklin Elementary	509	575	571	544	521	517	516	494	453	588
Lakeview Elementary ¹	432	694	684	693	680	685	673	724	765	472
Provo Peaks Elementary ²	433	468	439	412	366	462	506	484	613	787
Provost Elementary	420	421	428	434	438	457	440	436	447	464
Rock Canyon Elementary	602	600	635	580	600	625	623	642	634	612
Spring Creek Elementary	661	632	523	567	564	570	567	558	501	485
Sunset View Elementary	621	604	572	568	560	531	527	541	510	473
Timpanogos Elementary	541	588	601	621	629	630	672	663	703	758
Wasatch Elementary	621	635	644	704	774	864	861	906	965	944
Westridge Elementary	838	748	851	862	870	889	893	890	826	785
Centennial Middle	998	995	1,050	1,030	1,003	996	1,033	1023	988	1056
Dixon Middle	820	844	830	854	863	835	833	836	822	848
Provo High	1,858	1,716	1,745	1,696	1,705	1,683	1,777	1825	1895	1919
Timpview High	1,800	1,732	1,826	1,822	1,900	1,938	1,953	1967	1976	2058
Independence High	302	288	324	265	277	328	322	326	251	257
Oak Springs	41	41	44	3	2	-	74	63	45	48
Central Utah Enterprises	-	-	20	24	47	51	51	47	83	64
eSchool ³	-	-	-	19	14	90	270	737	2435	2673
Total:	13,083	13,104	13,288	13,241	13,019	13,798	14,250	14,824	16,600	16,983

¹Grandview Elementary prior to FY 2007-08

²Farrer Elementary prior to Fy 2011-12

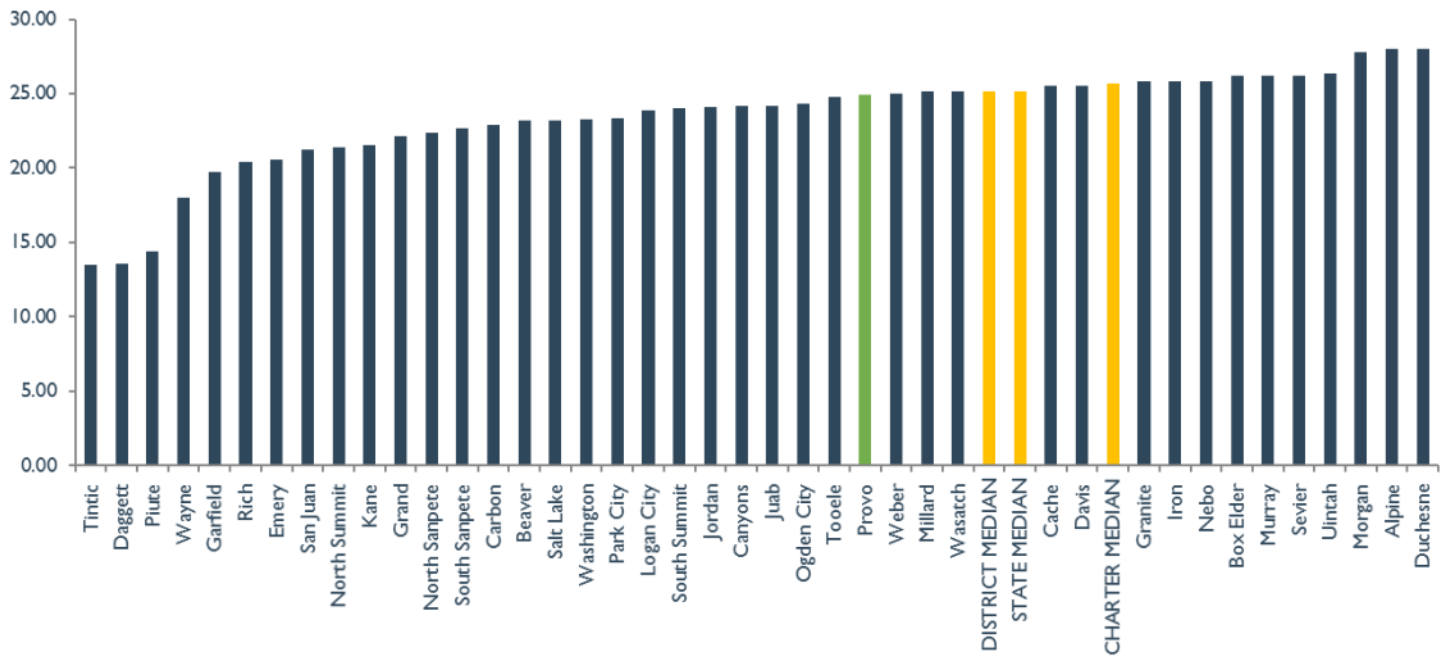
³Aggregate of full-time students only

PROVO CITY SCHOOL DISTRICT
Average Daily Membership by School by Grade (Unaudited)
June 30, 2016

School	K	1st	2nd	3rd	4th	5th	6th	Total Enrollment
AMELIA EARHART	67	67	90	82	80	75	70	531
CANYON CREST	64	77	84	94	73	71	75	538
EDGEMONT	91	96	90	95	87	80	84	623
PROVO PEAKS	112	89	66	87	77	80	77	588
FRANKLIN	61	68	55	85	70	62	71	472
LAKEVIEW	105	121	122	130	122	87	100	787
PROVOST	83	78	75	66	56	59	47	464
ROCK CANYON	89	84	84	96	80	94	85	612
SPRING CREEK	62	77	69	70	74	67	66	485
SUNSET VIEW	81	71	82	53	63	66	57	473
TIMPANOGOS	124	119	112	112	111	91	89	758
WASATCH	109	137	150	143	140	131	134	944
WESTRIDGE	123	125	117	113	119	83	105	785

	7th	8th	9th	10th	11th	12th	Total Enrollment
CENTENNIAL	560	496	-	-	-	-	1,056
DIXON	440	408	-	-	-	-	848
PROVO H.S.	67	54	468	457	441	432	1,919
TIMPVIEV H.S.	-	-	548	544	511	455	2,058
INDEPENDENCE H.S.	-	-	11	65	92	89	257
East Bay H.S.	-	-	-	-	-	64	64
OAK SPRINGS	All grades combined						48
Eschool@psd	All grades combined						2,673

Total Enrollment - Districtwide	16,983
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PROVO CITY SCHOOL DISTRICT
Per Pupil Expenditures by Function
June 30,2007 through June 30, 2016

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction	4,711	4,698	4,871	4,923	4,649	5,088	4,972	5,047	5,611	5,271
Supporting Services										
Student	256	247	262	251	261	275	283	280	281	287
Instructional Staff	83	77	122	111	103	106	158	158	126	166
District administration	158	134	115	109	105	91	89	59	103	122
School administration	358	340	382	368	349	375	372	383	385	362
Business	401	350	279	199	203	216	223	215	221	97
Operation and maintenance of facilities	452	377	384	428	391	511	413	411	420	326
Student transportation	139	120	138	153	150	142	165	156	222	199
Central	-	-	-	72	80	83	5	7	32	163
School food services	317	322	397	387	364	389	377	386	365	348
Community services	226	215	445	435	239	251	265	358	338	319
Facilities and construction	1,912	452	398	696	774	936	442	528	-	-
Debt service	585	423	105	125	141	167	187	197	232	151
Total school district	9,598	7,755	7,899	8,257	7,809	8,630	7,951	8,185	8,336	7,811
Student average daily membership	16,983	16,600	14,824	14,123	14,772	13,385	13,033	13,141	12,308	12,468

Location/Site	Year Built/Renovated Substantially	Square Footage
Elementary Schools:		
Amelia Earhart	1999	69,733
Canyon Crest	1982	68,240
Edgemont	1955	47,200
Provo Peaks	2011	80,000
Franklin	1994	75,801
Lakeview	2007	77,480
Provost	1949	56,799
Rock Canyon	2016	71,367
Spring Creek	2002	70,720
Sunset View	2016	71,367
Timpanogos	2008	69,247
Wasatch	1949	45,326
Westridge	1979	73,928
Secondary Schools:		
Centennial Middle School	1996	144,795
Dixon Middle School	1931	124,276
Provo High School	1956	325,842
Timpview High School	1974	409,803
Independence High School	1992	48,121
Other:		
Oakridge	1979	43,992
District Office	1965	28,875
Grandview Learning Center	1949	69,546

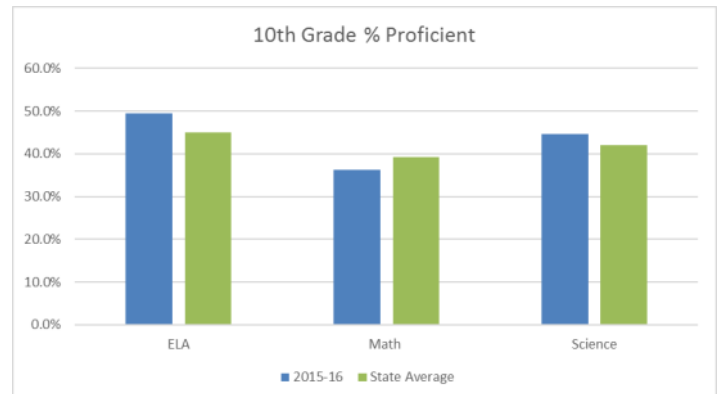
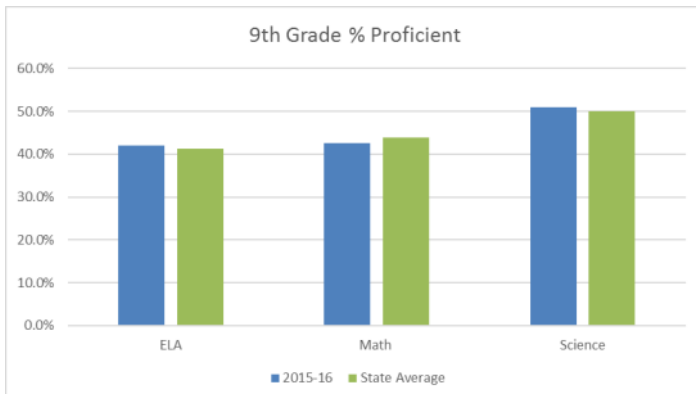
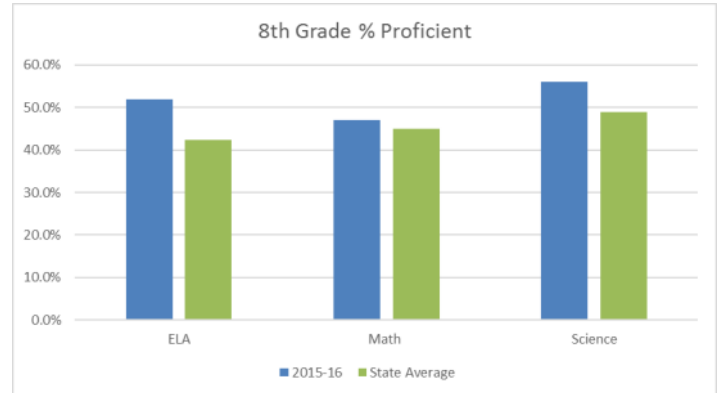
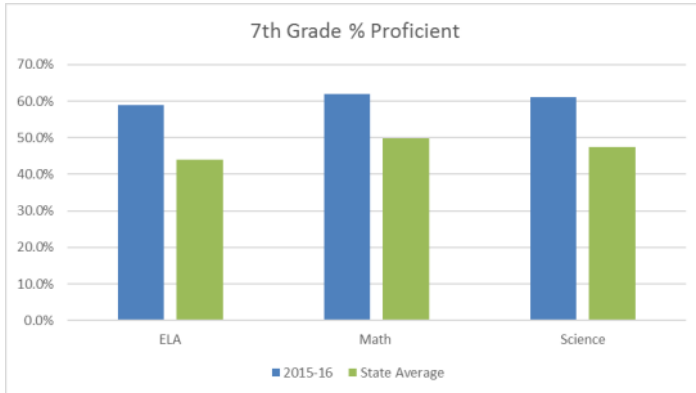
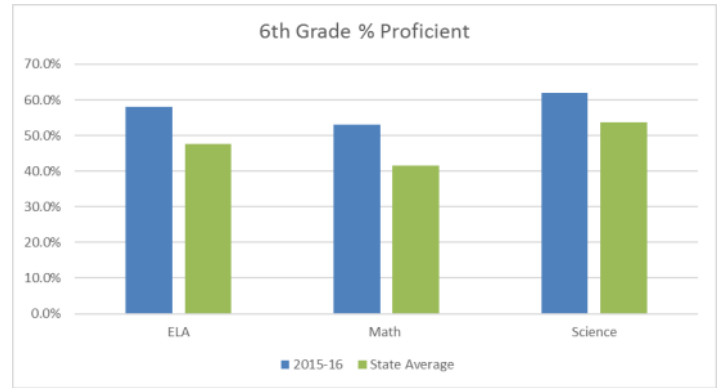
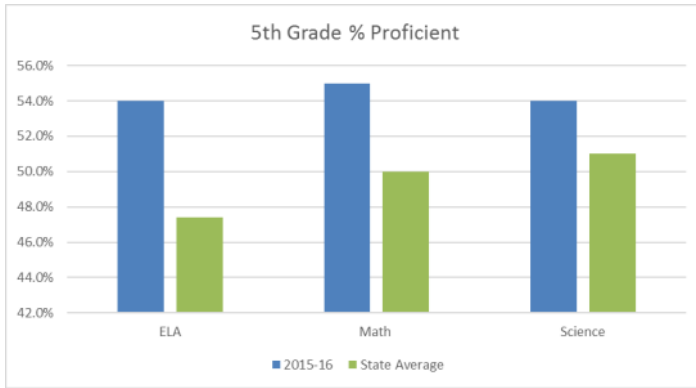
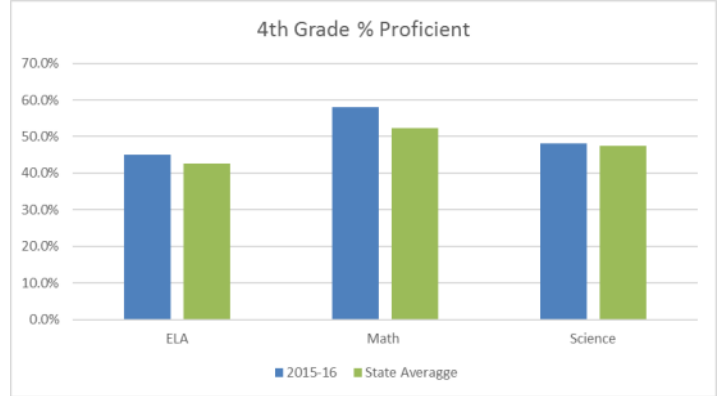
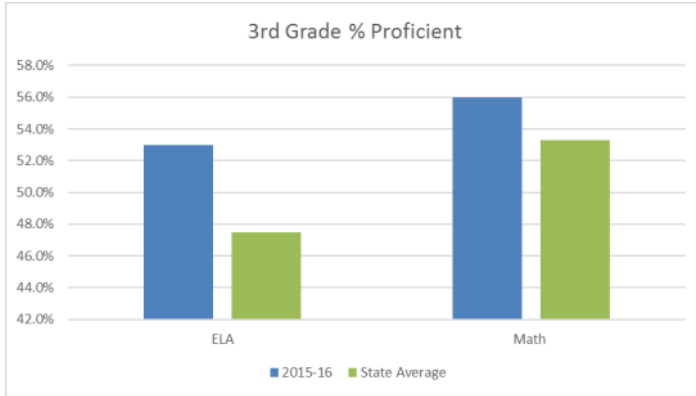
AP Exams						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total AP students	569	563	652	764	660	862
Number of exams	948	921	1038	1128	1116	1308
Tests scoring 3+	422	393	407	510	721	884
% Scoring 3+	74.2%	69.8%	62.4%	66.8%	71.2%	61.4%

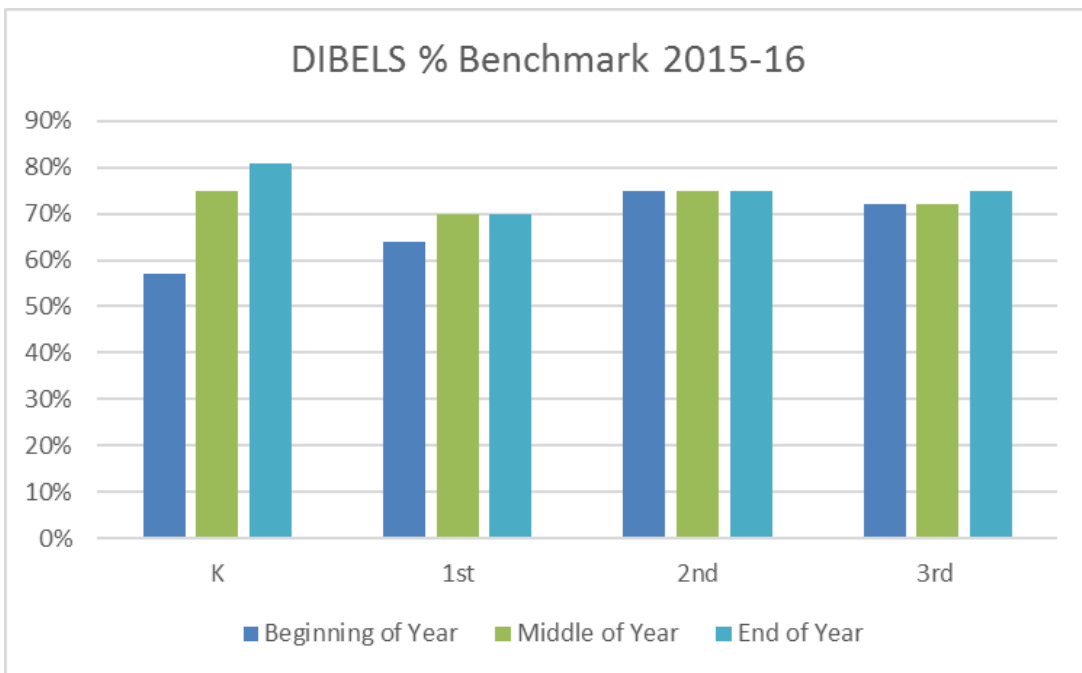
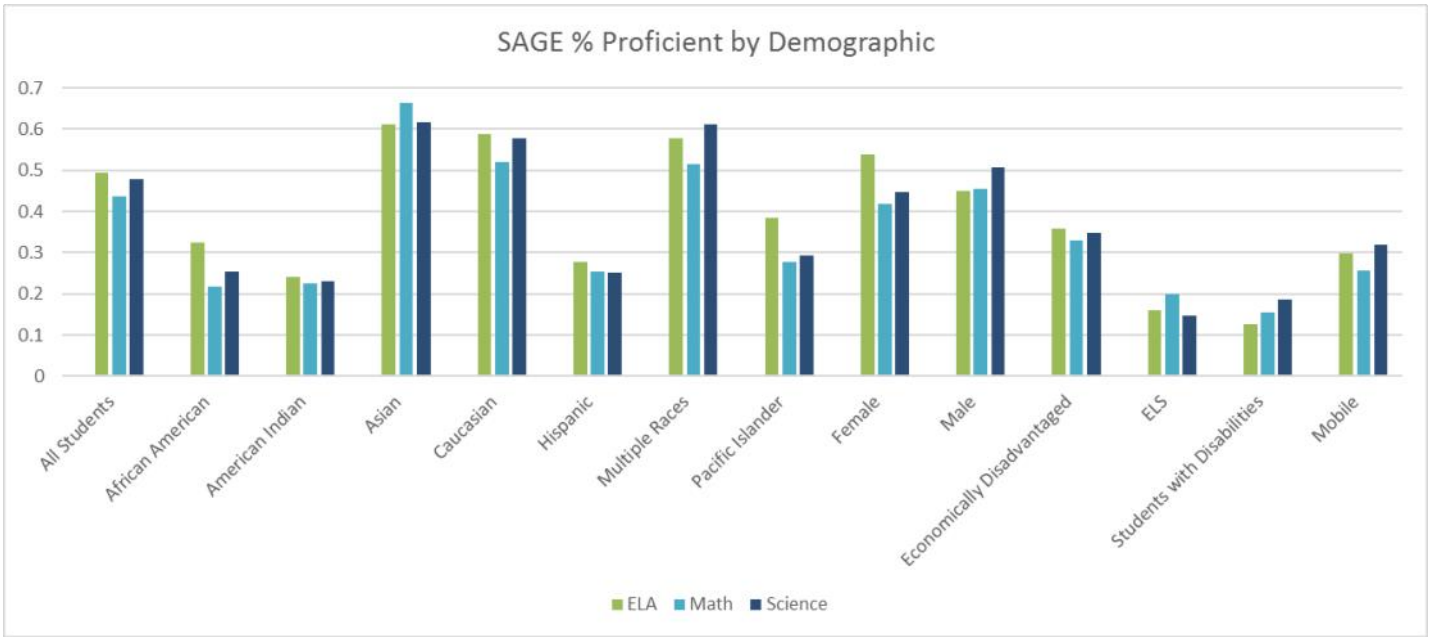
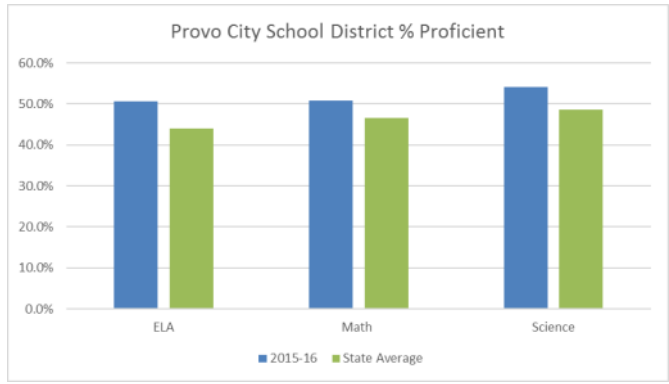
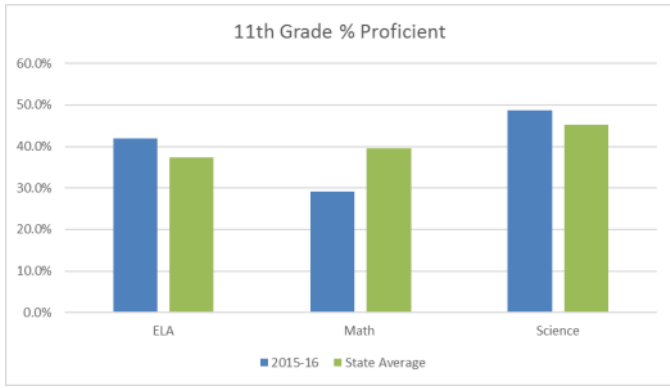
College Credit Earned % of students enrolled in a minimum of 1 credit	
Concurrent Enrollment	66%
AP	46%
CTE Courses	81%

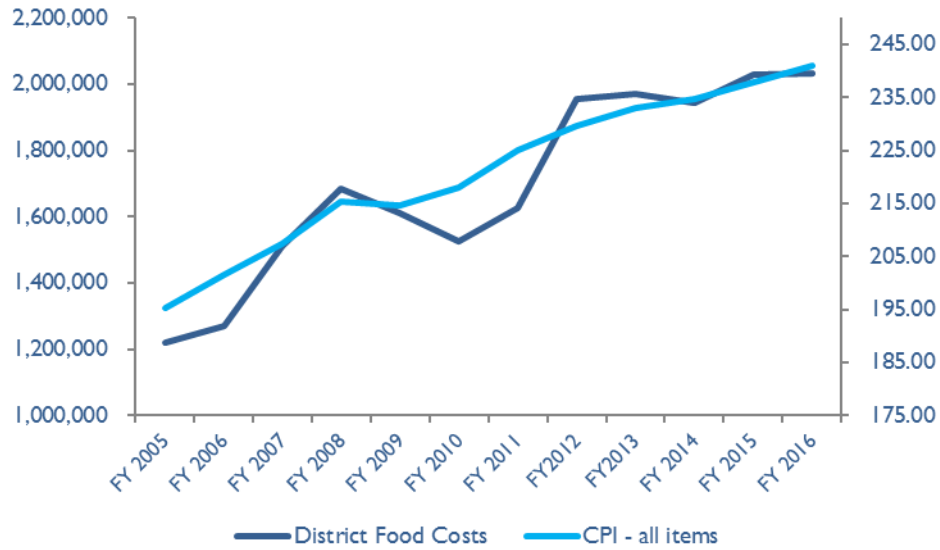
ACT Scores				
	National Average	State Average	Composite	Number of Tests
2013-2014	21.0	20.8	21.6	1,307
2014-2015	21.0	20.2	21.7	1,298
2015-2016	N/A	N/A	21.7	1,286

Graduation Rates							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Provo School District	83%	94%	94%	84%	68%	72%	71%
Utah	79%	90%	76%	80%	83%	84%	84%
National	71%	75%	79%	80%	81%	82%	

District Testing Results







School Year	Lunches Served	Free Lunch Served	% of Free Lunches to Total Served	Breakfast Served	Reduced Cost Lunch Served	% of Reduced Cost Lunches to Total Served	Total Meals Served	Free/Reduced Meals Served	% F/R Lunch Out of Total Lunches Served
FY 2004	1,226,062	603,325	49.21%	267,538	156,125	12.73%	1,493,600	759,450	61.94%
FY 2005	1,245,816	612,228	49.14%	282,153	160,509	12.88%	1,527,969	772,737	62.03%
FY 2006	1,256,839	609,996	48.53%	289,865	152,639	12.14%	1,546,704	762,635	60.68%
FY 2007	1,255,951	567,608	45.19%	293,649	164,048	13.06%	1,549,600	731,656	58.26%
FY 2008	1,253,673	560,368	44.70%	305,989	155,779	12.43%	1,559,662	716,147	57.12%
FY 2009	1,311,952	639,746	48.76%	324,889	162,320	12.37%	1,636,841	802,066	61.14%
FY 2010	1,315,197	693,426	52.72%	345,581	155,354	11.81%	1,660,778	848,780	64.54%
FY 2011	1,343,858	736,472	54.80%	338,210	152,940	11.38%	1,682,068	889,412	66.18%
FY 2012	1,319,933	736,901	55.83%	357,943	150,151	11.38%	1,677,876	887,052	67.20%
FY 2013	1,232,859	732,485	59.41%	339,783	157,697	12.79%	1,572,642	890,182	72.20%
FY 2014	1,215,543	705,006	58.00%	329,534	150,490	12.38%	1,545,077	855,496	70.38%
FY 2015	1,209,334	721,222	59.64%	343,320	136,191	11.26%	1,552,654	857,413	70.90%
FY 2016	1,191,836	704,271	59.09%	346,216	137,477	11.53%	1,538,052	841,748	70.63%

Year	Miles traveled (to and from school, field trips, and activities)	Number of students transported daily	Driving hours per day	Route miles driven per day	Field and activity trip miles per day	Cost per	
						student per year to bus	Number of buses
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
2012-13	429,001	5,885	165	2,168	215	\$331	40
2013-14	384,987	6,472	179	1,896	243	\$304	41
2014-15	374,013	5,464	174	1,863	283	\$364	43

Based on most current information available at time of publication