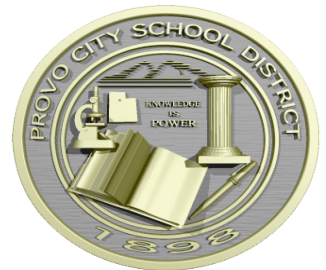


COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended June 30, 2009



Provo City School District
280 West 940 North
Provo, UT 84604
www.provo.edu

Provo City School District
280 West 940 North
Provo, Utah 84604
www.provo.edu

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2009

Randall J. Merrill, Ed.D.
Superintendent of Schools

Kerry J. Smith
Business Administrator
Certified Public Accountant

Prepared By:

Stefanie Bryant
Director of Accounting Services
Certified Public Accountant

Provo City School District
Board of Education and Officers



Front (left to right): Sue Curtis, Carolyn Wright, Shannon Poulsen, Kristine Manwaring, Mary Ann Christiansen
Back (left to right): Kerry Smith, Richard Sheffield, Darryl Alder, Dr. Randall J. Merrill

1. INTRODUCTORY SECTION:

Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	8
ASBO Certificate of Excellence in Financial Reporting	9
Organizational Chart	10
Elected and Appointed Officials.....	11
Precincts of the Board of Education.....	12

2. FINANCIAL SECTION:

Independent Auditor’s Report	15
Management’s Discussion and Analysis	17

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets	28
Statement of Activities	29

Fund Financial Statements:

Balance Sheet, Governmental Funds.....	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	31
Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds.....	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, General Fund.....	34
Statement of Fiduciary Fund Assets and Liabilities, Agency Funds.....	35

Notes to Basic Financial Statements (integral part of the Basic Financial Statements).....	36
---	----

Combining and Individual Fund Statements and Schedules:

Major Governmental Funds:

Comparative Balance Sheets, <i>General Fund, With Comparative Totals for 2008</i>	56
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>General Fund, With Comparative Totals for 2008</i>	57

Table of Contents

For Fiscal Year Ended June 30, 2009

Comparative Balance Sheets, <i>Debt Service Fund</i> , With Comparative Totals for 2008	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Debt Service Fund</i> , With Comparative Totals for 2008	59
Comparative Balance Sheets, <i>Capital Projects Fund</i> , With Comparative Totals for 2008	60
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Capital Projects Fund</i> , With Comparative Totals for 2008	61
Non Major Governmental Funds:	
Combining Balance Sheet, Governmental Funds	64
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds	65
Comparative Balance Sheets, <i>Non K-12 Instruction</i> , Special Revenue Fund, With comparative totals for 2008	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Non K-12 Instruction</i> , Special Revenue Fund, With comparative totals for 2008	67
Comparative Balance Sheets, <i>Student Activities</i> , Special Revenue Fund, With comparative totals for 2008	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Student Activities</i> , Special Revenue Fund, Special Revenue Fund, With comparative totals for 2008	69
Comparative Balance Sheets, <i>Food Services</i> , Special Revenue Fund, With comparative totals for 2008	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Food Services</i> , Special Revenue Fund, With comparative totals for 2008	71
Comparative Balance Sheets, <i>Building Reserve</i> , Special Revenue Fund, With comparative totals for 2008	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, <i>Building Reserve</i> , Special Revenue Fund, With comparative totals for 2008	73
Comparative Balance Sheets, <i>Provo School District Foundation</i> , Special Revenue Fund, With comparative totals for 2008	74

Schedule of Revenues, Expenditures, and Changes in Fund Balances,
 Budget and Actual, *Provo School District Foundation*, Special Revenue Fund,
 With comparative totals for 2008.....75

Fiduciary Funds (Agency Funds):

Comparative Statement of Fiduciary Fund Assets and Liabilities.....77
 Statement of Changes in Assets and Liabilities, Special Programs Agency Fund78

3. STATISTICAL SECTION (unaudited):

Financial Trends Information:

Net Assets by Component, June 30, 2003 through 200981
 Comparative Statements of Net Assets, June 30, 2003 through 200982
 Changes in Net Assets, Years Ended June 30, 2003 through 200984
 Governmental Funds - Aggregate Fund Balances,
 June 30, 2000 through 200986
 Governmental Funds - Net Changes in Aggregate Fund Balances,
 Years Ended June 30, 2000 through 200987
 Governmental Funds - Reserved and Unreserved Fund Balances,
 June 30, 2000 through 200988
 Total Governmental Funds - Changes in Fund Balances,
 Years Ended June 30, 2000 through 200990

Revenue Capacity Information:

Property Tax Levies and Collections,
 Years Ended June 30, 2000 through 200992
 Comparison of Utah School District Property Tax Rates,
 Tax Year 2008, Fiscal Year 2008-0994
 Comparison of Assessed Property Tax Valuation Per Student,
 Fiscal Year 2008-0995
 Twelve Largest Property Taxpayers by Individual Properties, June 30, 2009 and 200096
 Property Tax Rates—Direct and Overlapping Governments,
 Based on \$1,000 Assessed Valuation, 2000 - 2009.....97
 Taxable and Estimated Actual Value of Taxable Property,
 Years Ended June 30, 2000 through 200998

Table of Contents

For Fiscal Year Ended June 30, 2009

History of the Value of the Weighted Pupil Unit (WPU), Utah Legislative Funding Method, 1978 - 2009.....	99
<i>Debt Capacity Information:</i>	
General Fund - Changes in Fund Balances & Ratio of Annual Debt Service to General Fund Expenditures, Years Ended June 30, 2000 through 2009.....	100
Schedule of Long-Term Debt Service, Years Ending June 30, 2010 through 2027	102
Ratios of Outstanding Debt, June 30, 2000 through 2009	104
Overlapping and Underlying General Obligation Debt, June 30, 2008	106
Computation of Legal Debt Margin, Years Ended June 30, 2003 through 2009	107
<i>Demographic and Economic Information:</i>	
Selected Utah County Economic Statistics.....	108
Demographic Information - Population Growth	109
Utah County Largest Employers, 2008	110
<i>Operating Information:</i>	
Full-Time Equivalent Positions by Function, Years Ended June 30, 2005 through 2009	111
Student Average Daily Membership By School, As Reported in S-3 Report (unaudited), Years Ended June 30, 2000 through 2009	112
Student Average Daily Membership By School and Grade, As Reported in S-3 Report (unaudited), Year Ended June 30, 2009.....	113
Number of Students per Teacher Years Ended June 30, 2003 through 2009	114
Average Expenditures by Function per Pupil Years Ended June 30, 2003 through 2009	115
Buildings - Original Year of Construction/Square Footage	116
Service Efforts, Accomplishments, and Miscellaneous Statistical Data.....	117
Schedule of Insurance in Force, June 30, 2009.....	122

Introductory Section

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

Letter of Transmittal (pages 1 - 7)

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

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

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

Organizational Chart (page 10)

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

Elected and Appointed Officials (page 11)

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

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

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



PROVO CITY SCHOOL DISTRICT

Dr. Randall J. Merrill
Superintendent of Schools

Kerry J. Smith
Business Administrator

October 1, 2009

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

Superintendent's Message

We are pleased to present, to the public, Provo City School District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This Comprehensive Annual Financial Report (CAFR) includes financial and non-financial information to meet the needs of a broad spectrum of readers.

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

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

State law requires that school Districts publish, within five months of the close of each year, a complete set of financial statements which are audited by a firm of licensed certified public accountants. The CPA Network, LLC, a firm of licensed certified public accountants, has audited the District's financial statements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion for the District's financial statements for the fiscal year ended June 30, 2009; this opinion indicates the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the *Financial Section* in this report.

The independent audit of the financial statements of the District was part of a broader, feder-

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

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

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

DISTRICT PROFILE

Summary

Provo City School District was officially organized in 1898. Provo City School District is one of 41 public school districts in Utah, and the District serves approximately 13,900 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, and thirteen elementary schools. The District continues to have a positive influence on the community by offering traditional public education to its students. In addition, the District offers several varieties of educational alternatives outside the traditional school setting. These alternatives include preschool training for disabled students, adult high school completion, and concurrent enrollment where students can earn high school and college credits simultaneously. Programs such as advanced placement, special education, music, career technology, bilingual education, multicultural programs, gifted and talented programs, and many other enrichment programs in all curriculum areas are offered in the District’s traditional schools.

The Reporting Entity

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

Although the Provo City School District Foundation for Excellence is a separate entity with

a separate governing body, the Foundation's activities are primarily in support of District activities. Consequently, the Foundation is reported as a blended component unit in the District's General Fund financial statements to provide readers with a more accurate and fair picture of the overall substance of the District's financial affairs.

Governing Structure

Beginning in January 2005, and pursuant to Utah Code 20A-14-202, the District Board of Education consists of seven members. The Board of Education represents the Provo City citizenry and has been elected from precincts which were independently determined by the Provo City Council. A map of the precinct boundaries is included in the *Introductory Section* of the report.

MAJOR INITIATIVES & LONG-TERM FINANCIAL PLANNING

District Efforts

The financial position of the District remains stable. Due to the global recession, 2008-09 proved to be one of the most difficult financial years in history. State revenue was cut mid-year in 2008-09, with revenues decreasing \$3.3 million from FY07-08 levels, and \$5.1 million less than the original approved FY08-09 budget. In total, \$7.3 million in state revenue was cut from the original budgets. In addition, property taxes decreased nearly \$1 million due to the collapse in the housing market. However, due to "one time" increases in federal revenues of nearly \$5.8 million and the decision by the Board of Education and District management to make substantial ongoing (rather than one time) cuts to District programs, the District was able to maintain a strong financial position as of June 30, 2009.

While no cuts were made to school operating budgets, the following is a summary of the most significant budget cuts made in FY09:

- 1% reduction in salaries to all employees
- 60% reduction in funds provided to schools for equipment and data driven services from the Superintendent's discretionary budget
- 100% reduction in administrative out of state travel
- 25% reduction in school hourly secretaries and district office secretaries

District fund balances have increased from \$33,384,095 at June 30, 2008, to \$37,083,495 at June 30, 2009. This fund balance increase is due to an OPEB liability change in designation to fund balance of \$9.1 million. Without the OPEB reclassification, total fund balances decreased \$5.4 million. Management and State legislature anticipate further revenue decreases over the next couple years. Thus, while State law allows only modest fund balances, these monies allow the District to respond to a variety of emerging issues, including the probable need for funds in the future due to additional funding cuts. Fund balances also allow the District to explore promising educational reform without reducing resources to current programs. Additionally, the District needs a healthy financial position to secure future financing at favorable interest rates.

Provo School District is well managed. The District has fully implemented a five-year master plan developed with community, business, and employee input. Projects promised to the public and paid by bond revenues were completed in fiscal year 2009. As such, the District will be beginning similar 20-year facilities master planning sessions in the fall of 2009. In addition, the Board of Education has established a building replacement fund, contributing approximately \$2 million annually.

As part of the District's goal to better communicate with the public and employees, the District web site has been enhanced, public open houses are conducted for most major decisions, and the Superintendent meets frequently with faculty and staff.

***District
Master
Plan***

The District continues a targeted and aggressive capital improvement schedule. Capital improvements are funded through two major sources: the capital outlay tax levy, and general obligation bonds. In 2006, Provo voters approved a \$35 million bond and leeway. While most of the funding for the bond was received in FY 2006-07, the projects were completed by January 30, 2009. Most notable were the completion of Lakeview and Timpanogos Elementary schools, as well as major remodels at Centennial Middle School, Provo High School, and Edgemont, Provost and Wasatch Elementary schools.

All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan. The District doesn't anticipate the need to use further bond issuance for buildings until 2017, with the exception of \$6.5 million in special QSCB bonds in fiscal year 2010. QSCB bonds are low interest bonds available through the American Recovery and Reinvestment Act of 2009. The District plans to build a new elementary school with the QSCB bonds and building reserve funds.

In addition, the District's capital outlay tax levy will provide approximately \$2 million annually. It is anticipated once the Building Reserve fund reaches \$11 million, a draw will be made to build an elementary school.

***Budget
Development***

The District strategically manages its operations with a focused effort to maintain its end of year fund balances. The District uses a zero-based budgeting process for developing budgets. This 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. In response to legislative requests, the District is pleased to report that budget decisions made in the current year have enabled the District to maintain healthy fund balances which will likely be necessary for future funding cuts. The General Fund unreserved undesignated fund balance on June 30, 2009 was \$4,358,833. Total unreserved undesignated governmental fund balances on June 30, 2009 were \$18,825,277, which includes the \$4.3 million General fund balance, as well as \$9.9 million in capital fund balances, and \$1 million in Debt Service fund balance.

***State
Funding***

The state fiscal 2009 school finance program is designed to provide every Utah school district with a basic operation program of \$2,577 per weighted pupil unit (WPU) (compared to \$2,514 in fiscal year 2008). State funding is primarily based upon student enrollment. However, due to the current economic conditions, the State Legislature has held the WPU funding to \$2,577 for the fiscal year 2010.

LOCAL ECONOMY

***Utah
Economic
Conditions***

The economic outlook of the District is heavily dependent on state aid, providing 63.6% of General Fund revenues. 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.

In fiscal year 2009, the state legislature was forced to drastically reduce budgets statewide due to declining economic conditions. These budget reductions resulted in decreased state funding to the District budget of approximately \$5.1 million.

The economic recession has begun to impact Utah. Utah's employment growth fell from 4.0% in 2007 to 0.3% in 2008. The unemployment rate hit a post-World War II low of 2.7% in 2007, and rose to 3.7% in 2008. Utah's economy is expected to further weaken throughout 2009. Employment growth is expected to contract 2.5%, construction is expected to have an employment decline of 17.9%, and the state's unemployment is expected to increase to 5.8%.

Provo City is the county seat of Utah County, which has seen explosive growth in recent years. In 2000, the U.S. Census Bureau counted Utah County's population at 368,536, although state estimates placed that figure somewhat higher. In August 2008, Utah County had an estimated population of 501,477. Utah County surpassed all other counties as the state's fastest growing area in 2007.

Although Provo City continues to grow at a moderate pace, the percentage of Utah County residents residing in Provo continues to decrease as the northern and southern parts of the county are seeing growth. In 2000, Provo made up 29% of the county population. As of August 2008, Provo made up approximately 23% of the population. In addition, the percentage of school age Provo City residents continues to fall, as more college-age students move into the area and areas of the city gentrify. Approximately 9 out of every 100 Provo residents is a student in the Provo School District.

RELEVANT FINANCIAL POLICIES

Budgetary Control

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

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

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

The level at which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total revenue budget of a given fund.

The Board of Education legally adopts, by resolution, the next fiscal year's budget on June 22, after obtaining taxpayer input. If the District is required to, or chooses to go through the truth in taxation process*, a revised budget is adopted in August, through public hearing and through 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 \$20,000 for the next fiscal

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

year. The Board had appropriated \$3.5 million for planned capital projects and improvements for Fiscal Year 2008-09.

Appropriations for capital projects and improvements for fiscal year 2008-09 included an increase in the capital improvement budget to \$2.6 million. Several remodeling projects were undertaken during the year, as well as several HVAC projects and fire suppression projects. In addition, a commitment to completion of a seismic study of the District's buildings was made.

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 430 retirees receiving benefit coverage in addition to 130 present employees (and spouses) who have earned vested coverage upon retirement.

An actuarial study was completed as of July 1, 2008 that reflects an accrued liability of \$11,374,000 for the Medicare supplement and \$12,504,000 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 \$16,661,000 reflects an accrued liability for early retirement stipends. The annual recommended contribution (assuming 30 year amortization) was reported to be \$2,439,000. The District contributed \$3,758,067 for retiree benefits during fiscal year 2009, and set aside an additional \$3.4 million for the future annual recommended contribution. More detailed information can be found in Note 7 to the financial statements.

AWARDS & ACKNOWLEDGEMENTS

Government Finance Officers Association

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Provo City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the sixth 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Association of School Business Officials

The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the year ended June 30, 2008.

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

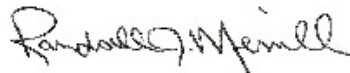
The award is granted only after an intensive review of the District's financial reports by an expert panel of certified public accountants and practicing school business officials and is valid for a period of one year. This was the sixth year the District has received the ASBO Certificate of Excellence.

Provo City School District expresses its appreciation to members of the Provo City School District Board of Education. Their interest and support in conducting the financial affairs of Provo City School District was critical to the success of District operations and achievements made during fiscal year 2008-09.

The preparation of the report on a timely basis could not be accomplished without the efficient and dedicated services of the entire business staff. The District is appreciative of the efforts made by Stefanie Bryant, Director of Accounting, for preparing this report and coordinating the annual audit. In addition, the entire business office staff's efforts throughout the year are dually appreciated.

Most importantly, we express 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,



Randall J. Merrill, Ed.D.
Superintendent of Schools



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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Provo City School District
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

PROVO CITY SCHOOL DISTRICT

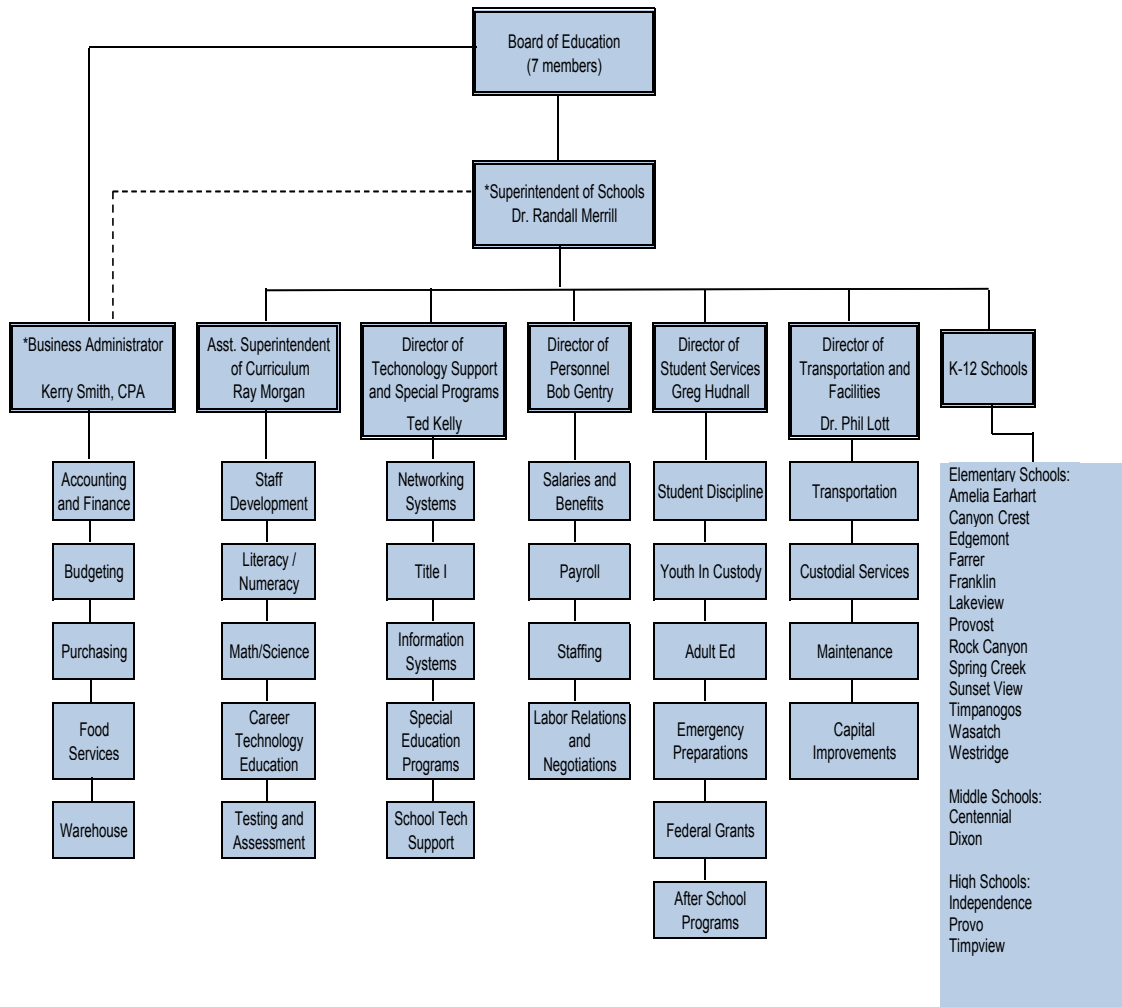
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2008

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

President

Executive Director

Provo City School District
Organizational Chart
 For Fiscal Year Ended June 30, 2009



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

Elected and Appointed Officials

For Fiscal Year Ended June 30, 2009

Board of Education

Sue Curtis
Precinct 1
Present Term: 2006 - 2010
Initial Appointment: 2004

Carolyn Wright
Precinct 2
Present Term: 2006 - 2010
Initial Appointment: 2002

Richard Sheffield
Precinct 3
Present Term: 2009 - 2012
Initial Appointment: 2000

Shannon Poulsen
Precinct 4
Present Term: 2006 - 2010
Initial Appointment: 2002

Darryl Alder
Precinct 5
Present Term: 2009 - 2012
Initial Appointment: 2000

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

Mary Ann Christiansen
Precinct 7
Present Term: 2009 - 2012
Initial Appointment: 2004

District Administration

Randall J. Merrill, Ed.D.
Superintendent
Initial Appointment: 2003

Kerry J. Smith, CPA
Business Administrator
Initial Appointment: 2003

Ray Morgan
Asst. Superintendent
Curriculum

Bob Gentry
Personnel Director

Ted Kelly
Special Programs &
Technology Support

Greg Hudnall
Student Services

Dr. Phil Lott
Facilities and Transportation

Jared Ferguson
Career Technology Education

Stefanie Bryant, CPA
Director of Accounting

Mark Holley
Financial Analyst

Jenilee McComb
Director of Food Services

Elementary School Administration

A. Earhart	Jason Cox
C. Crest	Patricia Anderson
Edgemont	Dennis Pratt
Farrer	Don Dowdle
Franklin	Marlin Palmer
Lakeview	Drew Daniels
Provost	Dr. Steve Oliverson
Rock Canyon	Dean Nielsen
Spring Creek	Jarod Sites
Sunset View	Anne-Marie Harrison
Timpanogos	Diane Bridge
Wasatch	Colleen Densley
Westridge	Gaye Gibbs

Middle School Administration

Centennial	Dr. Mitch Swenson
Dixon	Rosanna Ungerman

High School Administration

Independence	Sarah Lloyd
Provo	Sam Ray
Timpview	Dr. George Bayles

Other Schools

Ctr HS Studies	Anita Craven
----------------	--------------

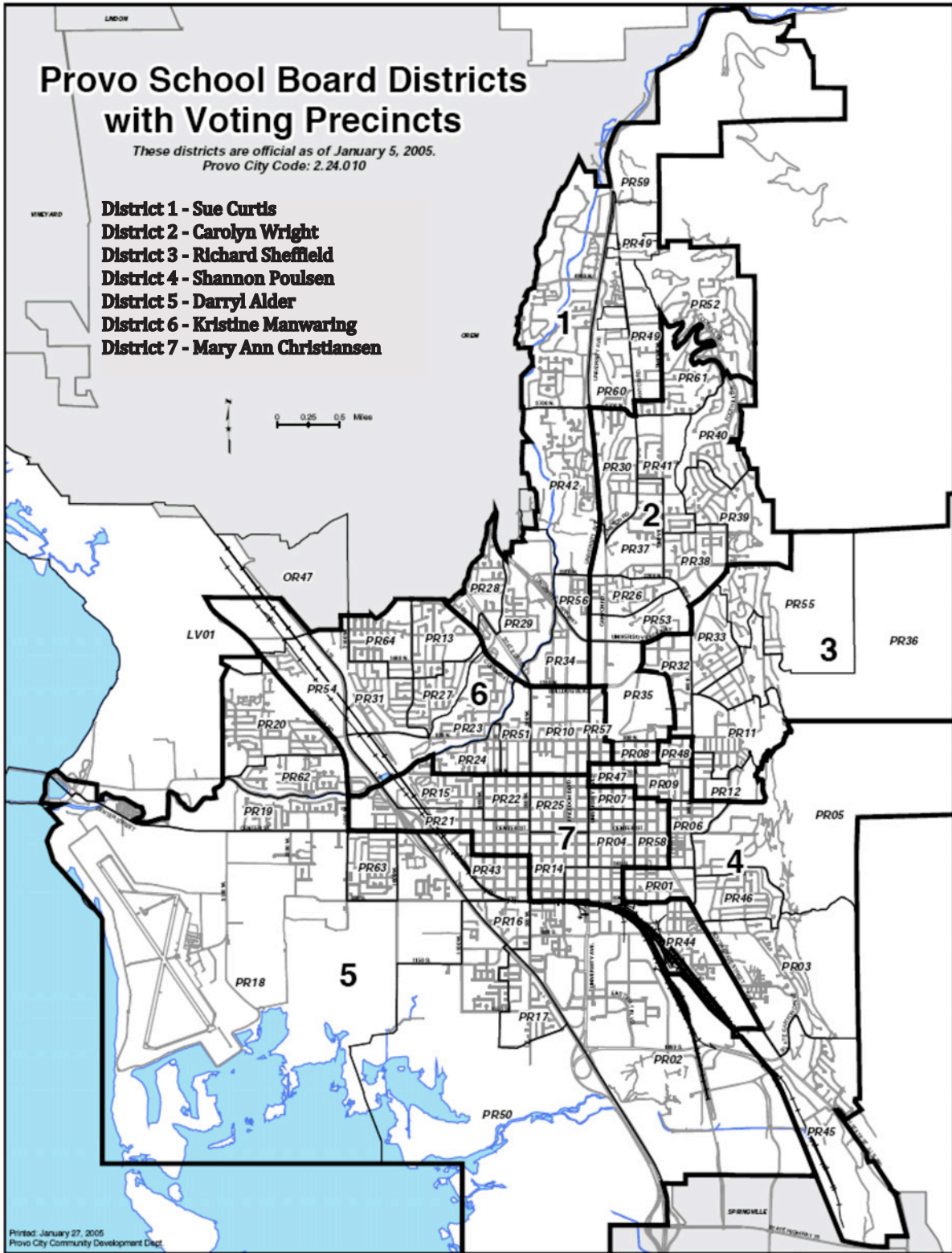
The term of office for Board members is four years, beginning on the first Monday in January following the November election.

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

Provo School Board Districts with Voting Precincts

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

- District 1 - Sue Curtis**
- District 2 - Carolyn Wright**
- District 3 - Richard Sheffield**
- District 4 - Shannon Poulsen**
- District 5 - Darryl Alder**
- District 6 - Kristine Manwaring**
- District 7 - Mary Ann Christiansen**



Printed: January 27, 2005
Provo City Community Development Dept

Financial Section

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

Independent Auditor's Report (pages 15 - 16)

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

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

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

The Basic Financial Statements (pages 27 - 52)

These financial statements and note disclosures provide required detailed information regarding the Districts financial performance and financial position.

Combining and Individual Fund Financial Statements and Schedules (pages 53 - 75)

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



THE C.P.A. NETWORK, LLC

CERTIFIED PUBLIC ACCOUNTANTS

GLOBAL ACCESS

LOCAL FINANCIAL SPECIALISTS

INDEPENDENT AUDITOR'S REPORT

Board of Education
Provo City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Provo City School District, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Provo City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Provo City School District, as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparison for the General Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Confiderus Group, Inc.

A Strategic Professional Alliance

Members:

The C.P.A. Network, LLC

Audits
Reviews
Completions

Integritas Public Accounting, LC

Tax
Accounting
Payroll
Business Consulting

Fibonacci Financial, LC

Financial Planning
Asset Management
Risk Management

Members of the American Institute of Certified Public Accountants

560 SOUTH 100 WEST, SUITE 12, PROVO, UT 84601

(801) 375-2969 • FAX (801) 375-2954

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2009, on our consideration of Provo City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information (on pages 17 through 26, 67, 69, 71, 73, and 75) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Provo City School District's basic financial statements. The introductory section, combining, individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual nonmajor fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



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

September 15, 2009

Management's Discussion and Analysis

This section of Provo City School District's (District) comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ended June 30, 2009. The MD&A is intended to provide an analysis directly related to the information presented in the transmittal letter found on pages 1 through 8 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 continues to improve. The following highlights are considered by the District to be critical factors in measuring the District's financial performance for the fiscal year ended June 30, 2009:

- **Government-Wide Net Assets.** The District's total assets exceeded liabilities by \$77.5 million at the close of fiscal year 2009.
- **Government-Wide Financial Progress (full-accrual basis of accounting):** During the year, expenses were \$17.0 million less than the \$115.3 million generated in taxes and other revenues for governmental activities. The \$17.0 million increase in net assets is due primarily to decreased spending, prompted by state revenue cuts and economic factors.
- **Governmental Fund Financial Progress (modified-accrual basis of accounting):** During the year ended June 30, 2009, the combined fund balance increased by \$3.7 million. The \$3.7 million fund balance increase is due primarily to an OPEB liability change in designation to fund balance of \$9.1 million.
 - The District's General fund makes up the largest portion of the overall total fund balance among all governmental funds. The General fund balance increased by \$5.1 million in fiscal year 2009. This increase is primarily due to budget cuts made in response to legislative requests. State legislature requested that state entities consider probable worsening future economic conditions when budgeting for the current year. In doing so, the District has been able to plan for future cuts in a responsible manner.
- **Capital Lease Obligation.** During fiscal year 2008, the District entered into a capital lease agreement to fund computers for instructional purposes. The total long-term obligation was for \$1.1 million. The lease is for a period of three years. Principal and interest paid in FY09 was \$277,972 and \$22,028, respectively.
- **District Master Plan** - The District continues a targeted and aggressive capital improvement schedule, which is part of the master plan adopted in November 2004. Capital improvements are funded through two major sources: the capital outlay tax levy and general obligation bonds. In 2006, Provo voters approved a \$35 million bond and leeway. While most of the funding for the bond was received in FY 2006-07, the projects were completed by January 30, 2009. Most notable were the completion of Lakeview and Timpanogos Elementary schools.

All capital projects and maintenance efforts are part of a progressive 20-year building replacement plan. Part of this long-term plan was the passing of the bond in 2006. The District doesn't anticipate the need for additional bond issuance for buildings until 2017, with the exception of special QSCB bonds in fiscal year 2010. QSCB bonds are low interest bonds available through the American Recovery and Reinvest-

ment Act of 2009. The District plans to build a new elementary school in FY10-11 with the QSCB bonds and building reserve funds.

Overview of Financial Statements

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

A. Government-wide financial statements

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

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

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

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

B. Fund financial statements

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

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

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

The District maintains seven individual governmental funds, and it reports the District's Foundation (a blended component unit) as an additional governmental fund. Information is presented separately in

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

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

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

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

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

C. Notes to the basic financial statements

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

D. Other information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statements on pages 53 to 75 of this report. Additional financial and non-financial statistical data and trends are presented in the statistical section of the report.

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

A. Net Assets - Governmental Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$77.5 million at the close of the most recent fiscal year.

Net assets of the District's governmental activities increased 52.84% to \$77.5 million. However, net assets are classified as either restricted as to the purposes they can be used for, or are invested in capital assets (land, buildings and improvements, equipment, etc.). Consequently, unrestricted net assets (8.26% of total net assets) are \$6.5 million at the end of this year.

The largest portion of the District's net assets (49.26%) reflects its investment in capital assets (e.g., sites, buildings, equipment and vehicles net of accumulated depreciation), net of related long term debt used to acquire such assets (general obligation bonds payable less unspent bond proceeds). Capital assets are used to provide services to students, and are not available for future spending. It should be noted, that the resources needed to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets (20.9%) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted fund balance is for capital projects.

The remaining portion of fund balance (22.0%) is designated by the Board of Education for specific uses. The majority of the designated funds are for future OPEB liabilities.

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

	Governmental activities		
	2009	2008	Change from 2008
Current and other assets	\$ 66.7	\$ 59.3	\$ 7.4
Capital assets	95.4	93.6	1.8
Total assets	162.1	152.9	9.2
Other liabilities	26.4	33.5	(7.1)
Long-term liabilities outstanding	58.1	68.5	(10.4)
Total liabilities	84.5	102.0	(17.5)
Net assets:			
Invested in capital assets, net of related debt	38.2	32.2	6.0
Restricted	16.2	20.3	(4.1)
Unrestricted	23.1	8.0	15.1
Total net assets	\$ 77.5	\$ 60.5	\$ 17.0

B. Changes in Net Assets – Governmental Activities

The District's total net assets increased by \$26.8 million during the current year. Of the \$26.8 million increase in total net assets, unrestricted net assets increased by \$24.9 million. Of the \$24.9 million increase, \$9.1 million is due to reclassification of OPEB liabilities to fund balance, and an additional \$3.3 million was designated by the Board of Education for OPEB. Unrestricted net assets also include an additional \$2.2 million of reclassified restricted fund balances. Restricted net assets decreased by \$4.1 million during the year ended June 30, 2009. The decrease in restricted net assets is due primarily to the reclassification of fund balances to unrestricted. This reclassification is allowed under state statute when state revenues are cut mid year.

The District's total revenues for the year were \$115.3 million, which represents an increase of \$8.0 million over the prior year. Total federal and state aid comprise (specific to programs and unrestricted) 31.1% of the District's revenues; property taxes generated 27.8% of the District's revenues. Revenues from operating grants and contributions decreased from the prior year by \$2.7 million.

As compared to the prior year, the total cost of all programs and services decreased by \$4.3 million to \$98.2 million. Instruction and support services (including food services) were 63.7% and 28.8%, respectively, of the District's expenses. Decreases in expenses were primarily due to decreased spending, prompted by state revenue cuts and economic factors.

Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the differ-

ence with state funding. The value of the WPU increased by 2.5% during the year ended June 30, 2009 (\$2,577 during 2009 as compared to \$2,514 in 2008).

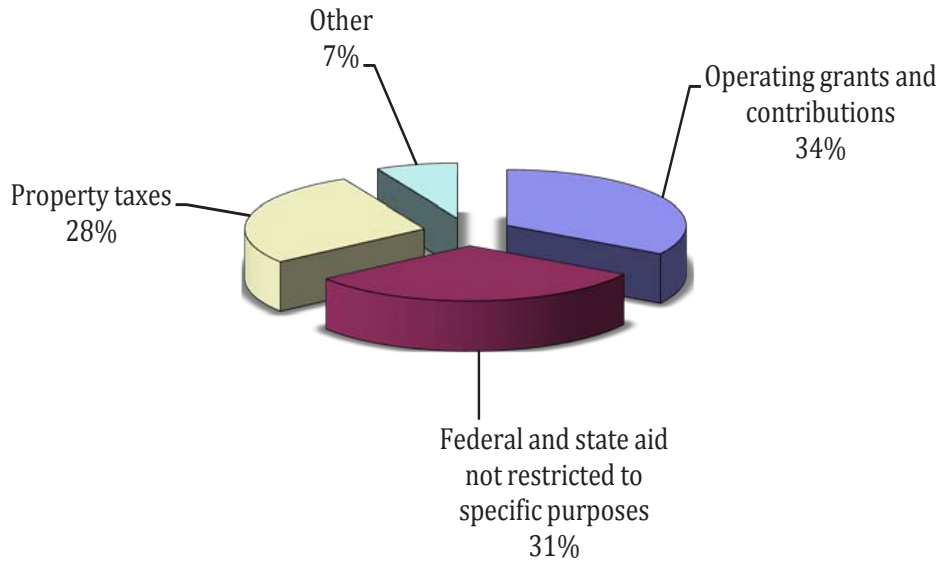
PROVO CITY SCHOOL DISTRICT'S Changes in Net Assets
(in millions of dollars)

	Governmental activities		
	2009	2008	Change from 2008
Revenues:			
Program revenues:			
Charges for services	\$ 1.6	\$ 2.0	\$ (0.4)
Operating grants and contributions	38.8	41.5	(2.7)
General revenues:			
Property taxes	32.1	26.5	5.6
Federal and state aid not restricted to specific purposes	35.9	29.2	6.7
Earnings on investments	0.8	2.1	(1.3)
Miscellaneous	6.1	6.0	0.1
Total revenues	115.3	107.3	8.0
Expenses:			
Instructional services	62.5	69.0	(6.5)
Supporting services:			
Students	3.9	3.5	0.4
Instructional staff	2.1	1.5	0.6
District administration	0.8	1.3	(0.5)
School administration	5.1	4.7	0.4
Business	3.0	2.7	0.3
Operation and maintenance of facilities	5.4	5.2	0.2
Transportation	2.5	2.7	(0.2)
Other	0.1	0.4	(0.3)
School food services	5.4	4.5	0.9
Community services	4.8	4.2	0.6
Interest on long-term liabilities	2.6	2.8	(0.2)
Total expenses	98.2	102.5	(4.3)
Changes in net assets	17.0	4.8	12.2
Net assets, beginning	60.5	55.7	4.8
Net assets, ending	\$ 77.5	\$ 60.5	\$ 17.0

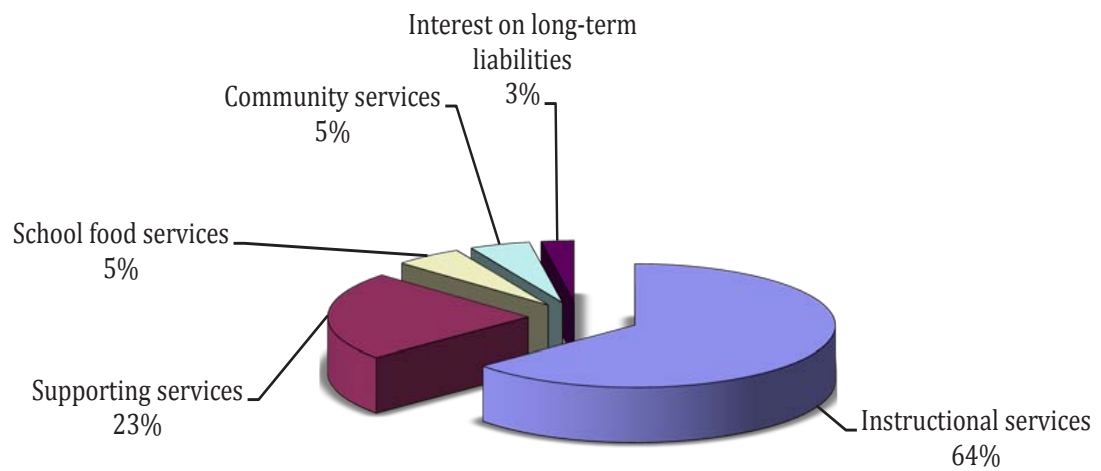
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

2008 fund balance has been restated for reclassification of programs between funds.

**Revenues by Source - Governmental Activities
Year Ended June 30, 2009**



**Expenses by Function - Governmental Activities
Year Ended June 30, 2009**



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

A. Governmental funds

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

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

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

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

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

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

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

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

As the District completed the year, its governmental funds reported a combined fund balance of \$37.1 million, which is \$3.7 million more than the previous year. The primary reasons for the increase in fund balance mirror those highlighted in the analysis of governmental activities. In addition, the following changes should be noted:

- The District's *Capital Projects Fund* makes up the largest portion of the unreserved, undesignated total fund balance increase among all governmental funds. The Capital Projects fund balance decreased by \$2.9 million in the current year. The primary reason for this change in fund balance is due to completion of the remainder of the bond projects for \$3.5 million.
- The District's *General* fund balance increased by \$5.1 million as compared to a \$752 thousand increase in the previous year. The increase is due primarily to an OPEB liability change in designation to fund balance of \$9.1 million.
- The District's *School Food Services* fund decreased by \$270 thousand. The decrease is due to a planned spend down of fund balances over a three year period. The funds are being used primarily for non-routine upgrades to kitchens.
- All other changes in fund balances are due to normal fluctuations in operational resources and property tax collections, as well as mid-year cuts to revenues and expenditures.
- As compared to the prior year, expenditures for District purposes totaled \$111.7 million, a decrease of \$16.2 million during the current fiscal year. The decrease is primarily due mid-year budget cuts.

- General fund salaries totaled \$52.7 million as compared to \$50.2 million in the previous year. Associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) totaled \$19.9 as compared to \$20.0 million in the previous year. Associated benefits did not increase comparatively to salaries as the OPEB liability has been re-classified to designated fund balance and no accrual was made.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation or which have legal restrictions narrower than the fund for which the funds are reported in. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the General fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, building reserve, and other governmental funds are restricted by state law to be spent for the purpose of the fund.

Changes in local revenues are due to the following elements:

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

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

	2009	2008
Property taxes	\$ 32,142,593	\$ 26,477,406
Tuitions	461,272	573,879
Transportation fees	113,725	113,095
Earnings on investments	788,220	2,142,078
Food Services	1,320,686	1,202,495
Contributions	109,818	160,309
Other revenues from local sources	5,744,401	6,005,932
	<u>\$ 40,680,715</u>	<u>\$ 36,675,194</u>

Budgetary Highlights

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was a decrease of \$579 thousand in total general fund revenues and a decrease of \$481 thousand in expenditures. The most significant budget changes may be summarized as follows:

- *State Revenues:* State Revenues decreased \$7.3 million from the original budget. The decrease is due to mid-year legislative cuts in revenues as a result of current recession.
- *Other local revenue:* Other local revenue decreased \$320 thousand. The decrease is primarily due to decreased tuitions and donations, which is reflective of the current recession.
- *Federal revenues:* Federal revenues increased \$5.8 million. The increase is due to one time funds received under the American Recovery and Reinvestment Act (ARRA).

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

The General fund final year to date results did not have any *significant* variances from the final approved budget.

Capital Assets & Debt Administration

A. Capital Assets

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

Capital assets at June 30, 2009 and 2008 are outlined below:

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

	Governmental activities		Total Change 2009-2008
	2009	2008	
School sites (land)	\$ 6.2	\$ 6.2	\$ -
Works of art	0.4	0.4	-
Construction in progress	.7	23.8	(23.1)
Buildings	81.7	56.9	24.8
Furniture & equipment	6.4	6.3	0.1
Total capital assets	\$ 95.4	\$ 93.6	\$ 1.8

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

- Completion of construction on the new Timpanogos Elementary School.
- Total construction, at a cost of \$29.3 million, was for Master Plan related renovations and Board approved improvements.

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, 2009 is \$318.3 million. General obligation debt at June 30, 2009 is \$56.4 million, resulting in a legal debt margin of \$261.9 million.

PROVO CITY SCHOOL DISTRICT'S Outstanding General Obligation Debt

	Governmental Activities		Total Change 2009-2008
	2009	2008	
General obligation bonds	\$ 56.4	\$ 60.2	\$(3.8)

Additional information regarding the District's long-term debt can be found in Note 6 to the basic financial statements.

Request for Information

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

Basic Financial Statements

Financial Section

PROVO CITY SCHOOL DISTRICT

Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
Assets:	
Cash and investments	\$ 37,018,100
Receivables:	
Property taxes	26,493,578
Other local	167,460
State	90,151
Federal	1,314,559
Inventories	259,543
Bond issuance costs, net of accumulated amortization	70,232
Net other post employment benefits	1,319,067
Capital assets:	
Land, construction in progress, and works of art	7,298,891
Buildings and equipment, net accumulated depreciation	88,106,779
Total assets	<u>162,138,360</u>
Liabilities:	
Accounts payable	738,185
Accrued interest payable	113,634
Payroll and related payables	1,715,322
Due to other governments or nonprofit organizations	(552,522)
Deferred/Unearned revenue:	
Property taxes	24,029,421
Other local	26,100
State	-
Federal	416,013
Noncurrent liabilities:	
Portion due or payable within one year	5,206,118
Portion due or payable after one year	52,912,466
Total liabilities	<u>84,604,737</u>
Net Assets:	
Invested in capital assets, net of related debt	38,192,076
Restricted for:	
Debt service	1,245,636
Capital projects	10,334,131
Non K-12 instruction	416,203
Student Activities	1,703,390
Supplemental programs	527,057
School food services	1,929,635
Unrestricted - designated	16,682,887
Unrestricted - undesignate	6,502,610
Total net assets	<u>\$ 77,533,624</u>

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

PROVO CITY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2009

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Assets</u>
				<u>Total</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental activities:				
Instructional services	\$ 62,546,410	\$ 130,544	\$ 25,693,848	\$ (36,722,018)
Supporting services:				
Students	3,913,806	-	962,090	(2,951,716)
Instructional staff	2,104,484	-	543,374	(1,561,110)
District administration	833,850	-	252,740	(581,110)
School administration	5,089,616	-	288,900	(4,800,717)
Business	2,992,513	-	327,415	(2,665,098)
Operation and maintenance of facilities	5,418,773	-	7,398	(5,411,376)
Transportation	2,444,373	113,725	2,202,575	(128,073)
Other	91,078	-	34,926	(56,152)
School food services	5,381,233	1,320,686	3,483,727	(576,820)
Community services	4,839,650	-	5,028,833	189,184
Interest on long-term liabilities	2,636,859	-	-	(2,636,859)
Total school district	\$ 98,292,645	\$ 1,564,955	\$ 38,825,826	(57,901,864)
General Revenues:				
Property taxes levied for:				
Basic state supported program for regular K-12 instruction				5,010,380
Voted leeway for regular K-12 instruction				5,110,588
School board leeway for class size reduction				8,577,771
Special transportation				372,772
Tort liability				232,482
Community recreation				998,068
Debt service of general obligation bonds				4,978,314
Capital outlay for buildings and other capital needs				3,318,876
Ten percent of basic for construction, textbooks, and supplies				3,543,341
Federal and state aid not restricted to specific purposes				35,865,302
Earnings on investments				788,220
Miscellaneous				6,127,150
Total general revenues				<u>74,923,265</u>
Changes in net assets				17,021,400
Net assets - beginning				<u>60,512,224</u>
Net assets - ending				<u><u>\$ 77,533,624</u></u>

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

PROVO CITY SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2009

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
Assets:					
Cash and investments	\$ 19,746,471	\$ 867,976	\$ 9,902,243	\$ 6,501,410	\$ 37,018,100
Receivables:					
Property taxes	13,137,653	5,163,524	7,654,953	537,448	26,493,578
Other local	64,375	-	-	103,085	167,460
State	26,510	-	-	63,641	90,151
Federal	1,246,691	-	-	67,868	1,314,559
Due from other funds	552,522	-	-	-	552,522
Inventories	8,148	-	-	251,394	259,543
Total assets	<u>\$ 34,782,371</u>	<u>\$ 6,031,500</u>	<u>\$ 17,557,196</u>	<u>\$ 7,524,846</u>	<u>\$ 65,895,913</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 272,098	\$ -	\$ 112,974	\$ 353,113	\$ 738,185
Payroll and related payables	1,534,312	-	2,184	178,827	1,715,322
Due to other funds	-	-	-	-	-
Deferred revenue:					
Property taxes	12,859,177	5,048,417	7,497,217	511,986	25,916,797
Other local	26,100	-	-	-	26,100
State	-	-	-	-	-
Federal	393,013	-	-	23,000	416,013
Total liabilities	<u>15,084,701</u>	<u>5,048,417</u>	<u>7,612,374</u>	<u>1,066,926</u>	<u>28,812,418</u>
Fund Balances:					
Reserved for:					
Inventories	8,148	-	-	251,394	259,542
Construction commitments	-	-	-	-	-
Provo City School District Foundation for Excellence	-	-	-	527,057	527,057
Other restricted programs	588,044	-	-	200,690	788,734
Unreserved:					
Designated for Undistributed Reserves	2,244,402	-	-	-	2,244,402
Designated for OPEB	12,498,244	-	-	-	12,498,244
Designated for Building Reserve	-	-	-	1,940,240	1,940,240
Undesignated reported in:					
General fund	4,358,833	-	-	-	4,358,833
Debt service fund	-	983,083	-	-	983,083
Capital projects fund	-	-	9,944,822	-	9,944,822
Special revenue funds:					
Non K-12 instruction	-	-	-	156,908	156,908
Student Activities	-	-	-	1,703,390	1,703,390
School food services	-	-	-	1,678,241	1,678,241
Total fund balances	<u>19,697,671</u>	<u>983,083</u>	<u>9,944,822</u>	<u>6,457,920</u>	<u>37,083,495</u>
Total liabilities and fund balances	<u>\$ 34,782,371</u>	<u>\$ 6,031,500</u>	<u>\$ 17,557,196</u>	<u>\$ 7,524,846</u>	<u>\$ 65,895,913</u>

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

PROVO CITY SCHOOL DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009

Total fund balances for governmental funds \$ 37,083,495

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

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

Land	\$ 6,228,328	
Construction in progress	714,413	
Works of art	356,150	
Buildings and improvements, net \$40,354,566 accumulated depreciation	81,712,274	
Furniture and equipment, net \$9,739,950 accumulated depreciation	6,394,505	95,405,670

Net OPEB asset is not reported in the governmental funds. This amount represents accumulated plan contributions in excess of annual OPEB costs. 1,319,067

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. 1,887,376

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (113,634)

Bond issuance costs are reported as expenditures in governmental funds; however, bond issuance costs are reported as deferred costs in the government-wide statements and are amortized over the life of the obligations. The cost is \$528,265 and accumulated amortization is \$445,033. 70,232

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

General obligation bonds payable	(56,384,000)	
Deferred amounts on refunding, net	737,979	
Deferred amounts for bond premiums, net	(1,282,445)	
Obligations under capital leases	(285,128)	
Vacation payable	(904,990)	
Early retirement payable	-	(58,118,584)

Total net assets of governmental activities \$ 77,533,624

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund		
Revenues:					
Local sources:					
Property taxes	\$ 15,574,726	\$ 6,424,380	\$ 8,855,507	\$ 1,287,980	\$ 32,142,593
Contributions	-	-	-	-	-
Food service sales	-	-	-	1,320,686	1,320,686
Interest	600,114	-	150,000	38,106	788,220
Other local	1,708,486	-	490,248	4,230,481	6,429,216
State	55,099,893	-	-	2,420,822	57,520,715
Federal	13,499,469	-	-	3,670,944	17,170,413
Total revenues	86,482,688	6,424,380	9,495,755	12,969,020	115,371,843
Expenditures:					
Current:					
Instructional services	62,639,826	-	36,013	3,642,740	66,318,579
Supporting services:					
Students	3,681,831	-	-	-	3,681,831
Instructional staff	2,074,908	-	-	-	2,074,908
District administration	778,689	-	-	-	778,689
School administration	5,030,421	-	-	-	5,030,421
Business	2,823,844	-	-	-	2,823,844
Operations and maintenance of facilities	1,887,139	-	3,508,007	-	5,395,147
Transportation	2,053,738	-	-	-	2,053,738
Other	91,078	-	-	-	91,078
School food services	-	-	-	5,077,938	5,077,938
Community services	-	-	-	4,709,556	4,709,556
Capital outlay	-	-	6,936,233	-	6,936,233
Debt service:					
Principal retirement	277,972	3,850,000	-	-	4,127,972
Bond issuance costs	-	-	-	-	-
Interest and fiscal charges	22,028	2,564,138	-	-	2,586,166
Total expenditures	81,361,475	6,414,138	10,480,253	13,430,234	111,686,100
Excess of (deficiency) revenues over (under) expenditures	5,121,212	10,242	(984,498)	(461,214)	3,685,743
Other financing sources (uses):					
Proceeds(loss) from sale of Capital Assets	11,564	-	-	2,091	13,655
Transfers In (Out)	-	-	(1,940,240)	1,940,240	-
Total other financing sources (uses)	11,564	-	(1,940,240)	1,942,331	13,655
Net change in fund balances	5,132,777	10,242	(2,924,738)	1,481,117	3,699,398
Fund balances - beginning	14,564,893	972,841	12,869,560	4,976,802	33,384,096
Fund balances - ending	\$ 19,697,671	\$ 983,083	\$ 9,944,822	\$ 6,457,920	\$ 37,083,495

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

PROVO CITY SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2009

Net change in fund balances-total governmental funds \$ 3,699,398

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial cost or basket purchase cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses. Proceeds from any related sale of capital assets, as well as any gain or loss and notes receivable are also reported in the statement of activities.

Capital outlays	7,789,843	
Depreciation expense - capital assets	(5,900,892)	
Proceeds on sale of assets	(13,655)	
Loss on disposal of assets	(57,801)	
	1,817,495	1,817,495

The governmental funds report OPEB contributions as expenditures when paid. However, in the statement of activities, differences between OPEB plan contributions and OPEB costs for the year are expensed. 1,319,068

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

Repayment of bond principal	3,850,000	
Bond interest expense	(100,001)	
Amortization of deferred amounts on refunding	(95,735)	
Amortization of bond premium	145,043	
Amortization of bond issuance costs	(61,744)	
	3,737,563	3,737,563

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

Principal payments of capital lease obligation	277,972	277,972
--	---------	---------

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)	(37,733)	
Early retirement payable (voluntary termination benefits)	6,207,635	
	6,169,902	6,169,902

Change in net assets of governmental activities \$ 17,021,400

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

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Local sources:				
Property taxes	\$ 15,459,000	\$ 14,997,111	\$ 15,574,726	\$ 577,615
Interest	695,000	595,000	600,114	5,114
Other local	2,256,049	1,935,803	1,708,486	(227,317)
State	58,782,809	53,405,897	55,099,893	1,693,996
Federal	8,106,400	13,786,559	13,499,469	(287,090)
Total revenues	<u>85,299,258</u>	<u>84,720,370</u>	<u>86,482,688</u>	<u>1,762,318</u>
Expenditures:				
Current:				
Instructional services	65,966,713	66,358,652	62,639,826	3,718,826
Supporting services:				
Students	3,710,119	3,502,708	3,681,831	(179,123)
Instructional staff	1,939,346	2,484,079	2,074,908	409,171
District administration	1,359,794	1,189,113	778,689	410,424
School administration	5,027,175	4,985,684	5,030,421	(44,737)
Business	2,441,280	2,729,177	2,823,844	(94,667)
Operations and maintenance of plant	1,685,449	1,390,936	1,887,139	(496,203)
Student transportation	2,143,100	2,085,943	2,053,738	32,205
Other	1,146,657	211,378	91,078	120,300
Debt Service:				
Principal retirement	-	-	277,972	(277,972)
Interest and fiscal charges	-	-	22,028	(22,028)
Total expenditures	<u>85,419,633</u>	<u>84,937,670</u>	<u>81,361,475</u>	<u>3,576,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,375)</u>	<u>(217,300)</u>	<u>5,121,212</u>	<u>5,338,512</u>
Other financing sources (uses):				
Transfers In (out)	-	-	-	-
Sale of capital assets	-	-	11,564	(11,564)
Obligations under capital leases	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>11,564</u>	<u>(11,564)</u>
Net change in fund balances	(120,375)	(217,300)	5,132,777	5,326,948
Fund balances - beginning	<u>5,357,624</u>	<u>5,357,624</u>	<u>14,564,893</u>	<u>9,207,269</u>
Fund balances - ending	<u>\$ 5,237,249</u>	<u>\$ 5,140,324</u>	<u>\$ 19,697,671</u>	<u>\$ 14,534,217</u>

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

PROVO CITY SCHOOL DISTRICT
Statement of Fiduciary Fund Assets and Liabilities
Agency Funds
June 30, 2009

	Agency Funds
	2009
Assets:	
Cash and investments	\$ 610,761
Receivables:	
Other local	(2)
State	0
Federal	573,857
	<u>573,857</u>
Total assets	<u>\$ 1,184,617</u>
Liabilities:	
Due to Provo City School District	\$ 552,522
Due to other entities	632,095
	<u>632,095</u>
Total liabilities	<u>\$ 1,184,617</u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

These basic financial statements present the activities of the District and its component unit, the *Provo School District Foundation for Excellence*. The District's component unit is presented as a blended component unit in the financial statements. Although it is a legally separate entity, the Foundation is, in substance, part of the District's operations and to exclude it from the District's financial statements would be misleading.

Blended Component Unit - The *Provo School District Foundation for Excellence* 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 entirely, and the District has a significant influence upon the financial operations of the Foundation and is able to access the economic resources held by the Foundation. The Foundation is considered a blended component unit, and the Foundation is presented as a special revenue fund of the District, and its activity is reported in the *Support Services—Students* function in the government-wide financial statements. Separate financial statements for the Foundation can be obtained by contacting the Provo City School District Main Office, 280 West 940 North, Provo, Utah, 84604.

B. Government-wide and Fund Financial Statements

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

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. 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, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

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

- *School Food Services Fund* - to account for preparation and serving of school lunches and breakfasts.
- *Non K-12 Instruction Fund*- to account for preschool, adult education and other non K-12 programs.
- *School Activity Fund* – used to account for the receipt and disbursement of monies of student activity organizations and other custodial type transactions within the schools.
- *Building Reserve Fund*- to account for funds designated by the Board for new buildings or remodels.

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

- *Special Programs Agency Fund* – used to account for assets held by the District for independent smaller entities and agencies. The District provides services such as payroll and accounts payable for these entities but has no legal control and accountability requirements for how they use their resources.

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

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

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

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

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

E. Budgets and Budgetary Accounting

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

- During June of each year, the District Business Administrator submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.
- Copies of the proposed budget are made available for public inspection before the Board hearing in which the Board adopts the proposed budget.
- If the District does not require a truth in taxation hearing, a public hearing is held prior to June 22, at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District does require truth in taxation, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the Superintendent can approve reductions in appropriations, but increases in appropriations, at the fund level, require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2009, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

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

F. Deposits and Investments

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

G. Cash and Cash Equivalents

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

H. Receivables and Payables

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

I. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial or "basket purchase" cost of more than \$5,000 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, many of the works of art were appraised in 1994 and have been capitalized at the fair value of the appraisal. The District's art collection carries a net book value of \$356,150 in the government-wide financial statements; works of art are a non-depreciable item in the government-wide financial statements.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Additions	40
Building Improvements	20
Physical Education Equipment	20
Standard Furniture & Accessories	20

Stage & Auditorium	20
Portable Classrooms	15
Machinery & Tools	15
Appliances	15
Grounds & Accessories	15
Audio Visual	10
Lab Equipment	10
Music - Instruments & Accessories	10
Licensed Vehicles	8
Business Machines	5
Miscellaneous Equipment	5
Software	3

J. Comparative Data, Restatements and Reclassifications

Comparative data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District’s financial position and operations. Ending fund balances fiscal year 2008 have been restated to reflect shifts in classifications, as well as additions of OPEB fund balances reclassified from prior year liabilities and the integration of a former agency program into the District.

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. Long-term Obligations

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

the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation *or* are legally restricted by outside parties for use for a restricted purpose. Designations of fund balances represent tentative plans for future use of financial resources that are subject to change.

O. Inventories

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

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

P. Indirect Costs

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

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

Q. Use Of Estimates

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

R. Special Programs Agency Fund

The District, through its desire to support other local community programs as well as goals set by the Board of Education, provides accounting-related services to several independent entities. The District serves only as a fiscal agent and has no fiscal accountability for these programs; consequently, no budget is adopted by the Board of Education for these funds. Financial activity for these entities are disclosed in the Special Programs Agency fund. A schedule of assets and liabilities for each independent agency is provided in the *Combining and Individual Fund Financial Statements & Schedules* section of this report on pages 73-75. The entities included in this fund are described as follows:

- *USOE Family Involvement Program* - provides services related to family involvement in education programs.

- *Local Interagency Council* - committee organized of various state and local agencies designed to provide services to at-risk youth.
- *Brigham Young University Partnership* - funds are managed by university specialists to provide support services, research, staff development, and teacher recruitment for five separate school districts throughout the state.
- *Utah Professional Development Center* - receives federal funding to provide staff development resources for school districts in Utah serving special student populations.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2009, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ (591,573)
Carrying amount of investments:	
Public Treasurers' Investment Fund	36,035,155
Repurchase Agreement	1,574,518
Total cash and investments	<u>\$37,018,100</u>
 Governmental funds cash and investments	 <u><u>\$37,018,100</u></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, 2009, the District's exposure to custodial credit risk for deposits was as follows:

Depository Account	Carrying Amount	Bank Balance	Amount Insured
Provo City School District	\$ (1,341,049)	\$ 11,556	\$11,556
Student Activities	684,142	596,986	596,986
Provo School District Founda- tion	65,334	162,727	162,727
	<u>\$ (591,573)</u>	<u>\$771,269</u>	<u>\$771,269</u>

Investments

The District's investments are managed through participation in the Utah Public Treasurers' Investment Fund and through a repurchase agreement arrangement with a local bank. The reported value of the Public Treasurer's Pool is the same as the fair value of the pool shares. As of June 30, 2009, the District had the following investments:

Investment	Original Maturities	Fair Value
Utah Public Treasurers' Investment Fund (includes School Activities and Foundation)	less than 1 year	\$ 36,035,155
Repurchase Agreement	less than 1 year	1,574,518
		\$ 37,609,673

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

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

Investments - Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The entire \$1,574,518 invested in repurchase agreements consists of underlying securities which are held by the investment's counter party, not in the name of the District, and are not insured. The District's repurchase agreements arrangement primarily invests in obligations of the United States Treasury, agencies or financial instruments of the United States that meet allowable investments of the Utah Money Management Act. The District does not have an investment policy for custodial credit risk.

3. PROPERTY TAXES

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

The property tax revenue of the District is collected and distributed by the Utah County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess a lien on real property as of January 1 and complete the tax rolls by May 15. The District's Board of Education is required to adopt its initial budget for the next fiscal year by June 22; this initial

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

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as 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, 2009, the District had accrued a property tax receivable on the government-wide financial statements of \$26,493,578. This accrual represents calendar year 2009 property taxes of \$24,606,202 levied for the year ended June 30, 2010 due to be collected by November 30, 2009, plus \$1,887,376 of delinquent property taxes receivable for taxes assessed prior to 2009 that remain uncollected.

4. INTERFUND BALANCES AND TRANSFERS

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

As of June 30, 2009 no interfund balances exist.

During the year ended June 30, 2009, the District made a transfer between funds. The District transferred \$1,940,240 from the Capital Projects fund to the Building Reserve fund. The transfer is part of a multi-year levy designed to provide the District flexibility of replacing an elementary school without issuing bonds.

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,228,328	\$ -	\$ -	\$ 6,228,328
Construction in progress	23,831,725	702,872	(23,820,184)	714,413
Works of art	356,150	-	-	356,150
Total capital assets, being not being depreciated	<u>30,416,203</u>	<u>702,872</u>	<u>(23,820,184)</u>	<u>7,298,891</u>
Capital assets, being depreciated :				
Buildings and improvements	93,403,930	28,662,900		122,066,830
Furniture and equipment	<u>13,974,692</u>	<u>2,244,255</u>	<u>(84,492)</u>	<u>16,134,456</u>
Total capital assets, being depreciated	<u>107,378,622</u>	<u>30,907,155</u>	<u>(84,492)</u>	<u>138,201,286</u>
Accumulated depreciation for:				
Buildings and improvements	(36,481,785)	(3,872,771)	-	(40,354,556)
Furniture and equipment	<u>(7,724,865)</u>	<u>(2,028,121)</u>	<u>13,036</u>	<u>(9,739,950)</u>
Total accumulated depreciation	<u>(44,206,650)</u>	<u>(5,900,892)</u>	<u>13,036</u>	<u>(50,094,506)</u>
Total capital assets, being depreciated, net	<u>63,171,973</u>	<u>25,006,263</u>	<u>(71,456)</u>	<u>88,106,780</u>
Governmental activity capital assets, net	<u>\$ 93,588,176</u>	<u>\$ 25,709,134</u>	<u>\$ (23,891,641)</u>	<u>\$ 95,405,670</u>

For the year ended June 30, 2009, depreciation expense was charged to functions of the District as follows:

	<u>Furniture & Equipment</u>	<u>Buildings & Improvements</u>	<u>Total</u>
Governmental activities:			
Instruction	\$ (1,229,976)	\$ (3,278,689)	\$ (4,508,665)
Support services:			
Students	(73,337)	(158,638)	(231,975)
Instructional staff	(29,576)	-	(29,576)
General administration	-	(55,161)	(55,161)
School administration	(5,268)	(53,927)	(59,195)
Business	(168,669)	-	(168,669)
Operation and maintenance of facilities	(23,627)	-	(23,627)
Transportation	(390,635)	-	(390,635)
School food services	(87,316)	(215,979)	(303,295)
Community services	(19,718)	(110,376)	(130,094)
Total depreciation expenses - governmental activities	<u>\$ (2,028,121)</u>	<u>\$ (3,872,771)</u>	<u>\$ (5,900,892)</u>

6. LONG-TERM OBLIGATIONS

A. Changes In Long-term Obligations

Long-term liability activity for the year ended June 30, 2009 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds payable:					
General obligation bonds	\$ 60,234,000		\$ (3,850,000)	\$ 56,384,000	\$ 4,016,000
Deferred amounts for issuance premium	1,427,488	-	(145,043)	1,282,445	-
Deferred amount on refunding	(833,714)	-	95,735	(737,979)	-
Total general obligation bonds payable, net	60,827,774	-	(3,899,308)	56,928,466	4,016,000
Obligations under capital leases	563,100	-	(277,972)	285,128	285,128
Vacation payable	867,256	162,809	(125,076)	904,990	904,990
Early retirement payable	6,207,635	-	(6,207,635)	-	-
Total governmental activity long-term liabilities	<u>\$ 68,465,765</u>	<u>\$ 162,809</u>	<u>\$(10,509,991)</u>	<u>\$ 58,118,584</u>	<u>\$ 5,206,118</u>

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

B. General Obligation Bonds Payable

Bonds payable at June 30, 2009, are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt service fund:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
1998 Series G.O. Refunding Bonds	Bond Refunding	4,950,000	3.40% to 4.15%	June 15, 2013	1,950,000
2004 Series G.O. Refunding Bonds	Bond Refunding	18,690,000	2.0% to 5.0 %	June 15, 2017	15,645,000
2006 Series G.O. Bonds	School Building	9,400,000	4%	June 15, 2026	8,325,000
2007A Series G.O. Refunding Bonds	Bond Refunding	8,220,000	3.807%	June 15, 2015	6,064,000
2007B Series G.O. Bonds	School Building	25,600,000	4.00% to 4.50%	June 15, 2027	24,400,000
Total General Obligation Bonds Payable as of June 30, 2009					<u>\$ 56,384,000</u>

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

Year Ending June 30	Principal	Interest	Debt Service Fund
2010	4,016,000	2,402,449	6,418,449
2011	4,186,000	2,232,035	6,418,035
2012	4,339,000	2,078,522	6,417,522
2013	4,516,000	1,906,752	6,422,752
2014	4,701,000	1,727,698	6,428,698
2015-2019	17,426,000	5,552,701	22,978,701
2020-2024	10,525,000	2,779,188	13,304,188
2025-2027	6,675,000	542,375	7,217,375
	<u>\$ 56,384,000</u>	<u>\$ 19,221,719</u>	<u>\$ 75,605,719</u>

C. Obligations Under Capital Lease

Instructional Computers - In fiscal year 2008, the District entered into a second lease agreement for additional instructional computers, in the amount of \$1,106,634. Annual payments are typically financed through the District's general fund, and future minimum lease payments at June 30, 2009 are as follows:

Year Ending June 30	Principal	Interest	Capital Projects Fund
2010	\$ 285,128	\$ 14,872	\$ 300,000
	Total Minimum Lease Payments		300,000
	Amount Representing Interest		(14,872)
	Present Value of Minimum Lease Payments		\$ 285,128

D. Combined Maturities on Long-Term Borrowings

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

Year Ending June 30	Principal	Interest	Total
2010	4,301,128	2,417,321	6,718,449
2011	4,186,000	2,232,035	6,418,035
2012	4,339,000	2,078,522	6,417,522
2013	4,516,000	1,906,752	6,422,752
2014	4,701,000	1,727,698	6,428,698
2015-2019	17,426,000	5,552,701	22,978,701
2020-2024	10,525,000	2,779,188	13,304,188
2025-2028	6,675,000	542,375	7,217,375
	\$ 56,669,128	\$ 19,236,591	\$ 75,905,719

E. Government Obligation Bond Issuance

During fiscal year 2007, the District issued \$8,220,000 of general obligation bonds for a current refunding. The District also issued a total of \$35,000,000 in general obligation bonds during the 2007 fiscal year. These bonds were issued for construction and renovation projects related to the District master plan. Related information is reported in part B of this note.

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

7. RETIREMENT PLANS

A. Defined Benefit Plan

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

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

Funding Policy. Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 14.73% of annual covered salary. For employees participating in the State and School Non-contributory System, the District contributes 14.22% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board; amendments to the plans provisions and contribution requirements must be authorized by statute and the Utah State Retirement Board.

Provo City School District contributions (including employee contributions paid by the employer) to the State and School Contributory Retirement System for the years ended June 30, 2009, 2008, and 2007 were \$115,158, \$118,221, and \$124,854, respectively, and for the Non-contributory Retirement System the contributions for June 30, 2009, 2008, and 2007 were \$7,564,503, \$7,077,406, and \$6,562,984, respectively. The contributions were equal to the required contribution for each year.

B. Defined Contribution Plans

The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Non-contributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. District contributions made for employees for the years ended June 30, 2009, 2008, and 2007 were \$1,018,187, \$928,019, and \$859,649, respectively; the employee contributions for years ended June 30, 2009, 2008, and 2007 were \$1,065,179, \$1,069,149, and \$920,662, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board; amendments to the plan's provisions and contribution requirements must be authorized by statute and the Utah State Retirement Board.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participation. Employee contributions to the Section 457 plan totaled \$96,238 for the year ended June 30, 2009. The assets of the plan are administered and held by URS and a third-party administrator.

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

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

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

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

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

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005. There are approximately 234 retirees receiving benefit coverage in addition to 326 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 current year were \$3,758,067.

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 than, if paid on an on-going basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed for the year, and changes in the District's net OPEB asset of the plan year:

Normal Cost	\$821,000
Amortization	1,618,000
Annual required contribution (ARC)	2,439,000
Contributions made	3,758,067
Increase in net OEPB asset	1,319,067
Net OPEB asset at July 1, 2008	-0-
Net OPEB asset at June 30,2009	\$1,319,067

The percentage of annual OPEB cost contributed was 154% for the year ended June 30, 2009.

Funded Status and Funding Progress The actuarial accrued liability of the District's post employment

benefit plan as of July 1, 2008 is \$40,539,000, all of which is unfunded. July 1, 2008 is the most recent actuarial valuation date. The covered payroll (annual payroll of active employees) is \$16,203,379, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 250.2%.

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

Actuarial Methods and Assumptions Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the July 1, 2008 actuarial valuation, the projected unit credit with benefits attributed from the date of hire to expected retirement age was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 11.0% initially for those under age 65, and 7.5% for those 65 and older, reduced by .5% decrements to an ultimate rate of 5.0%. The actuarial method used for valuing assets is market. The Plan's unfunded actuarial accrued liability is being amortized over 30 years in level dollar amounts on a closed basis. Claim costs assumptions are based on premiums for active employees and do not recognize the effects of Medicare Part D. Demographic and other assumptions include 1) mortality rates; 2) public education retirement rates; 3) termination rates by age, gender, and years of service; and 4) District salary schedules.

General Fund Balance Designations At June 30, 2009, the District has designated \$12,498,244 of the general fund balance for future funding of the OPEB.

9. GRANTS - CONTINGENT LIABILITY

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. As of September 30, 2009, the District had not received any notification from any grant providing agency or government identifying any noncompliance liabilities associated with past District grant awards.

10. DESIGNATED FOR UNDISTRIBUTED RESERVE

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

11. LITIGATION AND LEGAL COMPLIANCE

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

12. SUBSEQUENT EVENTS

August 18th, 2009, the District was awarded \$6.5 million in QSCB bonds. The funds from the bonds must be spent within 1 year of receipt. The District plans to build a new elementary school with the bond funds, which is part of the District capital asset plan.

13. COMMITMENTS

As of September 30, 2009, the District has no commitments of note.

14. RISK MANAGEMENT

A. Property and Liability Insurance Coverage

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability through policies administered by the Utah State Risk Management (Fund). The District also insures its buildings and contents against all insurable risks of direct physical loss or damage with the fund. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within Utah. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool re-insures sizeable losses to preserve the capital base. During fiscal year ended June 30, 2009, 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, 2009, 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, 2009, which have not been resolved.

15. JOINT VENTURE - RECREATION CENTER

Since 1977, the District has contractually agreed with Provo City to jointly fund the operation of a recreation center on District property near Provo High School. The construction costs were shared jointly by both entities; both entities jointly share operational expenditures each year. During fiscal year 2009, Provo City School District remitted \$132,098 to Provo City for its share of operational costs; this amount is reported as an expenditure in the Non K-12 Instruction governmental fund. The facility provides student access for curricular and extra-curricular activities as well as community access. The agreement also provides for a residual equity interest in the building, and the building reverts back to the District 100 years from the original inception of the agreement.

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

16. RESERVED FUND BALANCES & RESTRICTED NET ASSETS - OTHER RESTRICTED PROGRAMS

The District receives revenues, primarily from the state of Utah, for restricted programs. Some of these revenue sources have legally imposed restrictions narrower than the purpose of the governmental fund in which they are reported in. Consequently, the District reports the end of year residual balances associated with these funds as reserved fund balances. Additionally, these restrictions are based upon enabling legislation; the same amounts are reported as restricted net assets in the government-wide financial statements. The residual balances at year end are the following:

Interventions for student success	General Fund	123,554
UPASS	General Fund	12,624
Medicaid fee for service	General Fund	316,353
Pilot Programs	General Fund	81
Math/science teacher recruitment	General Fund	5,082
Tort liability	General Fund	<u>130,349</u>
Total General Fund Restricted		588,044
Special transportation levy	Non K-12 instruction	<u>200,690</u>
Total Non K-12 Restricted		200,690
Total other restricted programs residual balances		<u><u>\$788,734</u></u>

Combining and Individual Fund

Financial Section

(This page left blank intentionally)

Major Governmental Funds

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

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

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

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
General Fund
 June 30, 2009
 With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 19,746,471	\$ 14,424,131
Receivables:		
Property taxes	13,137,653	10,416,363
Local	64,375	149,422
State	26,510	30,855
Federal	1,246,691	2,349,404
Due from other funds	552,522	589,732
Inventories	8,148	54,043
Total assets	<u>\$ 34,782,371</u>	<u>\$ 28,013,950</u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ 272,098	\$ 1,814,948
Payroll and related payables	1,534,312	1,457,009
Due to other funds	-	-
Deferred revenue:		
Property taxes	12,859,177	9,985,489
Other local	26,100	34,740
Federal	393,013	156,870
Total liabilities	<u>15,084,701</u>	<u>13,449,057</u>
Fund balances:		
Reserved for:		
Inventories	8,148	54,043
Other restricted programs	588,044	953,968
Unreserved, Designated for Undistributed Reserve	2,244,402	189,246
Unreserved, Designated for OPEB	12,498,244	9,138,244
Unreserved, undesignated	4,358,833	4,229,392
Total fund balances	<u>19,697,671</u>	<u>14,564,893</u>
Total liabilities and fund balances	<u>\$ 34,782,371</u>	<u>\$ 28,013,950</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2009
With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 15,459,000	\$ 14,997,111	\$ 15,574,726	\$ 577,615	\$ 13,559,626
Interest	695,000	595,000	600,114	5,114	910,705
Other local	2,256,049	1,935,803	1,708,486	(227,317)	1,671,835
State	58,782,809	53,405,897	55,099,893	1,693,996	56,943,212
Federal	8,106,400	13,786,559	13,499,469	(287,090)	8,173,955
Total revenues	<u>85,299,258</u>	<u>84,720,370</u>	<u>86,482,688</u>	<u>1,762,318</u>	<u>81,623,103</u>
Expenditures:					
Salaries	55,138,296	53,902,526	52,741,104	1,161,422	50,205,668
Employee benefits	21,087,848	21,681,917	19,899,606	1,782,311	22,009,698
Purchased services	3,264,919	3,543,761	3,085,178	458,583	3,375,578
Supplies	4,137,736	4,384,730	4,275,114	109,616	3,841,927
Property	1,275,640	1,295,035	1,436,583	(141,548)	2,301,732
Other	273,694	(120,299)	(376,108)	255,809	(257,615)
Debt Service:					
Principal retirement	-	-	277,972	(277,972)	727,056
Interest and fiscal charges	-	-	22,028	(22,028)	21,010
Total expenditures	<u>85,178,133</u>	<u>84,687,670</u>	<u>81,361,475</u>	<u>3,626,195</u>	<u>82,553,195</u>
Excess of revenues over (under) expenditures	<u>121,125</u>	<u>32,700</u>	<u>5,121,212</u>	<u>5,388,512</u>	<u>(930,092)</u>
Other financing sources (uses):					
Sale of capital assets	-	-	11,564	11,564	76,952
Obligations under capital leases	-	-	-	-	1,148,344
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>11,564</u>	<u>11,564</u>	<u>1,225,296</u>
Net change in fund balances	121,125	32,700	5,132,777	5,400,077	295,204
Fund balances - beginning	<u>14,791,071</u>	<u>14,791,071</u>	<u>14,564,893</u>	<u>(226,178)</u>	<u>14,269,689</u>
Fund balances - ending	<u>\$ 14,912,196</u>	<u>\$ 14,823,771</u>	<u>\$ 19,697,671</u>	<u>\$ 5,173,899</u>	<u>\$ 14,564,893</u>

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets

Debt Service Fund

June 30, 2009

With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 867,976	\$ 811,161
Receivables:		
Property taxes	<u>5,163,524</u>	<u>4,280,569</u>
Total assets	<u><u>\$ 6,031,500</u></u>	<u><u>\$ 5,091,730</u></u>
Liabilities and fund balances:		
Liabilities:		
Deferred revenue:		
Property taxes	<u>\$ 5,048,417</u>	<u>\$ 4,118,890</u>
Total liabilities	<u>5,048,417</u>	<u>4,118,890</u>
Fund Balances:		
Unreserved, undesignated	<u>983,083</u>	<u>972,841</u>
Total fund balances	<u>983,083</u>	<u>972,841</u>
Total liabilities and fund balances	<u><u>\$ 6,031,500</u></u>	<u><u>\$ 5,091,730</u></u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Debt Service Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			Variance with Final Budget - Positive (Negative)	2008
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 6,517,000	\$ 6,322,282	\$ 6,424,380	\$ 102,098	\$ 5,144,875
Interest	-	-	-	-	-
Total revenues	<u>6,517,000</u>	<u>6,322,282</u>	<u>6,424,380</u>	<u>102,098</u>	<u>5,144,875</u>
Expenditures:					
Debt service:					
Principal retirement	3,850,000	3,850,000	3,850,000	-	3,117,000
Bond issuance costs			-	-	-
Interest and fiscal charges	2,575,400	2,575,400	2,564,138	11,262	2,762,403
Total expenditures	<u>6,425,400</u>	<u>6,425,400</u>	<u>6,414,138</u>	<u>11,262</u>	<u>5,879,403</u>
Excess of revenues over (under) expenditures	91,600	(103,118)	10,242	113,360	(734,528)
Fund balances - beginning	<u>972,841</u>	<u>972,841</u>	<u>972,841</u>	<u>(0)</u>	<u>1,707,369</u>
Fund balances - ending	<u>\$ 1,064,441</u>	<u>\$ 869,723</u>	<u>\$ 983,083</u>	<u>\$ 113,360</u>	<u>\$ 972,841</u>

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Capital Projects Fund
 June 30, 2009
 With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 9,902,243	\$ 14,589,262
Receivables:		
Property taxes	7,654,953	5,878,493
Local	-	1,417
	<u> </u>	<u> </u>
Total assets	<u>\$ 17,557,196</u>	<u>\$ 20,469,171</u>
 Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ 112,974	\$ 1,897,559
Payroll and related payables	2,184	24,484
Deferred revenue:		
Other Local	-	-
Property taxes	7,497,217	5,677,568
	<u> </u>	<u> </u>
Total liabilities	<u>7,612,374</u>	<u>7,599,612</u>
 Fund balances:		
Reserved for:		
Capital projects	-	1,999,652
Unreserved, undesignated	9,944,822	10,869,908
	<u> </u>	<u> </u>
Total fund balances	<u>9,944,822</u>	<u>12,869,560</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 17,557,196</u>	<u>\$ 20,469,171</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Capital Projects Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 8,984,000	\$ 8,715,572	\$ 8,855,507	\$ 139,935	\$ 6,479,106
Interest	150,000	150,000	150,000	-	1,231,373
Other local	220,000	220,000	490,248	270,248	11,451
State sources	-	-	-	-	-
Total revenues	9,354,000	9,085,572	9,495,755	410,183	7,721,930
Expenditures:					
Current:					
Salaries	1,161,444	1,178,380	1,160,676	17,704	1,119,213
Employee benefits	365,060	386,695	391,741	(5,046)	354,632
Purchased services	4,356,550	5,641,087	5,517,649	123,438	20,797,110
Supplies	2,270,950	2,782,700	2,429,802	352,898	3,013,995
Property	1,280,728	1,160,728	950,312	210,416	1,635,849
Other	300,000	300,000	30,073	269,927	150
Debt service:					
Principal retirement	-	-	-	-	169,926
Interest and fiscal charges	-	-	-	-	8,919
Total expenditures	9,734,732	11,449,590	10,480,253	969,337	27,099,794
Excess of revenues over (under) expenditures	(380,732)	(2,364,018)	(984,498)	1,379,520	(19,377,864)
Other financing sources (uses):					
Transfers In (Out)	(2,000,000)	(1,940,240)	(1,940,240)	-	-
Obligations under capital leases	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-
Bond premium (discount)	-	-	-	-	-
Total other financing sources (uses)	(2,000,000)	(1,940,240)	(1,940,240)	-	-
Net change in fund balances	(2,380,732)	(4,304,258)	(2,924,738)	1,379,520	(19,377,864)
Fund balances - beginning	12,869,560	12,869,560	12,869,560	-	32,247,424
Fund balances - ending	\$ 10,488,828	\$ 8,565,302	\$ 9,944,822	\$ 1,379,520	\$ 12,869,560

(This page left blank intentionally)

Non-major Governmental Funds

**Non K-12
Instruction
Fund**

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

**Student
Activities
Fund**

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

**Food
Services
Fund**

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

**Building
Reserve
Fund**

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

**Foundation
for Excellence**

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

PROVO CITY SCHOOL DISTRICT
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2009

	<u>Special Revenue Funds</u>					Total Nonmajor Governmental Funds
	<u>Non K-12 Instruction</u>	<u>Student Activities</u>	<u>Food Services</u>	<u>Building Reserve</u>	<u>Provo School District Foundation</u>	
Assets:						
Cash and investments	\$ 501,277	\$ 1,770,280	\$ 1,762,555	\$ 1,940,240	\$ 527,057	\$ 6,501,410
Receivables:						
Property taxes	537,448	-	-	-	-	537,448
Other local	-	103,085	-	-	-	103,085
State	63,641	-	-	-	-	63,641
Federal	67,868	-	-	-	-	67,868
Inventories	-	-	251,394	-	-	251,394
Total assets	<u>\$ 1,170,234</u>	<u>\$ 1,873,365</u>	<u>\$ 2,013,950</u>	<u>\$ 1,940,240</u>	<u>\$ 527,057</u>	<u>\$ 7,524,846</u>
Liabilities and fund balances:						
Liabilities:						
Accounts payable	\$ 151,363	\$ 169,975	\$ 31,775	\$ -	\$ 0	\$ 353,113
Payroll and related payables	149,288	-	29,539	-	-	178,827
Deferred revenue:						
Federal	-	-	23,000	-	-	23,000
Property taxes	511,986	-	-	-	-	511,986
Total liabilities	<u>812,636</u>	<u>169,975</u>	<u>84,314</u>	<u>-</u>	<u>0</u>	<u>1,066,926</u>
Fund balances:						
Reserved for:						
Inventories	-	-	251,394	-	-	251,394
Other restricted programs	200,690	-	-	-	-	200,690
Unreserved, designated	-	-	-	1,940,240	527,057	2,467,297
Unreserved, undesignated	156,908	1,703,390	1,678,241	-	-	3,538,539
Total fund balances	<u>357,598</u>	<u>1,703,390</u>	<u>1,929,635</u>	<u>1,940,240</u>	<u>527,057</u>	<u>6,457,920</u>
Total liabilities and fund balances	<u>\$ 1,170,234</u>	<u>\$ 1,873,365</u>	<u>\$ 2,013,950</u>	<u>\$ 1,940,240</u>	<u>\$ 527,057</u>	<u>\$ 7,524,846</u>

PROVO CITY SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2009

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Non K-12 Instruction	Student Activities	School Food Services	Building Reserve	Provo School District Foundatio	
Revenues:						
Local sources:						
Property taxes	\$ 1,287,980	\$ -	\$ -	\$ -	\$ -	\$ 1,287,980
Contributions	-	-	-	-	-	-
Food service sales	-	-	1,320,686	-	-	1,320,686
Interest	2,872	25,600	-	-	9,635	38,106
Other local	554,585	3,470,577	1,295	-	204,024	4,230,481
State	1,810,073	-	610,749	-	-	2,420,822
Federal	797,967	-	2,872,978	-	-	3,670,944
Total revenues	<u>4,453,476</u>	<u>3,496,177</u>	<u>4,805,708</u>	<u>-</u>	<u>213,659</u>	<u>12,969,020</u>
Expenditures:						
Current:						
Instructional services	-	3,642,740	-	-	-	3,642,740
Supporting services:						
Students	-	-	-	-	-	-
Instructional staff	-	-	-	-	-	-
District administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operations and maintenance of facilities	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Other	-	-	-	-	-	-
School food services	-	-	5,077,938	-	-	5,077,938
Community services	4,509,936	-	-	-	199,619	4,709,556
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>4,509,936</u>	<u>3,642,740</u>	<u>5,077,938</u>	<u>-</u>	<u>199,619</u>	<u>13,430,234</u>
Net change in fund balances	(56,460)	(146,563)	(272,230)	-	14,040	(461,214)
Other financing sources (uses):						
Transfers In (Out)	-	-	-	1,940,240	-	1,940,240
Sale of capital assets	-	-	2,091	-	-	2,091
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,091</u>	<u>1,940,240</u>	<u>-</u>	<u>1,942,331</u>
Net change in fund balances	(56,460)	(146,563)	(270,139)	1,940,240	14,040	1,481,117
Fund balances - beginning	<u>414,057</u>	<u>1,849,953</u>	<u>2,199,774</u>	<u>-</u>	<u>513,017</u>	<u>4,976,802</u>
Fund balances - ending	<u>\$ 357,598</u>	<u>\$ 1,703,390</u>	<u>\$ 1,929,635</u>	<u>\$ 1,940,240</u>	<u>\$ 527,057</u>	<u>\$ 6,457,920</u>

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets

Non K-12 Instruction

Non-major Special Revenue Fund

June 30, 2009

With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 501,277	\$ 548,541
Receivables:		
Property taxes	537,448	867,575
State	63,641	59,288
Federal	67,868	38,218
Total assets	<u>\$ 1,170,234</u>	<u>\$ 1,513,622</u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ 151,363	\$ 160,237
Payroll and related payables	149,288	113,560
Deferred revenue:		
Property taxes	511,986	825,768
Total liabilities	<u>812,636</u>	<u>1,099,565</u>
Fund balances:		
Reserved for:		
Other restricted programs	200,690	-
Unreserved, undesignated	156,908	414,057
Total fund balances	<u>357,598</u>	<u>414,057</u>
Total liabilities and fund balances	<u>\$ 1,170,234</u>	<u>\$ 1,513,622</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Non K-12 Instruction
Non-major Special Revenue Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ 1,304,000	\$ 1,265,038	\$ 1,287,980	\$ 22,942	\$ 1,293,800
Interest	-	-	2,872	2,872	-
Other local	569,509	569,509	554,585	(14,924)	426,642
State	1,642,867	1,847,970	1,810,073	(37,897)	1,635,706
Federal	852,548	855,935	797,967	(57,968)	797,600
Total revenues	4,368,924	4,538,452	4,453,476	(84,976)	4,153,747
Expenditures:					
Salaries	2,658,225	2,802,909	2,781,433	21,476	2,447,062
Employee benefits	774,807	797,174	786,599	10,575	686,879
Purchased services	706,478	803,056	560,095	242,961	621,367
Supplies	254,314	327,915	309,158	18,757	269,720
Property	167,250	91,287	27,498	63,789	20,940
Other	50,286	55,437	45,153	10,284	38,966
Total expenditures	4,611,360	4,877,778	4,509,936	367,842	4,084,935
Excess of revenues over (under) expenditures / net change in fund balances	(242,436)	(339,326)	(56,460)	282,866	68,812
Other financing sources (uses):					
Transfers In (Out)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(242,436)	(339,326)	(56,460)	282,866	68,812
Fund balances - beginning	700,896	700,896	414,057	(286,839)	345,245
Fund balances - ending	\$ 458,460	\$ 361,570	\$ 357,598	\$ (3,972)	\$ 414,057

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Student Activities
Non-major Special Revenue Fund
 June 30, 2009
 With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 1,770,280	\$ 1,746,269
Receivables:		
Local	<u>103,085</u>	<u>112,910</u>
Total assets	<u><u>\$ 1,873,365</u></u>	<u><u>\$ 1,859,179</u></u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	<u>\$ 169,975</u>	<u>\$ 9,226</u>
Total liabilities	<u>169,975</u>	<u>9,226</u>
Fund balances:		
Unreserved, undesignated	<u>1,703,390</u>	<u>1,849,953</u>
Total fund balances	<u>1,703,390</u>	<u>1,849,953</u>
Total liabilities and fund balances	<u><u>\$ 1,873,365</u></u>	<u><u>\$ 1,859,179</u></u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Student Activities
Non-major Special Revenue Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -		\$ -	\$ -
Interest	-	-	25,600	25,600	-
Other local	4,031,558	3,792,097	3,470,577	(321,520)	4,213,824
State	-	-		-	-
Federal	-	-		-	-
Total revenues	<u>4,031,558</u>	<u>3,792,097</u>	<u>3,496,177</u>	<u>(295,920)</u>	<u>4,213,824</u>
Expenditures:					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	1,227,705	1,307,705	1,136,640	171,065	1,326,359
Supplies	1,807,152	1,807,152	1,772,526	34,626	1,956,386
Property	348,270	58,270	45,058	13,212	46,694
Other	637,191	738,564	688,517	50,047	711,752
Total expenditures	<u>4,020,318</u>	<u>3,911,691</u>	<u>3,642,740</u>	<u>268,951</u>	<u>4,041,191</u>
Excess of revenues over (under) expenditures / net change in fund balances	11,240	(119,594)	(146,563)	(26,969)	172,633
Fund balances - beginning	<u>1,849,953</u>	<u>1,849,953</u>	<u>1,849,953</u>	<u>0</u>	<u>1,677,320</u>
Fund balances - ending	<u>\$ 1,861,193</u>	<u>\$ 1,730,359</u>	<u>\$ 1,703,390</u>	<u>\$ (26,969)</u>	<u>\$ 1,849,953</u>

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets

Food Services

Non-major Special Revenue Fund

June 30, 2009

With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 1,762,555	\$ 2,047,691
Receivables:		
Local	-	-
State	-	5,467
Federal	-	45,838
Due from other funds		
Inventories	<u>251,394</u>	<u>172,959</u>
Total assets	<u>\$ 2,013,950</u>	<u>\$ 2,271,955</u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ 31,775	\$ 45,205
Payroll and related payables	29,539	26,975
Deferred revenue:		
Federal	<u>23,000</u>	<u>0</u>
Total liabilities	<u>84,314</u>	<u>72,181</u>
Fund balances:		
Reserved for:		
Inventories	251,394	172,959
Unreserved, undesignated	<u>1,678,241</u>	<u>2,026,815</u>
Total fund balances	<u>1,929,635</u>	<u>2,199,774</u>
Total liabilities and fund balances	<u>\$ 2,013,950</u>	<u>\$ 2,271,955</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Food Services
Non-major Special Revenue Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Food service sales	\$ 1,482,900	\$ 1,289,555	\$ 1,320,686	\$ 31,131	\$ 1,202,495
Interest	-	-	-	-	-
Other local	-	32,000	1,295	(30,705)	165,692
State	505,000	550,000	610,749	60,749	559,868
Federal	2,575,800	2,656,800	2,872,978	216,178	2,584,494
Total revenues	4,563,700	4,528,355	4,805,708	277,353	4,512,549
Expenditures:					
Salaries	1,759,259	1,746,466	1,807,794	(61,328)	1,635,726
Employee benefits	564,267	679,347	724,362	(45,015)	564,683
Purchased services	126,742	121,317	114,998	6,319	81,166
Supplies	199,870	219,870	210,780	9,090	177,665
Food	1,803,357	1,718,454	1,612,754	(1,276,884)	1,495,358
Property	425,000	335,870	276,065	41,969	177,671
Other	205,574	318,034	331,186	(331,186)	161,184
Total expenditures	5,084,069	5,139,358	5,077,938	(1,657,034)	4,293,453
Excess of revenues over (under) expenditures / net change in fund balances	(520,369)	(611,003)	(272,230)	(1,379,681)	219,096
Other financing sources (uses):					
Sale of capital assets	-	-	2,091	2,091	
Total other financing sources (uses)	-	-	2,091	2,091	
Net change in fund balances	(520,369)	(611,003)	(270,139)	(1,377,590)	
Fund balances - beginning	2,199,774	2,199,774	2,199,774	(0)	1,980,678
Fund balances - ending	\$ 1,679,405	\$ 1,588,771	\$ 1,929,635	\$ (1,379,682)	\$ 2,199,774

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Building Reserve
Non-major Special Revenue Fund
 June 30, 2009
 With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 1,940,240	\$ -
Total assets	<u>\$ 1,940,240</u>	<u>\$ -</u>
Liabilities and fund balances:		
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved, Designated	<u>1,940,240</u>	<u>-</u>
Total fund balances	<u>1,940,240</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,940,240</u>	<u>\$ -</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Building Reserve
Non-major Special Revenue Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property Taxes	\$ -		\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Other local	-	-	-	-	-
Total revenues	-	-	-	-	-
Expenditures:					
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	-	-	-	-	-
Supplies	-	-	-	-	-
Property	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess of revenues over (under) expenditures / net change in fund balances	-	-	-	-	-
Other financing sources (uses):					
Transfer In (Out)	2,000,000	1,940,240	1,940,240	-	-
Total other financing sources (uses)	2,000,000	1,940,240	1,940,240	-	-
Net change in fund balances	2,000,000	1,940,240	1,940,240	-	-
Fund balances - beginning	-	-	-	-	-
Fund balances - ending	<u>\$ 2,000,000</u>	<u>\$ 1,940,240</u>	<u>\$ 1,940,240</u>	<u>\$ -</u>	<u>\$ -</u>

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Provo School District Foundation
Non-major Special Revenue Fund
 June 30, 2009
 With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Cash and investments	\$ 527,057	\$ 513,017
Receivables:		
State	-	-
Federal	-	-
Total assets	<u>\$ 527,057</u>	<u>\$ 513,017</u>
Liabilities and fund balances:		
Liabilities:		
Accounts payable	\$ -	\$ -
Payroll and related payables	-	-
Due to other funds	-	-
Deferred revenue:	-	-
Federal	-	-
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Unreserved, undesignated	<u>527,057</u>	<u>513,017</u>
Total fund balances	<u>527,057</u>	<u>513,017</u>
Total liabilities and fund balances	<u>\$ 527,057</u>	<u>\$ 513,017</u>

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Provo School District Foundation
Non-major Special Revenue Fund
 Year Ended June 30, 2009
 With Comparative Totals for 2008

	2009			2008	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
	Original	Final			
Revenues:					
Local sources:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	9,635	9,635	20,315
Other local	367,500	250,000	204,024	(45,976)	363,770
State	-	-	-	-	-
Federal	-	-	-	-	-
Total revenues	367,500	250,000	213,659	(36,341)	384,085
Expenditures:					-
Salaries	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	241,500	250,000	199,619	50,381	328,142
Supplies	-	-	-	-	-
Property	-	-	-	-	-
Other	-	-	-	-	-
Total expenditures	241,500	250,000	199,619	50,381	328,142
Excess of revenues over (under) expenditures / net change in fund balances	126,000	-	14,040	14,040	55,943
Fund balances - beginning			513,017	513,017	457,074
Fund balances - ending	\$ 126,000	\$ -	\$ 527,057	\$ 527,057	\$ 513,017

Fiduciary Funds (Agency Funds)

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

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

**Special
Programs
Fund**

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

PROVO CITY SCHOOL DISTRICT
Comparative Statement of Fiduciary Fund Assets and Liabilities
June 30, 2009 (With Comparative Totals for 2008)

	2009	2008
Assets:		
Cash and investments	\$ 610,761	\$ 1,561,738
Receivables:		
Other local	(2)	497
State	0	-
Federal	573,857	1,061,855
Total assets	\$ 1,184,617	\$ 2,624,091
Liabilities:		
Due to Provo City School District	\$ 552,522	\$ 589,732
Due to other entities	632,095	2,034,359
Total liabilities	\$ 1,184,617	\$ 2,624,091

PROVO CITY SCHOOL DISTRICT
Statement of Changes in Assets and Liabilities
Special Programs Agency Fund
Year Ended June 30, 2009

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
Assets:				
Cash and investments	\$ 1,561,738	\$ 9,739,469	\$ 10,690,446	\$ 610,761
Receivables:				
Other local	497	1,519,309	1,519,808	(2)
State	-	18,486	18,485	0
Federal	1,061,855	530,327	1,018,325	573,857
Total assets	\$ 2,624,091	\$ 11,807,591	\$ 13,247,065	\$ 1,184,617
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Payroll and related payables	-	-	-	-
Due to other entities:				
Utah State Office of Education:				
Reading program	309			309
Careers and technology education	43,056			43,056
Family involvement	59,132	-	96,884	(37,752)
Science program	(58,596)	59,540	944	0
Youth programs	(0)	2,328,484	2,328,484	0
Utah County Local Interagency Council	24,244	-	-	24,244
Brigham Young University Partnership	2,200,766	3,320,040	4,822,306	698,501
Utah Professional Development Center	355,180	3,835,145	3,734,067	456,258
Total liabilities	\$ 2,624,091	\$ 9,543,210	\$ 10,982,684	\$ 1,184,617

Statistical Section

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

Financial Trends (pages 81 - 91)

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

Revenue Capacity (pages 92 - 99)

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

Debt Capacity (pages 100 - 107)

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

Demographic and Economic Information (pages 108 - 110)

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

Operating Information (pages 111 - 122)

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

PROVO CITY SCHOOL DISTRICT
Net Assets By Component
 June 30, 2003 through 2009
 (accrual basis of accounting)

Fiscal Year Ending June 30,	Invested in capital assets, net of related debt	Restricted	Unrestricted	Total Net Assets
2003	\$ 17,308,576	\$ 5,561,238	\$ (3,363,104)	\$ 19,506,710
2004	20,648,636	9,044,523	(4,311,945)	25,381,214
2005	23,818,368	9,534,260	(5,879,175)	27,473,453
2006	28,454,429	13,103,729	(1,208,661)	40,349,497
2007	29,750,263	18,344,287	(1,964,329)	46,130,221
2008	32,155,592	19,646,268	(1,074,779)	50,727,080
2009	38,192,076	32,838,938	6,502,610	77,533,624

Source: District Data

Fiscal year 2003 was the first year the District became subject to GASB statement No. 34 requirements which required the District to report both government-wide (accrual basis) and governmental fund (modified-accrual basis) financial performance.

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

Fiscal year 2003 was the first year the District published a comprehensive annual financial report. Thus, comparative data is presented from that first publication hence forth.

Fiscal year 2008 has been restated for fund balance reclassifications. See Note J of the basic financial statements.

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Assets
June 30, 2003 through 2009
(accrual basis of accounting)

	2009	2008
Assets:		
Cash and temporary cash investments	\$ 37,018,100	\$ 34,707,831
Accounts, taxes, and grants receivables:	26,661,039	
Local		21,760,749
State	90,151	95,610
Federal	1,314,559	2,433,460
Inventory	259,543	227,002
Bond issuance costs, net of accumulated amortization	70,232	86,729
Net other post employment benefits	1,319,067	
Total capital assets, net accumulated depreciation	95,405,670	93,588,175
	162,138,360	152,899,556
Liabilities:		
Accounts payable	738,185	3,927,176
Accrued interest payable	113,634	126,320
Payroll and related payables	1,715,322	10,760,273
Due to other agencies - fiduciary activities	(552,522)	(589,732)
Deferred revenue:		
Property taxes	24,029,421	19,071,813
Other deferred revenues	442,113	156,870
Noncurrent liabilities:		
Due within one year	5,206,118	7,388,802
Due in more than one year	52,912,466	61,118,673
	84,604,737	101,960,196
Net Assets:		
Invested in capital assets, net of related debt	38,192,076	32,155,592
Restricted for:		
Debt service	1,245,636	1,258,025
Capital projects	10,334,131	13,234,320
Non K-12 instruction	416,203	647,123
Student Activities	1,703,390	1,849,953
Supplemental programs	-	-
School food services	1,929,635	2,199,774
Foundation	527,057	457,074
Other restricted programs	788,734	742,084
Unrestricted - designated	16,682,887	-
Unrestricted	5,713,877	(1,816,863)
	\$ 77,533,624	\$ 50,727,080

Source: District Data

Fiscal year 2003 was the first year the District became subject to GASB Statement No. 34 requirements which required the District to report both government-wide (accrual basis) and governmental fund (modified-accrual basis) financial performance.

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

Fiscal year 2003 was the first year the District published a comprehensive annual financial report. Thus, comparative data is presented from that first publication henceforth.

Fiscal year 2008 has been restated for fund balance reclassifications. See Note J of the basic financial statements.

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Assets(continued)
June 30, 2003 through 2009
(accrual basis of accounting)

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

PROVO CITY SCHOOL DISTRICT
Changes in Net Assets
Years Ended June 30, 2003 through 2009
(accrual basis of accounting)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses:			
Instruction	\$ 62,546,410	\$ 69,059,951	\$ 65,724,634
Supporting services:			
Student	3,913,806	3,452,728	3,575,644
Instructional staff	2,104,484	1,544,884	2,074,350
District administration	833,850	1,268,614	1,515,876
School administration	5,089,616	4,740,635	4,514,003
Business	2,992,513	2,719,019	1,213,819
Operation and maintenance of facilities	5,418,773	5,167,878	4,062,566
Student transportation	2,444,373	2,734,970	2,480,134
Other	91,078	392,585	2,035,645
School food services	5,381,233	4,494,804	4,340,954
Community services	4,839,650	4,166,235	3,981,248
Facilities & Construction		-	-
Interest on long-term liabilities	2,636,859	2,849,763	1,878,214
Total school district	<u>98,292,645</u>	<u>102,592,066</u>	<u>97,397,085</u>
Program Revenues:			
Instructional services	25,824,392	31,544,598	24,131,131
Supporting services:			
Student	962,090	1,738,554	2,303,521
Instructional staff	543,374	625,376	514,125
General administration	252,740	356,406	237,329
School administration	288,900	331,337	287,994
Business	327,415	7,712	62,378
Operation and maintenance of facilities	7,398		-
Transportation	2,316,300	1,669,463	1,579,704
Other	34,926	53,830	2,177
School food services	4,804,413	4,346,857	4,329,459
Community services	5,028,833	2,868,356	1,904,807
Interest on long-term liabilities	-	-	-
Total program revenues	<u>40,390,781</u>	<u>43,542,490</u>	<u>35,352,626</u>
Net (expense) revenue	(57,901,864)	(59,049,576)	(62,044,459)
General revenues:			
Property taxes levied for:			
General purposes	10,120,968	11,057,943	11,036,199
Class size reduction	8,577,771	1,713,274	1,731,848
Special transportation	372,772	485,175	489,247
Tort liability	232,482	303,234	307,403
Recreation	998,068	1,293,800	1,307,545
Debt service	4,978,314	5,144,875	5,199,872
Capital outlay	3,318,876	1,864,891	1,883,384
Ten percent of basic for construction, textbooks and supplies	3,543,341	4,614,215	4,658,670
Federal and state aid not restricted to specific purposes	35,865,302	29,161,587	31,124,777
Earnings on investments	788,220	2,142,078	1,721,041
Gain on sale of assets	13,655	76,952	3,955
Miscellaneous	6,113,493	5,946,691	5,022,842
Total general revenues	<u>74,923,262</u>	<u>63,804,715</u>	<u>64,486,783</u>
Change in net assets	17,021,398	4,755,139	2,442,324
Net assets - beginning	<u>60,512,225</u>	<u>45,971,941</u>	<u>43,687,897</u>
Net assets - ending	<u>\$ 77,533,624</u>	<u>\$ 50,727,080</u>	<u>\$ 46,130,221</u>

Source: District records

Fiscal year 2003 was the first year the District became subject to GASB statement No. 34 requirements which required the District to report both government-wide (accrual basis) and governmental fund (modified-accrual basis) financial performance.

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

Fiscal year 2003 was the first year the District published a comprehensive annual financial report. Thus, comparative data is presented from that first publication henceforth.

Fiscal year 2008 has been restated for fund balance reclassifications. See Note J of the basic financial statements.

PROVO CITY SCHOOL DISTRICT
Changes in Net Assets(continued)
Years Ended June 30, 2003 through 2009
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	56,198,524	\$ 57,155,465	\$ 54,929,906	\$ 55,070,821
	3,180,870	3,362,498	3,217,003	2,751,898
	2,032,397	2,009,129	1,943,838	2,203,449
	1,505,202	887,645	1,077,422	931,906
	4,238,678	4,286,195	4,385,661	4,404,647
	1,226,698	2,702,036	877,342	1,231,771
	4,146,859	3,967,227	5,039,105	5,057,405
	2,091,460	1,663,845	1,546,155	1,731,094
	1,072,477	39,842	867,238	859,059
	3,929,424	3,984,890	4,099,278	3,522,320
	3,142,504	3,861,900	2,421,091	2,318,056
	1,504,534	1,256,996	621,857	1,546,646
	-	2,107,402	1,502,020	2,400,897
	<u>84,269,627</u>	<u>87,285,070</u>	<u>82,527,916</u>	<u>84,029,969</u>
	27,234,746	22,867,201	19,659,045	20,089,013
	1,697,596	2,234,342	836,421	952,885
	486,344	-	505,398	695,094
	233,860	160,971	280,130	293,326
	172,264	258,457	321,793	1,388,053
	61,249	-	440,010	2,252,397
	1,407,781	1,304,931	1,362,291	517,212
	33,187	-	-	-
	4,135,519	4,236,393	3,782,114	3,714,255
	1,779,262	1,514,383	1,755,783	801,940
	-	-	-	-
	<u>37,241,808</u>	<u>32,576,678</u>	<u>28,942,985</u>	<u>30,704,175</u>
	(47,027,819)	(54,708,392)	(53,584,931)	(53,325,794)
	10,402,512	12,064,148	11,982,754	11,610,806
	1,612,793	-	-	-
	483,838	476,401	427,869	414,437
	302,399	-	-	-
	1,290,234	739,336	753,632	735,797
	4,044,077	3,871,385	3,831,370	3,820,632
	2,290,166	7,408,371	7,315,096	7,021,686
	4,265,836	-	-	-
	26,995,732	30,633,267	30,459,275	29,225,266
	734,136	393,903	258,841	219,456
	6,470,801	-	666,165	-
	607,033	1,213,820	1,503,996	2,359,015
	<u>59,499,557</u>	<u>56,800,631</u>	<u>57,198,998</u>	<u>55,407,095</u>
	12,471,738	2,092,239	3,614,067	2,081,301
	27,877,759	25,381,214	21,767,147	17,425,408
\$	<u><u>40,349,497</u></u>	<u><u>27,473,453</u></u>	<u><u>25,381,214</u></u>	<u><u>19,506,709</u></u>

Source: District records

PROVO CITY SCHOOL DISTRICT
Governmental Funds - Aggregate Fund Balances
 June 30, 2000 through 2009
 (modified-accrual basis of accounting)

Fiscal Year Ended June 30,	General Fund		Total
	Reserved	Unreserved	
2000	159,647	2,647,588	2,807,235
2001	165,056	2,779,933	2,944,989
2002	108,742	2,577,785	2,686,527
2003	81,063	985,960	1,067,023
2004	2,673,726	(397,476)	2,276,250
2005	2,010,049	1,202,148	3,212,197
2006	1,777,636	3,276,312	5,053,948
2007	1,131,794	3,768,756	4,900,550
2008	1,008,011	13,270,044	14,278,055
2009	596,191	19,101,480	19,697,671

Fiscal Year Ended June 30,	All Other Governmental Funds					Total
	Reserved	Unreserved				
		Special Revenue	Capital Projects	Building Reserve	Debt Service	
2000	128,832	798,155	7,866,317	-	93,200	8,886,504
2001	147,126	710,101	4,238,660	-	214,630	5,310,517
2002	141,027	795,093	2,200,597	-	657,417	3,794,134
2003	1,136,259	1,256,854	2,546,468	-	621,656	5,561,237
2004	496,480	1,071,119	4,232,125	-	897,878	6,697,602
2005	168,835	1,427,302	5,027,562	-	974,828	7,598,527
2006	176,518	2,012,293	5,633,274	-	1,240,802	9,062,887
2007	21,292,233	4,453,486	11,264,364	-	1,707,368	38,717,451
2008	2,878,871	4,416,176	10,869,908	-	972,841	19,137,796
2009	979,141	3,538,539	9,944,822	1,940,240	983,083	17,385,825

Source: District Records

Fiscal year 2003 was the first year the District became subject to GASB statement No. 34 requirements which required the District to report both government-wide (accrual basis) and governmental fund (modified-accrual basis) financial performance.

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

Fiscal year 2003 was the first year the District published a comprehensive annual financial report.

Fiscal year 2008 has been restated for fund balance reclassifications. See Note J of the basic financial statements.

PROVO CITY SCHOOL DISTRICT
Governmental Funds - Net Changes in Aggregate Fund Balances
Years Ended June 30, 2000 through 2009
(modified-accrual basis of accounting)

Fiscal Year Ended June 30th	General Fund	Debt Service	Capital Projects	Building Reserve	Non K-12 Instruction	Student Activities	Supplemental Programs	Food Services	Foundation	Total Governmental Funds
2000	451,210	57,848	(1,999,199)	-	66,290	-	-	39,671	-	(1,384,180)
2001	137,754	121,430	(3,627,657)	-	(111,610)	-	-	41,850	-	(3,438,233)
2002	(258,462)	442,787	(2,038,063)	-	32,321	-	-	46,572	-	(1,774,845)
2003	(142,721)	(35,761)	1,369,117	-	179,546	-	-	254,201	-	1,624,382
2004	423,539	26,535	187,975	-	125,072	-	24,447	(236,501)	(539,799)	11,268
2005	935,947	76,950	795,437	-	(224,790)	-	(11,701)	229,377	35,652	1,836,872
2006	1,841,751	265,974	605,712	-	64,759	-	33,895	396,422	97,598	3,306,111
2007	(1,055,752)	466,566	26,614,150	-	211,359	(38,386)	-	458,615	88,049	26,744,601
2008	239,261	(734,528)	(19,377,864)	-	68,812	172,633	-	219,096	55,943	(19,356,647)
2009	5,132,777	10,242	(2,924,738)	1,940,240	(56,460)	(146,563)	-	(270,139)	14,040	3,699,398

Source: District records

Fiscal year 2003 was the first year the District became subject to GASB statement No. 34 requirements which required the District to report both government-wide (accrual basis) and governmental fund (modified-accrual basis) financial performance.

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

Fiscal year 2003 was the first year the District published a comprehensive annual financial report.

Fiscal year 2008 has been restated for fund balance reclassifications. See Note J of the basic financial statements.

PROVO CITY SCHOOL DISTRICT

Governmental Funds - Reserved and Unreserved Fund Balances

June 30, 2000 through 2009

(modified-accrual basis of accounting)

	2009	2008	2007
General fund:			
Reserved	\$ 596,191	\$ 1,008,011	\$ 1,131,794
Unreserved	19,101,480	13,270,044	3,768,756
Total	<u>19,697,671</u>	<u>14,278,055</u>	<u>4,900,550</u>
Debt service fund:			
Reserved	-	-	-
Unreserved	983,083	972,841	1,707,368
Total	<u>983,083</u>	<u>972,841</u>	<u>1,707,368</u>
Capital projects fund:			
Reserved	-	1,999,652	20,983,060
Unreserved	9,944,822	10,869,908	11,264,364
Total	<u>9,944,822</u>	<u>12,869,560</u>	<u>32,247,424</u>
Special revenue funds:			
Non K-12 instruction fund:			
Reserved	200,690	189,247	121,211
Unreserved	156,908	381,128	380,351
Total	<u>357,598</u>	<u>570,375</u>	<u>501,562</u>
Student activities fund:			
Reserved	-	-	-
Unreserved	1,703,390	2,008,233	1,835,600
Total	<u>1,703,390</u>	<u>2,008,233</u>	<u>1,835,600</u>
Supplemental programs fund:			
Reserved	-	-	-
Unreserved	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Food services fund:			
Reserved	251,394	172,959	187,962
Unreserved	1,678,241	2,026,815	1,792,716
Total	<u>1,929,635</u>	<u>2,199,774</u>	<u>1,980,678</u>
Building Reserve fund:			
Reserved	1,940,240	-	-
Unreserved	-	-	-
Total	<u>1,940,240</u>	<u>-</u>	<u>-</u>
Foundation for excellence:			
Reserved	-	-	-
Unreserved	527,057	517,013	444,819
Total	<u>527,057</u>	<u>517,013</u>	<u>444,819</u>
Total special revenue funds	<u>2,814,290</u>	<u>3,287,162</u>	<u>2,927,059</u>
Total governmental funds:			
Reserved	2,988,515	3,369,869	22,424,027
Unreserved	34,094,981	30,045,981	21,193,974
Total governmental fund balances	<u>\$ 37,083,495</u>	<u>\$ 33,415,850</u>	<u>\$ 43,618,001</u>

Table encompasses information derived from the District's general fund, debt service fund, capital projects fund, and special revenue funds.

PROVO CITY SCHOOL DISTRICT
Governmental Funds - Reserved and Unreserved Fund Balances (continued)
 June 30, 2000 through 2009
 (modified-accrual basis of accounting)

2006	2005	2004	2003	2002	2001	2000
\$ 1,777,636	\$ 2,010,049	\$ 2,433,726	\$ 81,063	\$ 108,742	\$ 165,056	\$ 159,647
3,276,312	1,202,148	(157,476)	985,960	2,577,785	2,779,933	2,647,588
<u>5,053,948</u>	<u>3,212,197</u>	<u>2,276,250</u>	<u>1,067,023</u>	<u>2,686,527</u>	<u>2,944,989</u>	<u>2,807,235</u>
-	974,828	897,878	621,656	657,417	214,630	93,200
1,240,802	-	-	-	-	-	-
<u>1,240,802</u>	<u>974,828</u>	<u>897,878</u>	<u>621,656</u>	<u>657,417</u>	<u>214,630</u>	<u>93,200</u>
-	-	-	1,023,246	-	-	-
5,633,274	5,027,562	4,232,125	2,546,468	2,200,597	4,238,660	7,866,317
<u>5,633,274</u>	<u>5,027,562</u>	<u>4,232,125</u>	<u>3,569,714</u>	<u>2,200,597</u>	<u>4,238,660</u>	<u>7,866,317</u>
39,225	37,537	299,514	-	-	-	-
211,702	148,631	111,444	237,102	57,556	25,235	136,845
<u>250,927</u>	<u>186,168</u>	<u>410,958</u>	<u>237,102</u>	<u>57,556</u>	<u>25,235</u>	<u>136,845</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59,049	25,154	36,855	-	-	-	-
<u>59,049</u>	<u>25,154</u>	<u>36,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
137,293	131,298	196,966	113,013	141,027	147,126	128,832
1,384,770	994,343	699,298	1,019,752	737,537	684,866	661,310
<u>1,522,063</u>	<u>1,125,641</u>	<u>896,264</u>	<u>1,132,765</u>	<u>878,564</u>	<u>831,992</u>	<u>790,142</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
356,772	259,174	223,522	-	-	-	-
<u>356,772</u>	<u>259,174</u>	<u>223,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,188,811</u>	<u>1,596,137</u>	<u>1,567,599</u>	<u>1,369,867</u>	<u>936,120</u>	<u>857,227</u>	<u>926,987</u>
1,954,154	3,153,712	3,828,084	1,838,978	907,186	526,812	381,679
12,162,681	7,657,012	5,145,768	4,789,282	5,573,475	7,728,694	11,312,060
<u>\$ 14,116,835</u>	<u>\$ 10,810,724</u>	<u>\$ 8,973,852</u>	<u>\$ 6,628,260</u>	<u>\$ 6,480,661</u>	<u>\$ 8,255,506</u>	<u>\$ 11,693,739</u>

PROVO CITY SCHOOL DISTRICT

Total Governmental Funds - Changes in Fund Balances

Years Ended June 30, 2000 through 2009

(modified-accrual basis of accounting)

	2000	2001	2002	2003
Revenues				
Property taxes	\$ 18,754,409	\$ 20,038,183	\$ 20,658,903	\$ 23,603,358
Other local sources	6,239,776	6,786,721	6,392,374	3,930,368
State of Utah	44,969,784	46,612,372	49,052,543	46,706,056
Federal government	6,898,422	9,092,823	11,367,934	11,664,435
Total revenues	<u>76,862,391</u>	<u>82,530,099</u>	<u>87,471,754</u>	<u>85,904,217</u>
Expenditures				
Instruction	48,905,529	52,619,455	57,370,098	54,055,998
Supporting services:				
Students	2,209,453	2,580,471	2,646,943	2,703,337
Instructional staff	2,081,914	2,119,900	2,407,242	2,164,486
District administration	932,321	892,353	930,589	915,463
School administration	3,934,528	4,221,500	4,178,592	4,326,847
Business	571,465	624,374	649,778	1,210,262
Operation and maintenance of buildings	5,011,988	5,782,795	5,833,316	4,967,761
Student transportation	1,397,361	1,473,903	1,925,172	1,702,022
Central	746,826	790,888	836,082	843,955
School food services	3,301,575	3,410,898	3,602,153	3,460,068
Non K-12 programs	1,946,840	2,212,418	2,164,295	2,277,186
Facilities and construction	2,653,014	4,523,156	6,307,720	1,898,304
Debt Service:				
Bond principal	2,055,635	2,236,058	2,302,163	2,131,501
Bond issue costs	-	-	-	-
Bond interest and fees	2,502,241	2,499,561	2,295,412	2,333,762
Total expenditures	<u>78,250,690</u>	<u>85,987,730</u>	<u>93,449,555</u>	<u>84,990,952</u>
Excess (deficiency) of revenues over (under) expenditures	(1,388,299)	(3,457,631)	(5,977,801)	913,265
Other financing sources (uses)				
Capital lease	-	-	-	504,063
Sale of capital assets	4,119	19,398	2,956	29,789
General obligation bonds issued	-	-	4,200,000	177,265
Bond premium (discount)	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Insurance recoveries	-	-	-	-
Other miscellaneous	-	-	-	-
Total other financing sources (uses)	<u>4,119</u>	<u>19,398</u>	<u>4,202,956</u>	<u>711,117</u>
Net change in fund balance	<u>\$ (1,384,180)</u>	<u>\$ (3,438,233)</u>	<u>\$ (1,774,845)</u>	<u>\$ 1,624,382</u>

Table encompasses information derived from the District's general fund, debt service fund, capital projects fund, and special revenue funds.

PROVO CITY SCHOOL DISTRICT
Total Governmental Funds - Changes in Fund Balances (continued)
Years Ended June 30, 2000 through 2009
(modified-accrual basis of accounting)

2004	2005	2006	2007	2008	2009
\$ 24,167,503	\$ 24,559,640	\$ 24,691,855	\$ 26,614,168	\$ 26,477,406	\$ 32,142,593
3,632,667	3,629,173	3,599,965	9,374,876	10,197,788	8,538,122
46,540,387	49,096,887	49,629,417	52,642,013	59,138,786	57,520,715
12,220,414	12,061,062	12,599,383	12,085,892	11,556,049	17,170,413
<u>86,560,971</u>	<u>89,346,762</u>	<u>90,520,620</u>	<u>100,716,948</u>	<u>107,370,029</u>	<u>115,371,843</u>
54,517,504	54,063,533	54,990,497	62,720,619	68,788,467	66,318,579
3,208,669	3,279,557	3,065,811	3,452,851	3,299,652	3,681,831
1,938,799	1,909,225	2,014,830	2,053,435	1,519,541	2,074,908
1,074,630	855,576	1,478,589	1,489,474	1,236,565	778,689
4,374,293	4,333,483	4,210,928	4,485,853	4,705,273	5,030,421
875,141	2,530,560	1,126,515	1,094,542	2,574,485	2,823,844
5,026,044	3,670,441	4,132,825	4,045,858	5,147,632	5,395,147
1,542,147	1,747,676	1,859,437	2,203,890	2,400,231	2,053,738
864,989	37,172	1,072,477	2,035,645	392,584	91,078
4,088,653	4,007,548	3,778,134	4,180,570	4,293,453	5,077,938
3,575,723	3,964,383	3,078,042	3,914,974	4,084,935	4,709,556
659,873	3,296,431	2,765,337	16,571,562	22,703,562	6,936,233
3,843,479	2,630,748	2,960,617	4,725,450	4,013,261	4,127,972
-	-	-	308,305	-	-
1,752,777	2,034,644	1,543,104	1,772,475	2,792,332	2,586,166
<u>87,342,721</u>	<u>88,360,977</u>	<u>88,077,143</u>	<u>115,055,503</u>	<u>127,951,971</u>	<u>111,686,100</u>
(781,750)	985,785	2,443,477	(14,338,555)	(20,581,943)	3,685,743
168,671	573,340	91,833	-	1,148,344	-
508,968	249,842	770,801	5,703,955	76,952	13,655
-	-	-	35,000,000	-	-
-	-	-	244,201	-	-
20,361,106	-	-	8,220,000	-	-
(20,245,727)	-	-	(8,085,000)	-	-
-	27,905	-	-	-	-
-	-	-	-	-	-
<u>793,018</u>	<u>851,087</u>	<u>862,634</u>	<u>41,083,156</u>	<u>1,225,296</u>	<u>13,655</u>
<u>\$ 11,268</u>	<u>\$ 1,836,872</u>	<u>\$ 3,306,111</u>	<u>\$ 26,744,601</u>	<u>\$ (19,356,647)</u>	<u>\$ 3,699,398</u>

PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections
 Fiscal Years Ended June 30, 2000 through 2009
 Tax Rates (per \$1)

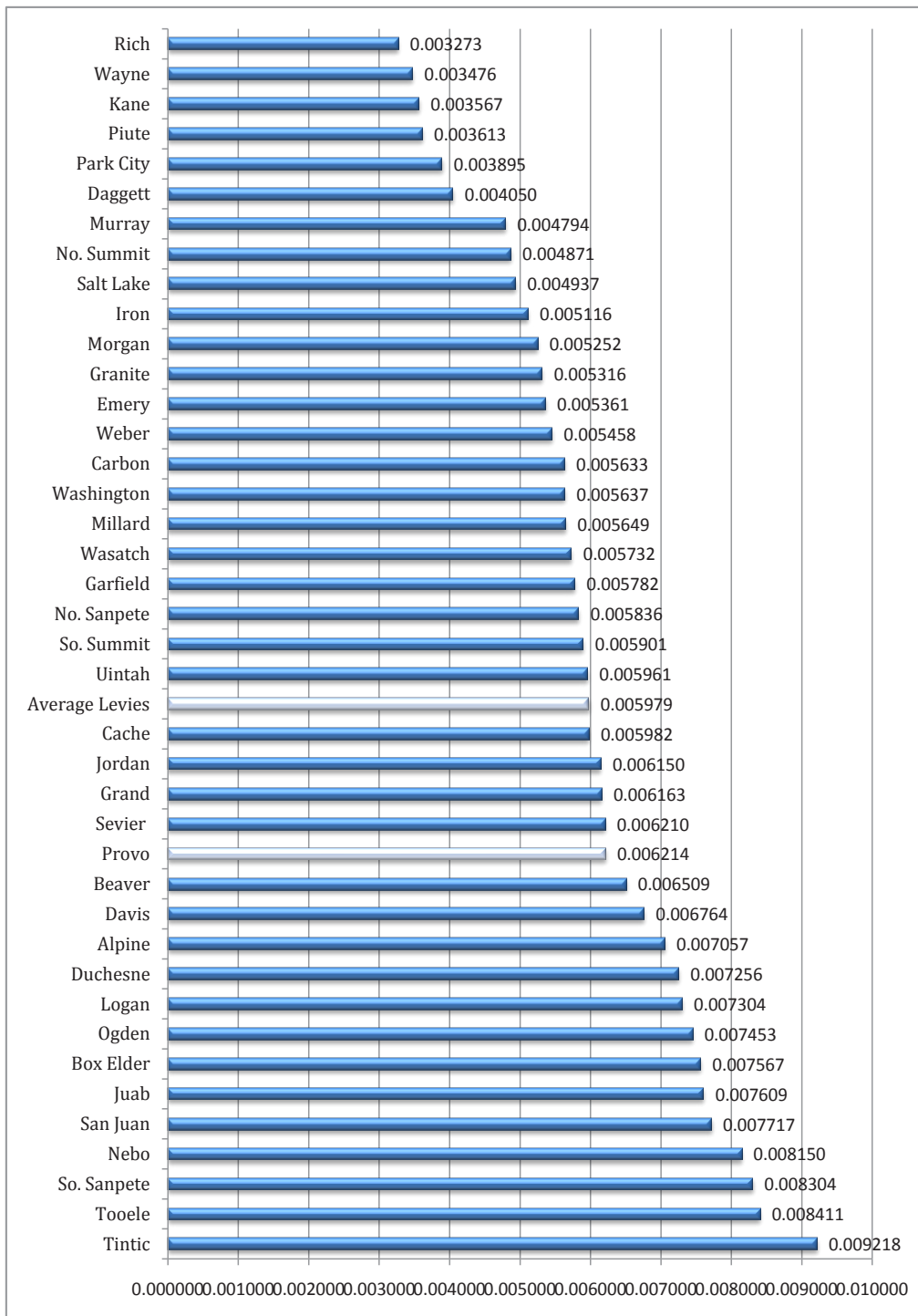
<u>Calendar Tax Year</u>	<u>Fiscal Year Ended June 30th</u>	<u>Mill Levy or Tax Rate</u>	<u>Taxable Value</u>	<u>Redevelopment Value</u>	<u>Net Taxable Value</u>	<u>Total Tax Levied</u>
1999	2000	0.006388	2,750,602,274	119,327,770	2,631,274,504	17,887,973
2000	2001	0.005981	3,119,841,993	121,025,306	2,998,816,687	17,935,860
2001	2002	0.005657	3,258,646,316	28,916,178	3,229,730,138	18,271,402
2002	2003	0.006037	3,666,155,635	141,519,665	3,524,635,970	21,277,697
2003	2004	0.006071	3,620,318,521	117,943,526	3,502,374,995	21,262,011
2004	2005	0.006234	3,575,601,094	-	3,575,601,094	22,289,112
2005	2006	0.006124	3,588,753,374	-	3,588,753,374	21,978,141
2006	2007	0.006147	3,883,034,322	108,478,837	3,774,555,485	23,195,574
2007	2008	0.005239	4,717,762,207	128,117,628	4,589,644,579	24,380,249
2008	2009	0.006214	4,977,309,060	161,198,488	4,816,110,572	29,550,810

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

PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections (continued)
Fiscal Years Ended June 30, 2000 through 2009
Tax Rates (per \$1)

Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collections	
Current	Percent of Current Collections	Fee-in-Lieu & Other Collections	Delinquent Collections	Amount	Percent of Annual Assessment
16,562,474	92.59%	2,842,818	848,874	20,254,165	103.59%
16,253,477	90.62%	2,685,487	1,067,369	20,006,332	96.57%
16,458,879	90.08%	2,391,201	1,362,939	20,213,019	97.54%
19,158,439	90.04%	3,116,806	1,517,305	23,792,549	97.17%
19,369,692	91.10%	2,584,917	1,932,688	23,887,297	100.19%
20,387,851	91.47%	2,664,542	2,024,523	25,076,916	100.55%
20,503,408	93.29%	2,630,067	1,528,700	24,662,175	100.25%
21,316,863	91.90%	2,917,225	1,834,979	26,069,067	99.78%
22,323,808	91.57%	3,038,185	1,632,805	26,994,798	99.63%
26,920,710	91.10%	3,140,469	2,018,204	32,079,383	96.70%

PROVO CITY SCHOOL DISTRICT
Comparison of Utah School District Property Tax Rates
 Tax Year 2008, Fiscal Year 2008-09



Source: Utah State Office of Education, Finance & Statistics Department, www.schools.utah.gov/finance.

PROVO CITY SCHOOL DISTRICT
Comparison of Assessed Property Tax Valuation Per Student
 Fiscal Year 2008-09

<u>District</u>	<u>Valuation</u>	<u>Students</u>	<u>\$ Per Student</u>
Alpine	\$18,295,585,036	58,665	311,865
Beaver	618,928,086	1,562	396,241
Box Elder	2,980,831,761	10,931	272,695
Cache	3,232,502,149	14,194	227,737
Carbon	2,416,196,872	3,562	678,326
Daggett	240,991,147	134	1,798,441
Davis	17,415,366,934	64,551	269,792
Duchesne	1,589,451,245	4,224	376,291
Emery	1,738,665,619	2,262	768,641
Garfield	615,978,661	933	660,213
Grand	1,156,478,082	1,486	778,249
Granite	25,376,465,986	67,948	373,469
Iron	4,338,639,230	8,643	501,983
Jordan	33,034,216,781	80,187	411,965
Juab	740,036,181	2,147	344,684
Kane	1,598,823,047	1,178	1,357,235
Millard	1,908,980,619	2,852	669,348
Morgan	966,509,033	2,183	442,743
Nebo	6,299,450,570	26,588	236,928
No. Sanpete	612,501,092	2,340	261,753
No. Summit	1,322,115,536	1,000	1,322,116
Park City	12,266,077,033	4,443	2,760,765
Piute	85,233,088	300	284,110
Rich	826,509,623	431	1,917,656
San Juan	809,068,921	2,844	284,483
Sevier	1,203,888,865	4,475	269,025
So. Sanpete	551,175,513	2,911	189,342
So. Summit	1,766,539,816	1,374	1,285,691
Tintic	29,692,649	238	124,759
Tooele	2,688,238,166	12,988	206,979
Uintah	4,368,034,274	5,952	733,877
Wasatch	4,508,940,869	4,588	982,768
Washington	14,396,506,506	25,295	569,144
Wayne	263,833,002	548	481,447
Weber	8,282,322,748	30,097	275,188
Salt Lake	19,151,422,922	23,536	813,708
Ogden	3,449,037,399	12,603	273,668
Provo	5,102,888,413	13,096	389,652
Logan	1,886,481,622	5,755	327,799
Murray	3,993,197,442	6,426	621,413
Total	\$212,127,802,538	515,470	\$411,523

Source: Utah State Office of Education, Finance & Statistics Department, www.schools.utah.gov/finance.

PROVO CITY SCHOOL DISTRICT

Twelve Largest Property Taxpayers By Individual Properties

June 30, 2008 and 1999 (expressed in thousands)

Taxpayer	December 31, 2007			December 31, 1998		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Micron Technology Inc.	162,088	1	3.44%	530,857	1	21.24%
Pacificorp	154,055	2	3.27%	73,591	3	2.94%
Kern River Transmission Co.	101,057	3	2.14%	15,824	9	0.63%
Qwest Communications	80,195	4	1.70%	66,253	4	2.65%
Questar Gas	72,122	5	1.53%	21,118	7	0.84%
Novell	67,000	6	1.42%	57,089	5	2.28%
University Mall Shopping Cent	55,649	7	1.18%	40,380	6	1.62%
Anderson Geneva LLC Et Al	44,564	8	0.94%	-	-	-
Wal-Mart	41,924	9	0.89%	13,251	10	0.53%
Cabela's Retail Inc.	38,157	10	0.81%	-	-	-
Geneva Steel (2)	-	-	-	260,508	2	10.42%
Thanksgiving Point	-	-	-	17,244	8	0.69%
Total District Value:	\$4,717,762			\$2,499,316		

Source: Utah County Assessor and State Tax Commission

(1) excludes motor vehicles

(2) Geneva Steel was taken off tax records in 2003

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

Fiscal Year Ended June 30	Calendar Year	Provo City School District	Other Taxing Entities			Total Tax Rate
			Provo City	Utah County	Central UT Water District	
2000	1999	0.006388	0.002674	0.001116	0.000377	0.010555
2001	2000	0.005981	0.002998	0.001038	0.000369	0.010386
2002	2001	0.005657	0.002787	0.001034	0.000358	0.009836
2003	2002	0.006037	0.002776	0.001053	0.000358	0.010224
2004	2003	0.006071	0.002776	0.001411	0.000358	0.010616
2005	2004	0.006234	0.002891	0.001391	0.0004	0.010916
2006	2005	0.006124	0.002787	0.001900	0.0004	0.011211
2007	2006	0.006147	0.002722	0.000960	0.000357	0.010186
2008	2007	0.005239	0.002236	0.001000	0.000302	0.008777
2009	2008	0.006214	0.002122	0.001105	0.000286	0.009727

*Source: Utah County Auditor, Provo City, and Utah State Tax Commission, Utah Taxpaye

PROVO CITY SCHOOL DISTRICT**Taxable and Estimated Actual Value of Taxable Property**

(amounts expressed in thousands)

Years Ended June 30, 2000 through 2009

<u>Fiscal Year Ended June 30th</u>	<u>Real Property Taxable Value</u>	<u>Estimated Actual Value</u>	<u>Ratio of Total Taxable Value to Total Estimated Actual Value</u>
2000	2,750,602	4,144,332	66.37%
2001	3,119,842	4,485,882	69.55%
2002	3,258,646	4,833,133	67.42%
2003	3,666,116	5,310,090	69.04%
2004	3,620,319	5,199,486	69.63%
2005	3,575,601	5,353,912	66.78%
2006	3,588,753	5,443,760	65.92%
2007	3,774,555	5,736,082	65.80%
2008	4,589,644	7,336,569	62.56%
2009	4,977,309	7,956,509	62.56%

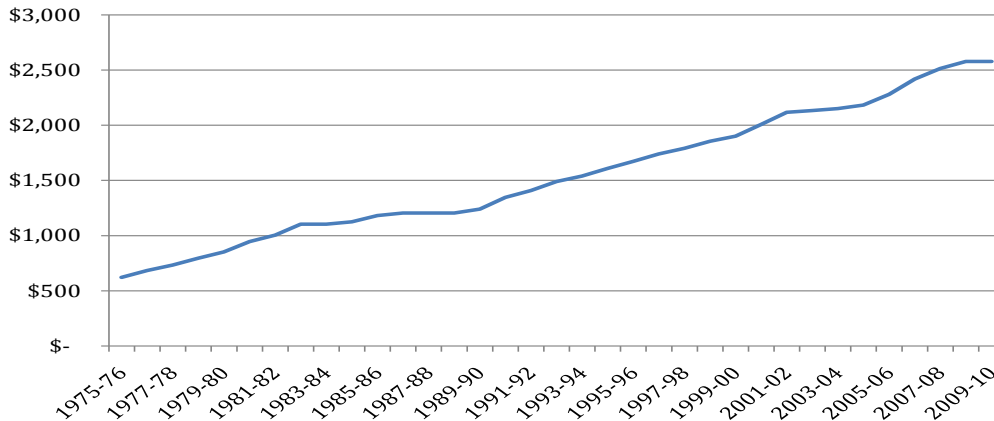
Taxable values are derived from the District's final settlement statement received from the Utah County Treasurer's Office each year. Total Taxable Assessed Values were calculated by reducing the fair market/market value of primary residential property by 45%.

PROVO CITY SCHOOL DISTRICT
History of the Value of the WPU
Weighted Pupil Unit (WPU)
 Utah Legislative Funding Method
 Fiscal Years Ended 1976-2010

WPU Value Fiscal Years 1976-2010

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

Average increase from 1977 to 2009 4.32%
 10 Year Increase from 2001 to 2010 31.12%
 10 Year Average increase from 2001 to 2010 3.11%



Source: Utah State Office of Education, Finance & Statistics Department, www.usoe.k12.ut.us.

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

Years Ended June 30, 2000 through 2009
(modified-accrual basis of accounting)

	2000	2001	2002	2003
Revenues:				
Property taxes	\$ 9,228,345	\$ 10,261,018	\$ 10,567,029	\$ 12,025,243
Other local sources	4,444,204	4,950,701	4,949,536	2,474,249
State of Utah	43,651,984	45,063,047	47,436,768	44,982,179
Federal government	4,848,782	7,015,111	9,133,449	9,208,342
Total revenues	<u>62,173,315</u>	<u>67,289,877</u>	<u>72,086,782</u>	<u>68,690,013</u>
Expenditures:				
Instructional services	47,529,219	51,223,605	56,109,435	53,442,575
Supporting services:				
Students	2,209,453	2,580,471	2,632,473	2,703,337
Instructional staff	2,081,914	2,119,900	2,407,242	2,152,858
District administration	932,321	892,353	930,589	915,463
School administration	3,934,528	4,221,500	4,178,592	4,295,133
Business	571,465	624,374	649,778	662,177
Operations and maintenance	2,171,428	2,963,038	2,560,518	2,099,278
Student transportation	1,346,866	1,463,401	1,853,503	1,630,291
Other	746,826	790,888	836,082	843,955
Community services	-	-	-	89,456
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	202,204	291,991	189,988	-
Total expenditures	<u>61,726,224</u>	<u>67,171,521</u>	<u>72,348,200</u>	<u>68,834,523</u>
Excess (deficiency) of revenues over expenditures	447,091	118,356	(261,418)	(144,510)
Other financing sources (uses):				
Sale of assets	4,119	19,398	2,956	1,789
Insurance recoveries	-	-	-	-
Proceeds from Capital lease obligation	-	-	-	-
Total other financing sources (uses)	<u>4,119</u>	<u>19,398</u>	<u>2,956</u>	<u>1,789</u>
Net change in fund balance	<u>\$ 451,210</u>	<u>\$ 137,754</u>	<u>\$ (258,462)</u>	<u>\$ (142,721)</u>
Total debt service expenditures (all funds) (general obligations, capital leases, etc.)	\$ 4,557,876	\$ 4,735,619	\$ 4,597,575	\$ 4,465,263
Debt service as a percentage of total general fund expenditures	7.4%	7.1%	6.4%	6.5%

Source: District Data

PROVO CITY SCHOOL DISTRICT
Changes in Fund Balances
& Ratio of Annual Debt Service to General Fund Expenditures (continued)
Years Ended June 30, 2000 through 2009
(modified-accrual basis of accounting)

2004	2005	2006	2007	2008	2009
\$ 12,347,734	\$ 12,540,548	\$ 12,801,543	\$ 13,473,520	\$ 13,559,626	\$ 15,574,726
2,168,510	2,295,796	2,089,693	2,832,141	2,946,310	2,308,600
43,542,941	46,131,313	46,639,740	50,474,352	56,943,212	55,099,893
6,561,494	6,415,614	8,379,546	8,810,031	8,173,955	13,499,469
<u>64,620,679</u>	<u>67,383,271</u>	<u>69,910,522</u>	<u>75,590,044</u>	<u>81,623,103</u>	<u>86,482,688</u>
48,924,913	50,233,015	52,670,674	58,771,233	64,216,611	62,639,826
2,475,479	3,111,115	3,023,616	3,452,851	3,299,652	3,681,831
1,907,838	1,897,748	2,014,345	2,053,435	1,519,541	2,074,908
1,074,630	855,576	1,478,589	1,489,474	1,236,565	778,689
4,335,979	4,311,056	4,045,607	4,485,853	4,705,273	5,030,421
662,633	2,510,104	1,113,650	1,094,542	2,574,485	2,823,844
2,373,719	1,767,533	1,008,309	1,335,633	1,460,910	1,887,139
1,542,147	1,747,676	1,859,437	2,203,890	2,400,231	2,053,738
864,989	37,172	854,544	1,762,840	392,584	91,078
36,681	-	-	-	-	-
-	-	-	-	726,335	277,972
-	-	-	-	21,010	22,028
<u>64,199,008</u>	<u>66,470,995</u>	<u>68,068,771</u>	<u>76,649,751</u>	<u>82,553,195</u>	<u>81,361,475</u>
421,671	912,276	1,841,751	(1,059,707)	(930,092)	5,121,212
1,868	2,500	-	3,955	76,952	11,564
-	21,171	-	-	-	-
-	-	-	-	1,148,344	-
<u>1,868</u>	<u>23,671</u>	<u>-</u>	<u>3,955</u>	<u>1,225,296</u>	<u>11,564</u>
<u><u>\$ 423,539</u></u>	<u><u>\$ 935,947</u></u>	<u><u>\$ 1,841,751</u></u>	<u><u>\$ (1,055,752)</u></u>	<u><u>\$ 295,204</u></u>	<u><u>\$ 5,132,777</u></u>
\$ 5,596,256	\$ 4,665,392	\$ 4,503,721	\$ 6,806,230	\$ 6,805,593	\$ 6,714,138
8.7%	7.0%	6.6%	8.9%	8.2%	8.3%

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service
Years Ending June 30, 2010 through 2027

		2010	2011	2012	2013	2014	2015	2016	2017
Debt Service Fund:									
General obligation bonds:									
Series 1998 Refunding	Principal	460,000	475,000	495,000	520,000	-	-	-	-
\$ 4,950,000	Interest	79,980	61,350	41,875	21,580	-	-	-	-
Series 2004 Refunding	Principal	1,165,000	1,220,000	1,260,000	1,320,000	2,505,000	2,635,000	3,590,000	1,950,000
\$ 18,590,000	Interest	732,050	673,800	637,200	586,800	534,000	408,750	277,000	97,500
Series 2007A Refunding	Principal	1,091,000	1,141,000	1,184,000	1,226,000	696,000	726,000	-	-
\$ 8,220,000	Interest	230,856	189,322	145,884	100,809	54,136	27,639	-	-
Series 2006 G.O. Bond	Principal	350,000	375,000	375,000	400,000	400,000	425,000	450,000	475,000
\$ 9,400,000	Interest	333,000	319,000	304,000	289,000	273,000	257,000	240,000	222,000
Series 2007B G.O. Bond	Principal	950,000	975,000	1,025,000	1,050,000	1,100,000	1,150,000	1,200,000	1,225,000
\$ 25,600,000	Interest	1,026,563	988,563	949,563	908,563	866,563	822,563	776,563	728,563
Total Principal - Debt Service Fund		4,016,000	4,186,000	4,339,000	4,516,000	4,701,000	4,936,000	5,240,000	3,650,000
Total Interest - Debt Service Fund		2,402,449	2,232,035	2,078,522	1,906,752	1,727,698	1,515,951	1,293,563	1,048,063
Total - Debt Service Fund		6,418,449	6,418,035	6,417,522	6,422,752	6,428,698	6,451,951	6,533,563	4,698,063
Capital Projects Fund:									
Obligations under lease agreements:									
2008 Capital Lease	Principal	285,128	-	-	-	-	-	-	-
\$ 1,106,634	Interest	14,872	-	-	-	-	-	-	-
Total Principal - Capital Projects Fund		285,128	-	-	-	-	-	-	-
Total Interest - Capital Projects Fund		14,872	-	-	-	-	-	-	-
Total - Capital Projects Fund		300,000	-	-	-	-	-	-	-
Total long-term debt obligations:									
Total Principal - All Funds - All Long-Term Debt		4,301,128	4,186,000	4,339,000	4,516,000	4,701,000	4,936,000	5,240,000	3,650,000
Total Interest - All Funds - All Long-Term Debt		2,417,321	2,232,035	2,078,522	1,906,752	1,727,698	1,515,951	1,293,563	1,048,063
Total - All Funds - All Long-Term Debt		\$ 6,718,449	\$ 6,418,035	\$ 6,417,522	\$ 6,422,752	\$ 6,428,698	\$ 6,451,951	\$ 6,533,563	\$ 4,698,063

Source: District Data

PROVO CITY SCHOOL DISTRICT
Schedule of Long-Term Debt Service (continued)
Years Ending June 30, 2010 through 2027

2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	Totals
-	-	-	-	-	-	-	-	-	-	1,950,000
-	-	-	-	-	-	-	-	-	-	204,785
-	-	-	-	-	-	-	-	-	-	15,645,000
-	-	-	-	-	-	-	-	-	-	3,947,100
-	-	-	-	-	-	-	-	-	-	6,064,000
-	-	-	-	-	-	-	-	-	-	748,647
475,000	500,000	525,000	550,000	575,000	575,000	600,000	625,000	650,000	-	8,325,000
203,000	184,000	164,000	143,000	121,000	98,000	75,000	51,000	26,000	-	3,302,000
1,275,000	1,350,000	1,425,000	1,475,000	1,525,000	1,600,000	1,675,000	1,725,000	1,800,000	1,875,000	24,400,000
679,563	628,563	567,813	503,688	437,313	368,688	300,688	229,500	156,188	79,688	11,019,188
1,750,000	1,850,000	1,950,000	2,025,000	2,100,000	2,175,000	2,275,000	2,350,000	2,450,000	1,875,000	56,384,000
882,563	812,563	731,813	646,688	558,313	466,688	375,688	280,500	182,188	79,688	19,221,719
2,632,563	2,662,563	2,681,813	2,671,688	2,658,313	2,641,688	2,650,688	2,630,500	2,632,188	1,954,688	75,605,719
-	-	-	-	-	-	-	-	-	-	285,128
-	-	-	-	-	-	-	-	-	-	14,872
-	-	-	-	-	-	-	-	-	-	285,128
-	-	-	-	-	-	-	-	-	-	14,872
-	-	-	-	-	-	-	-	-	-	300,000
1,750,000	1,850,000	1,950,000	2,025,000	2,100,000	2,175,000	2,275,000	2,350,000	2,450,000	1,875,000	56,669,128
882,563	812,563	731,813	646,688	558,313	466,688	375,688	280,500	182,188	79,688	19,236,591
<u>\$2,632,563</u>	<u>\$2,662,563</u>	<u>\$2,681,813</u>	<u>\$2,671,688</u>	<u>\$2,658,313</u>	<u>\$2,641,688</u>	<u>\$2,650,688</u>	<u>\$2,630,500</u>	<u>\$2,632,188</u>	<u>\$1,954,688</u>	<u>\$75,905,719</u>

PROVO CITY SCHOOL DISTRICT
Ratios of Outstanding Debt
 June 30, 2000 through 2009

Fiscal Year	General Obligation Debt				Lease Obligations		
	Outstanding General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Net General Bonded Debt as Percentage of Taxable Value	Net General Obligation Bonded Debt Per Capita	Outstanding Capital Lease and Lease Revenue Obligations	Lease Obligations as Percentage of Taxable Value
2000	42,630,000	93,200	42,536,800	1.55%	383.21	787,064	0.03%
2001	41,055,000	214,630	40,840,370	1.31%	364.65	404,897	0.01%
2002	39,335,000	657,417	38,677,583	1.19%	358.13	-	0.00%
2003	37,530,000	621,656	36,908,344	1.01%	335.53	4,644,000	0.13%
2004	35,185,000	897,878	34,287,122	0.95%	300.76	3,145,521	0.09%
2005	33,270,000	974,828	32,295,172	0.90%	279.61	2,998,591	0.08%
2006	31,035,000	1,240,802	29,794,198	0.83%	283.75	2,269,177	0.06%
2007	63,351,000	1,707,369	61,643,631	1.63%	536.03	352,727	0.01%
2008	60,234,000	972,841	59,261,159	1.29%	519.83	604,810	0.01%
2009	56,384,000	983,083	55,400,917	1.11%	467.52	300,000	0.01%

Source: District Data

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

PROVO CITY SCHOOL DISTRICT
Ratios of Outstanding Debt (continued)
 June 30, 2000 through 2009

Total Debt							
Lease Obligations Debt Per Capita	Total Debt as Percentage of Taxable Value	Total Debt Per Capita	Debt Per Student	Debt to Personal Income	Taxable Value	Estimated Population	Total Personal Income
7.09	1.58%	390.31	3402	n/a	2,750,602,274	111,000	not available
3.62	1.32%	368.26	3293	536.84%	3,119,841,993	112,000	7,683,000
-	1.19%	358.13	3126	490.65%	3,258,646,316	108,000	7,883,000
42.22	1.13%	377.75	3339	510.22%	3,666,115,635	110,000	8,144,000
27.59	1.03%	328.36	3051	428.78%	3,620,318,521	114,000	8,730,000
25.96	0.99%	305.57	2925	376.87%	3,575,601,094	115,500	9,365,000
21.61	0.89%	305.37	2597	314.10%	3,588,753,374	105,000	10,208,000
3.07	1.64%	539.10	4700	n/a	3,774,555,485	115,000	not available
5.31	1.30%	525.14	4518	n/a	4,589,644,579	114,000	not available
2.53	1.12%	470.05	4224	n/a	4,977,309,060	118,500	not available

PROVO CITY SCHOOL DISTRICT
Overlapping and Underlying General Obligation Debt
For Fiscal year ending June 30, 2008

Taxing Entity	2007 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	168,812,000,000	4,589,644,579	2.72%	1,284,000,000	34,909,270
CUWCD (1)	113,748,091,430	4,589,644,579	4.03%	146,542,380	5,912,868
Utah County	24,615,013,794	4,589,644,579	18.65%	13,390,000	<u>2,496,661</u>
Total Overlapping					<u>43,318,798</u>
Underlying:					
Provo City (2)	4,589,644,579	4,589,644,579	100.00%	18,407,051	<u>18,407,051</u>
Total Underlying					<u>18,407,051</u>
Total Overlapping and Underlying General Obligation Debt					<u><u>61,725,849</u></u>
Total overlapping general obligation debt (excluding the State) (3)					8,409,529
Total direct general obligation bonded indebtedness					<u>33,270,000</u>
Total direct and overlapping general obligation debt (excluding the State) (3)					<u><u>41,679,529</u></u>
Total underlying general obligation debt					18,407,051
Total direct general obligation bonded indebtedness					<u>33,270,000</u>
Total direct and underlying general obligation debt					<u><u>51,677,051</u></u>
Total overlapping and underlying general obligation debt (excluding the State) (3)					26,816,580
Total direct general obligation bonded indebtedness					<u>33,270,000</u>
Total direct, overlapping, and underlying general obligation debt (excluding the State) (3)					<u><u>60,086,580</u></u>

Taxable Value: Taxable values used in this table for non-district entities were derived from the 2007 Utah County Treasurer's Annual Settlement Statements, and 2007 Salt Lake County Annual Financial Report and 2007 Utah State Annual Financial report. The district's taxable value was derived from the district's final settlement report.

General Obligation Debt: G.O. debt amounts were derived from each entity's 2007 Annual Financial Statements.

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

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

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

PROVO CITY SCHOOL DISTRICT
Computation of Legal Debt Margin
Years Ended June 30, 2003 through 2009

	2003	2004	2005	2006	2007	2008	2009
Estimated Fair Market Value	\$ 5,310,090,273	\$ 5,199,485,716	\$ 5,353,912,000	\$ 5,443,759,516	\$ 5,736,082,850	\$ 7,336,569,240	\$ 7,956,509,341
"Fair Market Value" X 4% (Debt Limit)	212,403,611	207,979,429	214,156,480	217,750,381	229,443,314	293,462,770	318,260,374
Less: General Obligation Debt	37,530,000	35,185,000	33,270,000	31,035,000	63,351,000	60,234,000	56,384,000
Legal Debt Margin*	<u>174,873,611</u>	<u>172,794,429</u>	<u>180,886,480</u>	<u>186,715,381</u>	<u>166,092,314</u>	<u>233,228,770</u>	<u>261,876,374</u>
Ratio Legal Debt Margin to Legal Debt Limit	82.33%	83.08%	84.46%	85.75%	72.39%	79.47%	82.28%

Fiscal year 2003 was the first year the District published a comprehensive annual financial report. Thus, comparative data is presented from that first publication hence forth.

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

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

Source: estimated FMV obtained from the Utah County Assessor's Office, 2009 estimated FMV was not available at time of CAFR issue, estimate made by District office using prior year data and current year assessed value.

PROVO CITY SCHOOL DISTRICT
Selected Utah County Economic Statistics

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2009	225,889	206,716	12,589	5.70%
2008	225,889	218,981	6,908	3.06%
2007	220,138	214,747	5,391	2.45%
2006	212,422	206,498	5,924	2.80%
2005	210,124	203,628	6,496	3.10%
2004	186,935	179,832	7,103	3.82%
2003	181,832	173,410	8,421	4.64%
2002	179,023	168,545	10,478	5.85%
2001	172,455	165,933	6,522	3.78%
2000	169,992	165,605	4,387	2.59%
1999	164,935	159,770	5,166	3.14%
1998	159,751	154,740	5,011	3.15%
1997	153,586	149,605	3,980	2.59%
1996	149,829	145,442	4,387	2.93%
1995	145,097	140,883	4,214	2.92%

Source:
 Department of Utah Workforce Services
<http://jobs.utah.gov/jsp/wi/utalmis/countyhistdata.do#export>

	Utah County						
	2001	2002	2003	2004	2005	2006	2007
Total personal income (\$ millions)	7,683.1	7,910.4	8,136.6	8,730.8	9,365.3	10,208.2	11,486.0
Per capita income	20,087	20,178	20,377	20,048	20,726	21,964	22,906
Average family income per IRS returns	48,965	46,375	48,431	50,468	54,538	59,749	DNA
Average monthly nonfarm wage	2,243	2,250	2,297	2,350	2,423	2,572	2,718
Gross taxable sales (\$000s)	4,326,455	4,394,333	4,433,228	4,791,033	5,432,300	6,409,994	6,847,708
Permit authorized construction (\$000)	824,155	925,347	889,518	1,042,802	1,369,824	1,854,104	1,499,277
New residential building permits	4,272	4,326	4,677	4,728	5,819	6,902	4,970
Residential building permits value (\$000)	576,294	623,777	706,068	770,583	1,074,621	1,420,653	1,037,687

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

PROVO CITY SCHOOL DISTRICT
Demographic Information - Population Growth

Provo City Live Births

Calendar Year	Provo City		Utah County Births
	Births	% of County	
1998	3,780	40.94%	9,232
1999	4,131	42.12%	9,807
2000	4,419	44.80%	9,864
2001	4,661	45.54%	10,234
2002	4,601	43.45%	10,588
2003	4,444	41.37%	10,742
2004	4,371	39.90%	10,954
2005	4,408	38.96%	11,314
2006	4,440	38.47%	11,540
2007	4,707	38.32%	12,284

Source: Utah Vital Statistics Reports, Utah Department of Health

Provo City Population Growth

Year	Population	Increase (Decrease)	Increase (Decrease)
1900	6,185		
1910	8,925	2,740	30.70%
1920	10,303	1,378	13.37%
1930	14,766	4,463	30.22%
1940	18,071	3,305	18.29%
1950	28,937	10,866	37.55%
1960	36,047	7,110	19.72%
1970	53,131	17,084	32.15%
1980	74,108	20,977	28.31%
1990	86,835	12,727	14.66%
2000	105,439	18,604	17.64%
2008	118,501	13,062	11.02%

Source: Data is derived from U.S. Census

Years presented are limited to data available from stated sources

PROVO CITY SCHOOL DISTRICT
Utah County Largest Employers
 Current year and Nine years ago

Employer	June 30, 2007		Employer	June 30, 1998	
	Approximate Number of Employees	Percent of District's Total Estimated Employment		Approximate Number of Employees	Percent of District's Total Estimated Population
Brigham Young University	18,000	8.27%	Brigham Young University	10,000	6.46%
Alpine School District	6,240	2.87%	Alpine School District	4,500	2.91%
Utah Valley State College	4,000	1.84%	Geneva Steel	2,500	1.62%
IHC Healthcare	3,600	1.65%	Corel corporation	1,500	0.97%
Nebo School District	3,100	1.42%	Novell, Inc.	1,500	0.97%
Provo City School District	2,600	1.20%	Provo City School District	1,500	0.97%
Convergys Corporation	1,700	0.78%	University mall	1,500	0.97%
Nestles USA Prepared Food Div.	1,700	0.78%	Utah Valley State College	1,500	0.97%
Novell, Inc	1,700	0.78%	NuSkin	1,350	0.87%
Totals	<u>42,640</u>	<u>19.60%</u>		<u>25,850</u> -	<u>16.71%</u>

The number of employees within the District's boundaries for these employers is unavailable. Therefore, the number of employees listed represents an approximate range of number of employees, per Utah County records.

Source: Utah County, <http://www.co.utah.ut.us>, years presented limited to data available.

PROVO CITY SCHOOL DISTRICT
Full-Time Equivalent Positions By Function

Years Ended June 30, 2005 through 2009

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Instruction	980.7	1,117.4	1,141.4	1,148.4	999.7
Support Services					
Students	49.6	58.6	53.9	52.3	51.8
Instructional Staff	39.6	35.5	32.6	38.1	40.0
General Administration	9.2	24.1	23.9	19.8	16.3
School Administration	75.0	78.7	79.8	73.7	74.0
Business and Central	22.1	23.5	24.8	22.1	19.9
Operation and Maintenance	84.7	118.6	152.0	138.9	148.1
Transportation	38.6	46.6	49.9	60.0	44.3
Other Support	-	-	-	10.6	1.0
Food Services	57.7	83.2	90.8	90.4	91.5
Community Services	<u>64.7</u>	<u>185.6</u>	<u>172.5</u>	<u>135.2</u>	<u>152.8</u>
Total full-time equivalent positions:	<u>1,421.7</u>	<u>1,771.6</u>	<u>1,821.6</u>	<u>1,789.4</u>	<u>1,639.3</u>

¹Classified among various other functions prior to FY 2007-08

²Community and Recreation Services functions combined

Fiscal year 2004 was the first year reliable FTE data was available, therefore comparative data is presented from 2004 to present.

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

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

Source: District data

PROVO CITY SCHOOL DISTRICT
Student Average Daily Membership By School
As Reported in S-3 Report (unaudited)
Years Ended June 30, 2000 - 2009

	Fiscal Year										Net Change (2008) less (2000)
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Elementary:											
AMELIA EARHART	545	546	552	575	585	630	630	587	588	556	11
CANYON CREST	549	522	494	504	501	501	521	514	481	500	(49)
EDGEMONT	469	458	431	431	434	447	474	485	446	452	(17)
FARRER	-	-	-	-	-	-	370	359	359	423	423
FRANKLIN	557	525	554	563	560	532	526	500	486	564	7
GRANDVIEW	537	543	525	531	532	531	513	451	424	687	150
JOAQUIN	420	453	445	420	386	381	0	0	0	0	(420)
PROVOST	474	485	478	476	438	440	408	414	400	430	(44)
ROCK CANYON	585	572	547	578	563	580	574	582	575	633	48
SPRING CREEK/MAESER	462	486	494	510	520	511	548	608	611	523	61
SUNSET VIEW	655	675	702	676	618	638	614	622	607	580	(75)
TIMPANOGOS	573	485	547	562	568	546	502	540	509	607	34
WASATCH	494	495	524	507	501	533	570	600	613	636	142
WESTRIDGE	785	792	781	778	754	783	771	771	794	848	63
											0
Secondary:											0
CENTENNIAL M.S.	669	653	733	690	702	715	913	898	932	1,040	371
DIXON M.S.	636	598	586	588	629	619	875	835	785	831	195
FARRER M.S.	498	533	532	549	565	560	0	0	0	0	(498)
											0
PROVO H.S.	1,768	1,757	1,664	1,688	1,731	1,760	1,787	1,763	1,696	1,697	(71)
TIMPVIEW H.S.	1,794	1,737	1,684	1,633	1,634	1,607	1,615	1,637	1,699	1,818	24
INDEPENDENCE H.S.	292	276	312	371	341	289	276	302	303	316	24
Total:	12,762	12,591	12,585	12,631	12,562	12,604	12,488	12,468	12,308	13,141	379

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

Source: District Data

PROVO CITY SCHOOL DISTRICT
Student Average Daily Membership By School and Grade
As Reported in S-3 Report (unaudited)
Year Ended June 30, 2009

	K	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	MEM
AMELIA EARHART	65	77	79	77	69	71	62	0	0	0	0	0	0	500
CANYON CREST	62	47	68	65	77	61	75	0	0	0	0	0	0	457
EDGEMONT	57	61	57	80	56	59	66	0	0	0	0	0	0	437
FARRER ELEM	73	63	60	51	50	47	41	0	0	0	0	0	0	384
FRANKLIN	80	75	77	71	69	76	82	0	0	0	0	0	0	530
LAKEVIEW	107	108	106	94	84	97	74	0	0	0	0	0	0	670
PROVOST	67	74	70	48	56	52	33	0	0	0	0	0	0	402
ROCK CANYON	94	84	90	85	72	79	97	0	0	0	0	0	0	601
SPRING CREEK	72	77	74	79	73	69	67	0	0	0	0	0	0	511
SUNSET VIEW	90	86	78	81	80	76	59	0	0	0	0	0	0	549
TIMPANOGOS	102	94	107	64	76	70	67	0	0	0	0	0	0	580
WASATCH	115	102	82	89	78	87	70	0	0	0	0	0	0	624
WESTRIDGE	113	122	92	110	137	129	117	0	0	0	0	0	0	820
CENTENNIAL	0	0	0	0	0	0	0	491	489	0	0	0	0	980
DIXON	0	0	0	0	0	0	0	386	396	0	0	0	0	782
PROVO H.S.	0	0	0	0	0	0	0	0	0	389	401	400	394	1,585
TIMVIEW H.S.	0	0	0	0	0	0	0	0	0	427	424	442	434	1,728
INDEPENDENCE H.S.	0	0	0	0	0	0	0	0	0	53	65	97	64	279
CENTER FOR H.S. COMP	0	0	0	0	0	0	0	0	0	1	5	14	25	44
CENTRAL UTAH ENTERPRISE	0	0	0	0	0	0	0	0	0	0	0	0	1	1
ADM COUNT BY GRADE	1,099	1,070	1,040	995	976	974	909	877	885	870	895	954	918	12,462
ADM COUNT BY LEVEL	K	Total 1st-6th						Total 7th-8th		Total 9th-12th				
	1,099	5,965						1,762		3,636				
ADM TOTALS	Total K-6th				7,064			Total 7th-12th			5,398			12,462
													Total Handicap Self-Contained	633
													Total Handicap Homebound	0.0
													Total Self-contained/Homebound	633
													Grand Total	13,096

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

Source: District Data

PROVO CITY SCHOOL DISTRICT
Number of Students per Teacher
 Years Ended June 30, 2003 - 2009

<u>Grade</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>
Kindergarten	23.00	23.10	27.70	27.70	27.70	27.00	27.00
1	22.00	21.80	27.70	27.70	27.70	27.00	27.00
2	22.00	23.10	27.70	27.70	27.70	27.00	27.00
3	23.00	25.80	27.70	27.70	27.70	27.00	27.00
4	26.00	25.60	27.70	27.70	27.70	27.00	27.00
5	25.00	26.20	27.70	27.70	27.70	27.00	27.00
6	24.00	25.80	27.70	27.70	27.70	27.00	27.00
7	24.00	24.00	28.00	28.00	28.00	27.70	27.70
8	24.00	24.00	28.00	28.00	28.00	27.70	27.70
9	24.00	24.00	28.00	28.00	28.00	27.70	27.70
10	27.00	25.50	28.00	28.00	28.00	27.70	27.70
11	27.00	25.50	28.00	28.00	28.00	27.70	27.70
12	27.00	25.50	28.00	28.00	28.00	27.70	27.70

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

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

Source: District Data

PROVO CITY SCHOOL DISTRICT
Average Expenditure by Function per Pupil
 Years Ended June 30, 2003 - 2009

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Function:							
Instruction	\$5,064	\$5,313	\$5,251	\$4,500	\$4,535	\$4,373	\$4,360
Supporting services:							
Student	281	266	286	255	267	256	218
Instructional staff	158	119	166	163	159	155	174
District administration	59	98	121	121	70	86	74
School administration	384	365	361	339	340	349	349
Business	216	209	97	98	214	70	98
Operation and maintenance of facilities	412	398	325	332	315	401	400
Student transportation	157	210	198	167	132	123	137
Central	7	30	163	86	3	69	68
School food services	388	346	347	315	316	326	279
Community services	360	321	318	252	306	193	184
Facilities & Construction	530	0	0	120	100	50	122
Interest on long-term liabilities	197	219	150	0	167	120	190
Total school district	<u>\$8,213</u>	<u>\$7,893</u>	<u>\$7,781</u>	<u>\$6,748</u>	<u>\$6,925</u>	<u>\$6,570</u>	<u>\$6,653</u>
Student Average Daily Membership	13,096	12,998	12,517	12,488	12,604	12,562	12,631

Fiscal year 2003 was the first year the District published a comprehensive annual financial report. Therefore comparative data is presented from that first publication hence forth.

Source: District Data

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

<u>Location/Site</u>	<u>Original Year of Construction</u>	<u>Square Footage</u>
Elementary Schools:		
Amelia Earhart	1999	69,733
Canyon Crest	1982	68,240
Edgemont	1955	47,200
Farrer	1931	86,946
Franklin	1994	75,801
Grandview Learning Center	1949	26,000
Lakeview	2008	77,480
Provost	1949	56,799
Rock Canyon	1964	69,883
Spring Creek	2002	70,720
Sunset View	1959	69,305
Timpanogos	2008	69,247
Wasatch	1949	45,326
Westridge	1979	73,928
Secondary Schools:		
Centennial M.S.	1996	144,795
Dixon M.S.	1931	124,276
Provo H.S.	1956	325,842
Timpview H.S.	1974	409,803
Independence H.S.	1992	48,121
Other:		
Center for H.S. Studies	1984	4,000
Oakridge	1979	43,992
District Office	1965	28,875

Source: District Data

PROVO CITY SCHOOL DISTRICT

Service Efforts, Accomplishments, and Miscellaneous Statistical Data

Advanced Placement Test Results

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

	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>
Total candidates	319	370	370	419	414
Total exams taken	478	571	600	645	666
Total exams passed	389	433	472	458	497
Provo average passed	81%	76%	79%	71%	75%
	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Total candidates	400	400	404	408	438
Total exams taken	622	623	601	690	706
Total exams passed	479	468	418	480	509
Provo average passed	77%	75%	70%	70%	72%

College Entrance Exams - Provo Students Taking ACT Examination

Year	Number of Students	Year	Number of Students
1999-00	567	2004-05	495
2000-01	537	2005-06	567
2001-02	520	2006-07	595
2002-03	508	2007-08	558
2003-04	533	2008-09	646

Graduates

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Provo High School	322	365	344	344	310	373	301
Timpview High School	375	378	377	319	355	385	405
Independence High School	25	29	26	17	23	38	26
District Diplomas	30	37	37	34	60	47	66

Educational Level of Teachers 2008-09

Bachelors	424	62%
Masters	240	36%
Doctorate	11	2%
National B	8	<1%

Staff Assignments 2008-09

Teachers	675
Classified Contracted	148
Administrators	42

Years of Experience 2008-09

20 or more years	32%
6 - 19 years	36%
0 - 5 years	32%

Source: District Data

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

American College Test (ACT) Results

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

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

	2006-07			2007-08			2008-09		
	Provo	Utah	Nat'l	Provo	Utah	Nat'l	Provo	Utah	Nat'l
English	22.7	21.3	20.7	22.3	21.4	20.6	21.8	21.4	20.6
Math	22.2	21.1	21.0	22.1	21.1	21.0	21.8	21.1	21.0
Reading	23.1	22.2	21.5	22.3	22.5	21.4	22.9	22.6	21.4
Science	22.4	21.6	21.0	22.3	21.6	20.8	21.8	21.6	20.9
Composite	22.7	21.7	21.2	22.6	21.8	21.1	22.2	21.8	21.1

Elementary Criterion-Referenced Testing (CRT)

	Grade	2003-2004		2004-2005		2005-06		2006-07		2007-08		2008-09	
		Average % Correct	Number Tested	Average % Correct	Number Tested	Average % Correct	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested
Language Arts	1	82%	1,037	80%	1,151	76%	1,153	73%	1,131	not tested		not tested	
	2	75%	1,020	77%	1,015	79%	1,108	77%	1,068	78%	1,068	79%	1,064
	3	76%	995	75%	1,016	78%	1,006	78%	1,083	76%	1,041	83%	1,035
	4	81%	951	81%	990	81%	980	79%	980	77%	1,048	82%	995
	5	78%	914	79%	923	79%	960	77%	937	76%	947	79%	1,020
	6	79%	989	82%	897	76%	903	80%	976	80%	917	83%	941
Math	1	83%	1,038	76%	1,165	77%	1,151	71%	1,130	not tested		not tested	
	2	75%	1,020	78%	1,021	80%	1,109	74%	1,073	77%	1,067	**	**
	3	79%	999	79%	1,023	80%	998	81%	1,099	77%	1,039	**	**
	4	82%	956	80%	999	83%	975	79%	986	81%	4,048	**	**
	5	77%	917	83%	936	80%	957	78%	943	77%	940	**	**
	6	75%	696	77%	629	77%	608	63%	650	72	625	**	**
Science	1-3	not tested		not tested		not tested		not tested		not tested		not tested	
	4	62%	950	not available		62%	982	62%	984	64%	1,048	66%	1,002
	5	59%	914	64%	931	66%	960	64%	952	65%	931	68%	1,022
	6	63%	992	68%	895	72%	904	61%	955	69%	933	71%	943

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

Source: District Data

PROVO CITY SCHOOL DISTRICT

Service Efforts, Accomplishments, and Miscellaneous Statistical Data (continued)

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

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

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

Source: District Data

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

Criterion-Referenced Testing (CRT)

Course	2003-2004		2004-2005		2005-06		2006-07		2007-08		2008-09	
	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested	Average % Proficient	Number Tested
7th Lang Arts	unavailable	unavailable	unavailable	unavailable	unavailable	unavailable	84%	889	77%	928	83%	903
8th Lang Arts							81%	911	85%	869	81%	916
9th Lang Arts							79%	1,008	78%	926	78%	895
10th Lang Arts							81%	1,005	82%	976	82%	901
11th Lang Arts							81%	872	84%	924	76%	939
7th grade Math	83%	1,201	69%	403	60%	423	70%	453	73%	496	**	**
PreAlgebra			79%	1,391	81%	1,243	78%	1,197	79%	1,156	**	**
Algebra	69%	1,228	77%	1,097	72%	1,189	74%	1,192	79%	906	**	**
Geometry	72%	804	76%	875	68%	920	75%	907	76%	927	**	**
Science 7th	67%	994	63%	964	data not complete from state	69%	441	62%	504	69%	388	
Science 8th	68%	900	67%	978	68%	942	64%	898	67%	858	65%	904
Earth Systems	64%	359	59%	376	66%	339	65%	356	59%	597	58%	819
Biology	79%	629	65%	818	65%	978	70%	1,067	66%	989	69%	757
Chemistry	unavailable	unavailable	unavailable	unavailable	unavailable	66%	386	57%	393	65%	431	
Physics						56%	253	49%	294	66%	357	

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

Source: District Data

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

Food Service

	Meals Served	Breakfasts Served	Free Lunch Served	% of Free lunches to Total Served	Reduced Cost Lunch Served	% of Reduced Cost lunches to Total Served
2001-02	1,214,770	252,424	526,438	43.34%	164,461	13.54%
2002-03	1,211,667	261,218	571,446	47.16%	157,921	13.03%
2003-04	1,226,062	267,538	603,325	49.21%	156,125	12.73%
2004-05	1,245,816	282,153	612,228	49.14%	160,509	12.88%
2005-06	1,256,839	289,865	609,996	48.53%	152,639	12.14%
2006-07	1,255,951	293,649	567,608	45.19%	164,048	13.06%
2007-08	1,253,673	305,989	560,368	44.70%	155,779	12.43%
2008-09	1,311,952	324,889	639,746	48.76%	162,320	12.37%

Transportation

	Miles traveled (to and from school, field trips, and activities)	Number of students transported daily	Driving hours per day	Route miles driven per day	Field and activity trip miles per day	Cost per student per year to bus	Number of buses
2001-02	575,100	9,828	228	2,703	492	\$141	40
2002-03	620,280	9,572	246	2,950	496	\$178	40
2003-04	636,750	7,382	264	3,098	440	\$253	40
2004-05	653,220	5,192	282	3,245	384	\$328	42
2005-06	650,520	4,771	251	2,997	617	\$426	43
2006-07	510,840	4,894	245	2,605	233	\$492	43
2007-08	542,700	5,169	271	2,747	268	\$501	48
2008-09	497,132	6,208	226	2,699	214	\$366	48

Vandalism Costs

	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
Glass replacement	\$ 23,922	\$ 16,480	\$ 11,820	\$ 11,946	\$ 12,071	\$ 18,553	\$ 11,969	\$ 9,333
Graffiti removal	3,000	2,910	1,944	2,930	3,916	5,500	3,402	2,430
Break-in repair	3,200	1,385	2,300	1,780	1,260	3,800	2,500	7,662
Total	\$ 30,122	\$ 20,775	\$ 16,064	\$ 16,656	\$ 17,247	\$ 27,853	\$ 17,871	\$ 19,425

Cost Per Student

	<u>Total Expense</u>	<u>Number Students</u>	<u>Cost per Student</u>
2002-03	84,029,969	12,631	\$6,653
2003-04	82,527,916	12,562	\$6,570
2004-05	87,285,070	12,604	\$6,925
2005-06	84,316,764	12,488	\$6,752
2006-07	97,397,085	12,517	\$7,781
2007-08	102,592,066	12,998	\$7,893
2008-09	107,558,128	13,096	\$8,213

Source: District Data

PROVO CITY SCHOOL DISTRICT
Schedule of Insurance in Force
June 30, 2009

	Expiration Date	Deductible	Limits	2009 Premiu	2008 Premium
*Property	Until canceled	\$ 1,000	Replacement value	\$147,825	\$154,596
Boiler & Machinery	Until canceled	\$ 1,000	Replacement up to \$ 10,000,000		
Blanket Bond-Employee Fidelity	Until canceled	\$ 1,000	\$ 10,000,000		
Course of Construction	Until canceled	\$ 1,000	Replacement value		
*Liability	Until canceled	No deductible	\$ 10,000,000	105,910	111,434
General Liability	Until canceled	No deductible	\$ 10,000,000		
Auto Liability	Until canceled	No deductible	\$ 10,000,000		
Personal Injury	Until canceled	No deductible	\$ 10,000,000		
Errors or Omissions	Until canceled	No deductible	\$ 10,000,000		
Malpractice Liability	Until canceled	No deductible	\$ 10,000,000		
No Fault	Until canceled	No deductible	\$ 10,000,000		
Uninsured Motorist	Until canceled	No deductible	\$ 10,000,000		
Garage Keepers	Until canceled	No deductible	\$ 10,000,000		
*Automobile Physical Damage	Until canceled	\$ 500	Actual value	10,142	9,942
Busses	Until canceled	\$ 500	Actual value		
Driver Training Vehicles	Until canceled	\$ 500	Actual value		
All Others	Until canceled	\$ 500	Actual value		
**Worker's Compensation	Until canceled	No deductible	\$ 1,000,000	469,090	424,317
				<u>\$ 732,967</u>	<u>\$ 700,289</u>

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

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

Source: District Data

