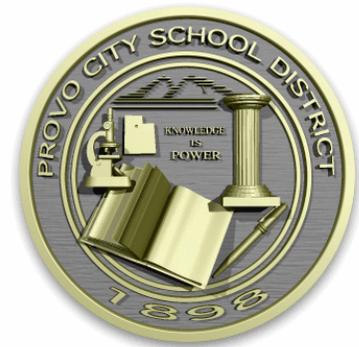


PROVO CITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

280 W 940 N
PROVO, UT 84604
(801) 374-4800
WWW.PROVO.EDU



Provo City School District

280 West 940 North

Provo, Utah 84604

www.provo.edu

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014

Keith Rittel

Superintendent of Schools

Stefanie Bryant

Business Administrator

Prepared By:

Devyn Dayley

Director of Accounting

Provo City School District
Board of Education and Officers

Picture not available at time of publication

PROVO CITY SCHOOL DISTRICT
Table of Contents
Year Ended June 30, 2014

| | Page |
|--|-------|
| 1. INTRODUCTORY SECTION: | |
| Letter of Transmittal..... | 1-8 |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | 9 |
| ASBO Certificate of Excellence in Financial Reporting | 10 |
| Organizational Chart..... | 11 |
| Elected and Appointed Officials..... | 12 |
| Precincts of the Board of Education..... | 13 |
| 2. FINANCIAL SECTION: | |
| Independent Auditors' Report..... | 17-19 |
| Management's Discussion and Analysis..... | 21-31 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 34 |
| Statement of Activities | 35 |
| Fund Financial Statements: | |
| Balance Sheet, Governmental Funds..... | 36 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position..... | 37 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds | 38 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 39 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, General Fund..... | 40 |
| Notes to Basic Financial Statements (integral part of the Basic Financial Statements) | 41-62 |
| Combining and Individual Fund Statements and Schedules: | |
| Major Governmental Funds: | |
| Comparative Balance Sheets, General Fund, with comparative totals for 2013..... | 66 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, General Fund, with comparative totals for 2013..... | 67 |

PROVO CITY SCHOOL DISTRICT
Table of Contents
Year Ended June 30, 2014

| | Page |
|--|------|
| 2. FINANCIAL SECTION (CONTINUED): | |
| Combining and Individual Fund Statements and Schedules: | |
| Major Governmental Funds: | |
| Comparative Balance Sheets, Debt Service Fund, with comparative totals for 2013..... | 68 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Debt Service Fund, with comparative totals for 2013 | 69 |
| Comparative Balance Sheets, Capital Projects Fund with comparative totals for 2013..... | 70 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Capital Projects Fund, with comparative totals for 2013..... | 71 |
| Non Major Governmental Funds: | |
| Combining Balance Sheet, Governmental Funds..... | 74 |
| Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds..... | 75 |
| Comparative Balance Sheets, Non K-12 Instruction, Special Revenue Fund With comparative totals for 2013 | 76 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Non K-12 Instruction, Special Revenue Fund, with comparative totals for 2013..... | 77 |
| Comparative Balance Sheets, Student Activities, Special Revenue Fund With comparative totals for 2013 | 78 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Student Activities, Special Revenue Fund, with comparative totals for 2013..... | 79 |
| Comparative Balance Sheets, Food Services, Special Revenue Fund, with comparative totals for 2013..... | 80 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Food Services, Special Revenue Fund, with comparative totals for 2013..... | 81 |
| Comparative Balance Sheets, Building Reserve, Special Revenue Fund, with comparative totals for 2013..... | 82 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Building Reserve, Special Revenue Fund, with comparative totals for 2013..... | 83 |

PROVO CITY SCHOOL DISTRICT
Table of Contents
Year Ended June 30, 2014

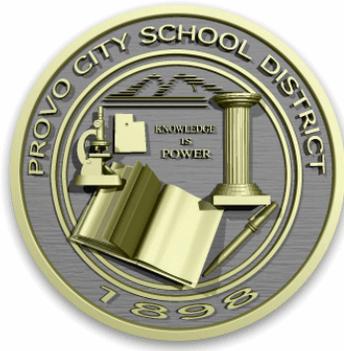
| | Page |
|--|---------|
| 2. FINANCIAL SECTION (CONTINUED): | |
| Combining and Individual Fund Statements and Schedules: | |
| Non Major Governmental Funds: | |
| Comparative Balance Sheets, Municipal Building Authority Fund With comparative totals for 2013 | 84 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual, Municipal Building Authority Fund, With comparative totals for 2013 | 85 |
| Fiduciary Fund (Agency Fund): | |
| Comparative Statement of Fiduciary Fund Assets and Liabilities | 89 |
| 3. STATISTICAL SECTION (UNAUDITED): | |
| <i>Financial Trends Information:</i> | |
| Net Position by Component, June 30, 2005 through 2014 | 93 |
| Comparative Statements of Net Position, June 30, 2005 through 2014 | 94-95 |
| Changes in Net Position, Years Ended June 30, 2005 through 2014 | 96-97 |
| Governmental Funds -Aggregate Fund Balances, June 30, 2005 through 2014 | 98 |
| Governmental Funds - Net Changes in Aggregate Fund Balances, Years Ended June 30, 2005 through 2014 | 99 |
| Governmental Funds - Fund Balances, June 30, 2005 through 2014 | 100-101 |
| Total Governmental Funds - Changes in Fund Balances, Years Ended June 30, 2005 through 2014 | 102-103 |
| <i>Revenue Capacity Information:</i> | |
| Property Tax Levies and Collections, Years Ended December 31, 2004 through 2013 | 104-105 |
| Assessed Property Values, Tax Years 2004-2013 | 106 |
| Comparison of Utah School District Property Tax Rates, Tax Year 2011, Fiscal Year 2013-2014 | 107 |

PROVO CITY SCHOOL DISTRICT
Table of Contents
Year Ended June 30, 2014

| | Page |
|---|---------|
| 3. STATISTICAL SECTION (UNAUDITED) (CONTINUED): | |
| <i>Revenue Capacity Information:</i> | |
| Comparison of Assessed Property Tax Valuation Per Student, Fiscal Year 2013-2014..... | 108 |
| Property Tax Rates-Direct and Overlapping Governments (Prior 10 Years), Based on \$1,000 Assessed Valuation, 2004 – 2013..... | 110 |
| History of the Value of the Weighted Pupil Unit (WPU), Utah Legislative Funding Method, 1976 - 2014..... | 111 |
| <i>Debt Capacity Information:</i> | |
| General Fund - Changes in Fund Balances & Ratio of Annual Debt Service to General Fund Expenditures, Years Ended June 30, 2005 through 2014 | 112-113 |
| Schedule of Long-Term Debt Service, Years Ending June 30, 2015 through 2027..... | 114-115 |
| Ratios of Outstanding Debt, June 30, 2005 through 2014 | 116 |
| Overlapping and Underlying General Obligation Debt, June 30, 2014 | 117 |
| Computation of Legal Debt Margin, Years Ended June 30, 2005 through 2014..... | 118 |
| <i>Demographic and Economic Information:</i> | |
| Selected Utah County Economic Statistics..... | 119 |
| Demographic Information - Population Growth..... | 120 |
| Provo City and Utah Largest Employers, 2013 | 121 |
| <i>Operating Information:</i> | |
| Full-Time Equivalent Positions by Function, Years Ended June 30, 2006 through 2014..... | 122 |
| Student Average Daily Membership By School, As Reported in S-3 Report (unaudited), Years Ended June 30, 2007 through 2014..... | 123 |
| Student Average Daily Membership By School and Grade, As Reported in S-3 Report (unaudited), Year Ended June 30, 2013..... | 124 |
| Number of Students per Teacher Years Ended June 30, 2005 through 2014..... | 125 |
| Average Expenditures by Function per Pupil Years Ended June 30, 2005 through 2014..... | 126 |
| Buildings- Original Year of Construction/Square Footage..... | 127 |
| Service Efforts, Accomplishments, and Miscellaneous Statistical Data | 128-133 |
| Schedule of Insurance in Force, June 30, 2014 and 2013 | 134 |

INTRODUCTORY SECTION

(This page left blank intentionally)



Provo City School District

Keith Rittel, Superintendent

Stefanie Bryant, Business Administrator

September 26, 2014

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, Provo City School District's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. This Comprehensive Annual Financial Report (CAFR) includes financial and non-financial information to meet the needs of a broad spectrum of readers.

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

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

State law requires that school districts publish, within five months of the close of each year, a complete set of financial statements which are audited by a firm of licensed certified public accountants. Hansen, Bradshaw, Malmrose & Erickson, P.C., a firm of licensed certified public accountants, has audited the District's financial statements. The independent audit involved

examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified (“clean”) opinion for the District’s financial statements for the fiscal year ended June 30, 2014; this opinion indicates the statements are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the *Financial Section* in this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of the Office of 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 15,400 students. The major purpose of the District is to provide public education to students who reside in Provo City which is located in the central portion of Utah County, Utah. To accomplish this purpose, the District operates two traditional high schools, an alternative high school, two middle schools, thirteen elementary schools, and an E-school (online) which services all grade levels. The District continues to have a positive influence on the community by offering both traditional and proven non-traditional education to its students. These non-traditional alternatives include preschool training for disabled students, adult high school completion, the largest selection of on-line courses in the state, and concurrent enrollment where students can earn high school and college credits simultaneously. Programs such as

advanced placement, special education, music, career technology, elementary dual language, multicultural programs, gifted and talented programs, and many other enrichment programs in all curriculum areas are offered by the District. The District has strong technical and foreign language programs in both traditional and on-line offerings, and is one of the few Districts in the state to offer elementary foreign languages.

***The
Reporting
Entity***

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

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

***Governing
Structure***

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

MAJOR INITIATIVES & LONG-TERM FINANCIAL PLANNING

***District
Efforts***

The financial position of the District remains stable. Due to the global recession, fiscal years 2008-09 thru 2011-12 proved to be the most difficult financial years in recent history. However, the District has been able to maintain a strong financial position. Fiscal year 2013-2014 saw revenue increases from both State and Federal sources.

District fund balances have decreased slightly from \$37,288,160 at June 30, 2013, to \$36,641,537 at June 30, 2014. This fund balance decrease is primarily due to planned spend down of balances due to an aggressive capital improvement plan, and continued funding of commitments related to the sunset District offered OPEBs. While State law allows only modest fund balances, these monies allow the District to respond to a variety of emerging issues, including the need for funds in the future due to funding

cuts. Healthy fund balances and financial position allow the District to secure future financing at favorable interest rates and to explore promising educational reform without reducing resources to current programs.

Provo School District is well managed. Although the recession has put immense financial pressure on the system, the District has kept as many resources as possible in the classroom. The District budget includes aggressive goals to accomplish the 20/20 initiatives. In fiscal year 2014 a new business administrator was appointed by the Board of Education. The District continues to benefit from the vision and strategy provided by the 20/20 Initiative, which brought together a wide range of community stakeholders with the common goal of making Provo a progressive, innovative and responsive school district.

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

Capital improvements are funded through two major sources: capital tax levies, and general obligation bonds. The District continues a targeted and aggressive capital improvement schedule based on a community-based committee's long term capital plan recommendation.

***District
Master
Plan***

All capital projects and maintenance efforts are part of a progressive 20 year building replacement and major upgrade plan. The oldest buildings, in most need of repair, will be replaced first, the years of original construction range from 1931-2011. The District's most recently constructed school was Provo Peaks Elementary, which was built with the QSCB bond funds and reserve capital, in FY10. The District completed \$5.9 million in large projects, from capital outlay funds, during fiscal year 2014. The District is currently preparing for a bond election in November of 2014. With extensive input from community stakeholders and District leadership, the forthcoming bond will allow the most-needed projects on the master plan to proceed.

The District's capital outlay tax levy will provide approximately \$5.5 million annually, which is used for ongoing building repairs and maintenance and minor renovations. Most major renovations and new building construction is funded through general obligation bonding.

***Budget
Development***

The District strategically manages its operations with a focused effort to maintain its end of year fund balances. The District's process includes an annual review of all District programs including a program-level needs assessment analysis. The Board approves the budget in June for the following fiscal year. The District is pleased to report that budget decisions made in the last few fiscal years have enabled the District to maintain healthy fund balances. The General Fund unassigned fund balance on June 30, 2014 was \$5,025,862. Total restricted governmental fund balances on June 30, 2014 were \$10,469,522, which includes \$1.2 million

General fund balance, \$1.9 million capital fund balance, \$534K Debt Service fund balance, \$5.4 million Building Reserve fund balance, and a \$1.2 million Food Services fund balance. The remainder of fund balances includes \$712K of Non-spendable fund balances, \$19.5 million in Committed fund balances and \$1.4 million in Assigned fund balances.

***State
Funding***

The 2014 state fiscal school finance program is designed to provide every Utah school district with a basic operation program of \$2,899 per weighted pupil unit (WPU) (up from \$2,842 in fiscal year 2013 year). The Weighted Pupil Unit (WPU), part of the Minimum School Program, is a measure of student enrollment based on a pro-rated amount of days in attendance per student.

LOCAL ECONOMY

***Utah
Economic
Conditions***

The economic outlook of the District is heavily dependent on state aid, providing 61.7% of General Fund revenues. As noted above, the WPU is provided based on student enrollment. Enrollment in fiscal year 2014 was 15,400. Projected enrollment for the FY15 and FY16 is 16,000 and 16,100, respectively. The state Uniform School Fund was constitutionally established in 1938 and is used to equitably allocate funding for statewide public education programs. Since 1947, all taxes based on income have been constitutionally required to be used for public education. In 1996, voters in Utah approved a constitutional change providing that these revenues could also be used for higher education. Additionally, a statewide property tax rate is levied to finance the Uniform School Fund and is applied against the taxable value of real and personal property.

The economic recession, which continues to impact Utah, has turned upward slightly. Utah's nonagricultural employment increased an estimated 3.5%, or 45,000 jobs, between June 2013 and June 2014. Nationally, employment increased 1.9% from June 2013 and June 2014

Utah's unemployment rate was 3.5% during June 2014, lower than the June 2013 unemployment rate of 3.6%. The national unemployment rate was 6.1% in June 2014.

Provo City is the county seat of Utah County, which has seen explosive growth in recent years. The 2010 U.S. Census indicated that Utah County's population had grown to 516,564. The state's population is projected to reach 3.7 million in 2020, 4.4 million in 2030, 5.2 million in 2040, 6.0 million in 2050, and 6.8 million in 2060.

Utah will continue to experience population growth at a rate higher than most states in 2014 on account of strong natural increase in addition to in-migration. Natural increase (births less deaths) is anticipated to add 39,100 people to Utah's population. While net in-migration has slowed since the peak of the economic expansion, Utah's net migration is projected to remain positive at 5,000 people. In addition, the percentage of Provo residents enrolled in the Provo School District trends relatively constant, as more residents elect to send their children to charter, private and on-line schools. Approximately 12 out of every 100 Provo residents is a student in the Provo School District.

RELEVANT FINANCIAL POLICIES

Budgetary Control

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

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

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

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

Capital Budget

A formal capital budget approval process is used which requires the Board of Education to authorize line item capital improvement projects greater than \$50,000 for the next fiscal year. The Board appropriated \$6.1 million for planned capital projects and improvements for Fiscal Year 2013-14.

Appropriations for capital projects and improvements for fiscal year 2013-14 were increased from 2012-13. Fiscal year 2014 had \$6.1 million budgeted, while fiscal year 2013 had \$4.6 million. Several remodeling projects were undertaken during the year, including the completion of the new Provo High athletic stadium and field, as well as several HVAC projects and a project to upgrade school security systems.

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 498 retirees receiving benefit coverage in addition to 197 present employees (and spouses) who have earned vested coverage upon retirement.

An actuarial study was completed in 2013, based on data as of July 1, 2012 that reflects an accrued liability of \$9,432,000 for the Medicare supplement and \$18,473,000 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 \$11,006,000 reflects an accrued liability for early retirement stipends. The annual recommended contribution (assuming 30 year amortization) was reported to be \$1,902,000. The District contributed \$3,253,059 for retiree benefits during fiscal year 2014. More detailed information can be found in Note 8 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, 2013. This was the eleventh consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

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

***Association
of School
Business
Officials***

The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the Year Ended June 30, 2013.

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 eleventh year the District has received the ASBO Certificate of Excellence.

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

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

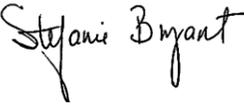
coordinating the annual audit. In addition, the entire business office staff's efforts throughout the year are dually appreciated.

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

Respectfully submitted,



Keith C. Rittel
Superintendent of Schools



Stefanie Bryant C.P.A.
Business Administrator



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Provo City School District
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



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

Provo City School District

For Its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2013

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



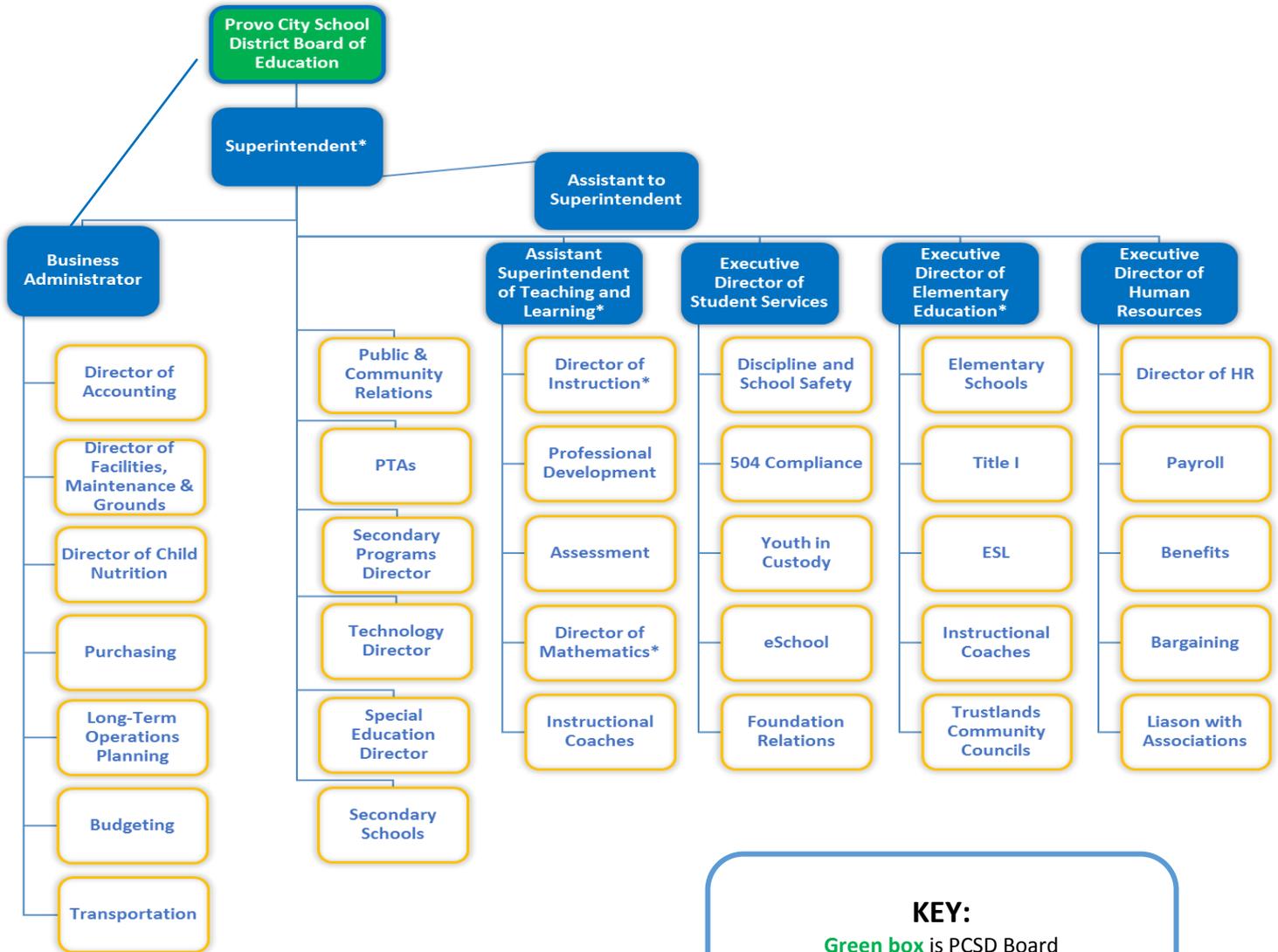
A handwritten signature in black ink, appearing to read 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

John D. Musso, CAE, RSBA
Executive Director

PROVO CITY SCHOOL DISTRICT
Organizational Chart
 For the Year Ended June 30, 2014



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

PROVO CITY SCHOOL DISTRICT
Elected and Administrative Positions
Year Ended June 30, 2014

Board of Education

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

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

McKay Jensen (Interim)
 Precinct 3
 Present Term: 2013 - 2014
 Initial Appointment: 2013

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

Julie Rash
 Precinct 5
 Present Term: 2013 - 2016
 Initial Appointment: 2013

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

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

District Administration

Keith Rittel
 Superintendent
 Initial Appointment: 2012

Stefanie Bryant, C.P.A.
 Business Administrator
 Initial Appointment: 2014

Ray Morgan
 Asst. Superintendent
 Curriculum

Melissa Frost
 Exec. Dir. of Human Resources

Sam Ray
 Director of Human Resources

Morgan Anderson
 Special Programs

Gary Wilson
 Exec. Dir. Student Services

Gaye Gibbs
 Title I Director

Jared Ferguson
 Career Technology Education

Devyn Dayley
 Director of Accounting

Jenilee McComb
 Director of Food Services

Mark Wheeler
 Facilities Director

Chad Duncan
 Technology Director

**Elementary
 School Administration**

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

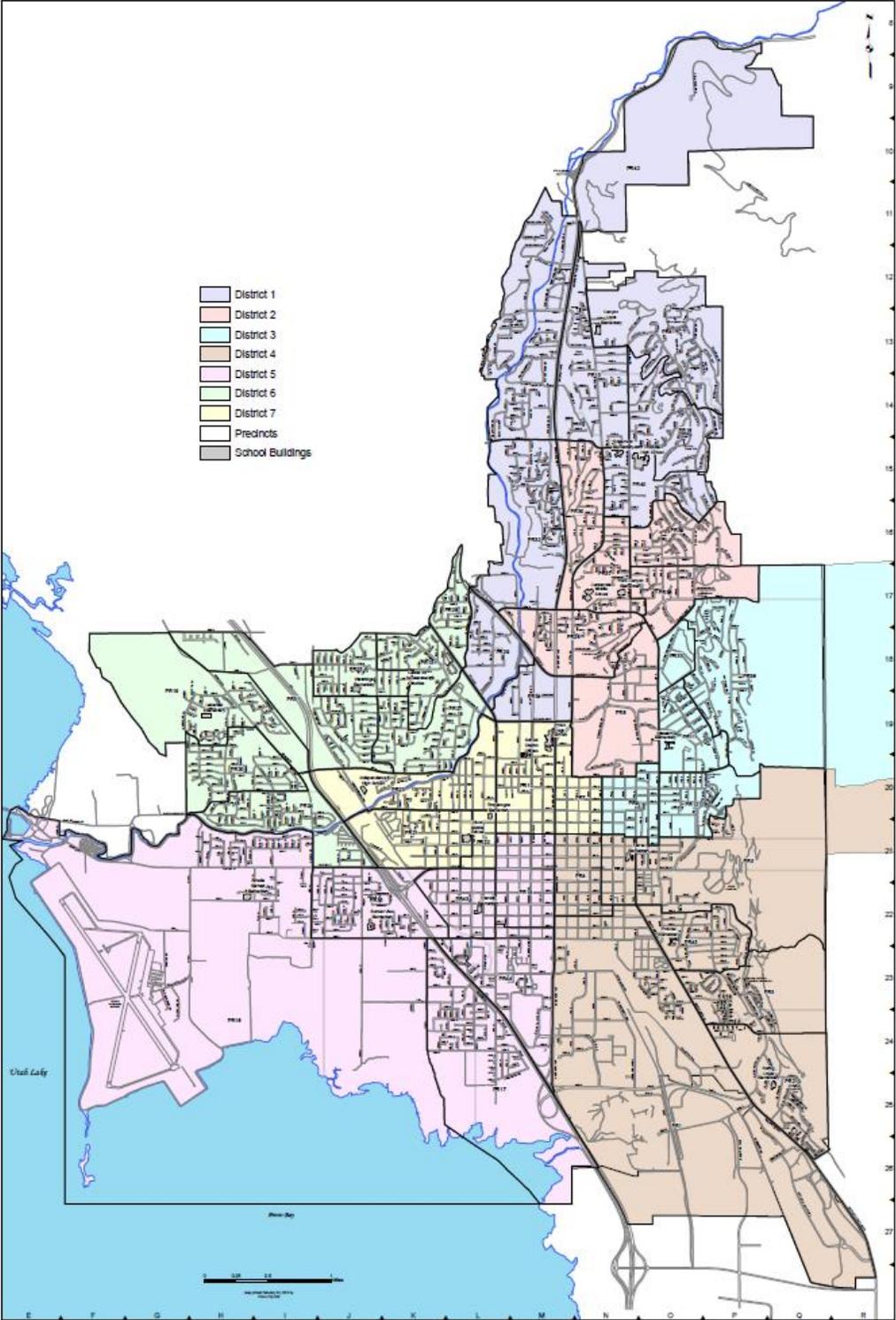
**Middle School
 Administration**

| | |
|------------|---------------|
| Centennial | Mitch Swenson |
| Dixon | Jarod Sites |

**High School
 Administration**

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

2013 Provo School Board Districts



(This page left blank intentionally)

FINANCIAL SECTION

(This page left blank intentionally)

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
801-296-0200
Fax 801-296-1218

E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, CPA
Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

*Members of the
American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

INDEPENDENT AUDITORS' REPORT

The Governing Body
Provo City School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District ("the District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Provo City School District, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21-31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2014 on our consideration of Provo City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

September 26, 2014

(This page left blank intentionally)

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, 2014. 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 remains stable. The following highlights are considered by the District to be significant factors in measuring the District's financial performance for the fiscal year ended June 30, 2014.

Government-Wide Net Position. The District's total assets exceeded liabilities by \$105.4 million at the close of fiscal year 2014.

Government-Wide Financial Progress (full-accrual basis of accounting): During the year, expenses were \$4.4 million less than the \$120.2 million generated in taxes and other revenues for governmental activities. The \$4.4 million increase in net assets is due primarily to increased state funding.

Governmental Fund Financial Progress (modified-accrual basis of accounting): During the year ended June 30, 2014 the combined fund balance decreased by \$647K. The slight fund balance decrease is due primarily to a planned spend down of funds in the Capital Projects fund.

The District's **General fund** makes up the largest portion of the overall total fund balance among all governmental funds at \$26.4 million. The General fund balance increased by \$1.9 million in fiscal year 2014. The increase is due primarily to an increase in state funding.

District Master Plan - All capital projects and maintenance efforts are part of a progressive 20 year building replacement plan. Capital improvements are funded through two major sources: the capital outlay tax levy and general obligation bonds.

The District completed a new elementary school, built with the QSCB bonds and building reserve funds. Qualified School Construction Bonds (QSCB) are part of the federal stimulus bill of 2009. The District was awarded \$6.4 million in QSCB funding in FY10 to help fund the construction of Provo Peaks Elementary. The remainder of the cost to rebuild the school was funded from the Capital Projects property tax levy.

During fiscal year 2014, district administration and the Board of Education, along with members of the community, began the process of preparing for a voter election to issue \$108 million in general obligation bonds to replace the most critical schools on the master plan.

Overview of the 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 Position* 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 29 to 30 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 Municipal Building Authority (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 36 to 40 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 41 to 62 of this report.

D. Other information

Combining and individual fund statements and schedules are presented immediately following the notes to the financial statements on pages 66 to 85 of this report. Additional financial and non-financial statistical data and trends are presented in the statistical section of the report.

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

A. Net Position - Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$105.4 million at the close of the most recent fiscal year.

Net position of the District's governmental activities increased 1.0% to \$105.4 million. However, net position is classified as either restricted as to the purposes they can be used for, or are invested in capital assets (land, buildings and improvements, equipment, etc.). Consequently, unrestricted net position (30.2% of total net position) is \$31.8 million at the end of this year.

The largest portion of the District's net position (58.4%) reflects its investment in capital assets (e.g., sites, buildings, equipment and vehicles net of accumulated depreciation), net of related long term debt used to acquire such assets (general obligation bonds payable less unspent bond proceeds). Capital assets are used to provide services to students, and are not available for future spending. It should be noted, that the resources needed to repay the related debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (11.4%) represents fund balances that are subject to external restrictions on how they may be used. The majority of restricted net position is for the Building Reserve fund.

| | Governmental activities | | |
|-----------------------------------|-------------------------|-----------------|------------------------|
| | 2014 | 2013 | Change from 2013 |
| Current and other assets | \$ 85.3 | \$ 85.4 | \$ (0.1) |
| Capital assets | 100.6 | 102.8 | (2.2) |
| Total assets | <u>185.9</u> | <u>188.2</u> | <u>(2.3)</u> |
| Other liabilities | 39.2 | 40.6 | (1.4) |
| Long-term liabilities outstanding | 41.1 | 46.6 | (5.5) |
| Total liabilities | <u>80.3</u> | <u>87.2</u> | <u>(6.9)</u> |
| Net Position: | | | |
| Net investment in capital assets | 61.6 | 56.7 | 4.9 |
| Restricted | 12.0 | 16.3 | (4.3) |
| Unrestricted | 31.8 | 27.9 | 3.9 |
| Total net position | <u>\$ 105.4</u> | <u>\$ 100.9</u> | <u>\$ 4.5</u> |

B. Changes in Net Position – Governmental Activities

The District's total net position increased by \$4.4 million during the current year. Unrestricted net position increased by \$3 million. Restricted net position decreased by \$4.3 million during the year ended June 30, 2014. The decrease in restricted net position is due primarily to the use of fund balances in response to the district's financial policy, which uses restricted fund balances first.

The District's total revenues for the year were \$120.2 million, which represents an increase of \$4.1 million over the prior year. Total federal and state aid comprise (specific to programs and unrestricted) 69% of the District's revenues; property taxes generated 27% of the District's revenues. Revenues from operating grants and contributions increased from the prior year by \$5.1 million, mostly due to an increase in state revenue.

As compared to the prior year, the total cost of all programs and services increased by \$3.0 million to \$115.7 million. Instruction and support services (including food services) were 66% and 28%, respectively, of the District's expenses. Increases in expenses were primarily due to planned spend down of fund balances for capital projects approved by the Board of Education.

Changes in federal and state aid are a reflection of changes in funding for specific programs and changes in student enrollment. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if

local taxes do not provide money equal to the guarantee it will make up the difference with state funding. The value of the WPU for the year ended June 30, 2014 was \$2,899 (\$2,842 for fiscal year 2013).

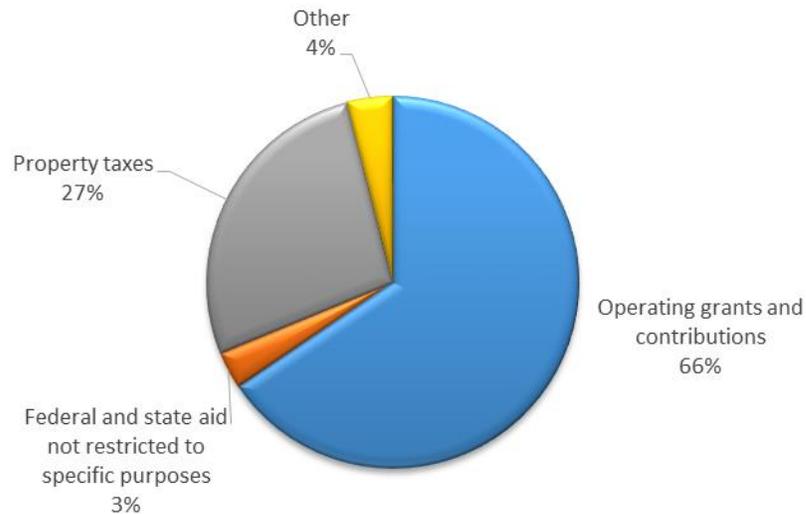
Provo City School District's Changes in Net Position

Years Ended June 30, 2014 and 2013

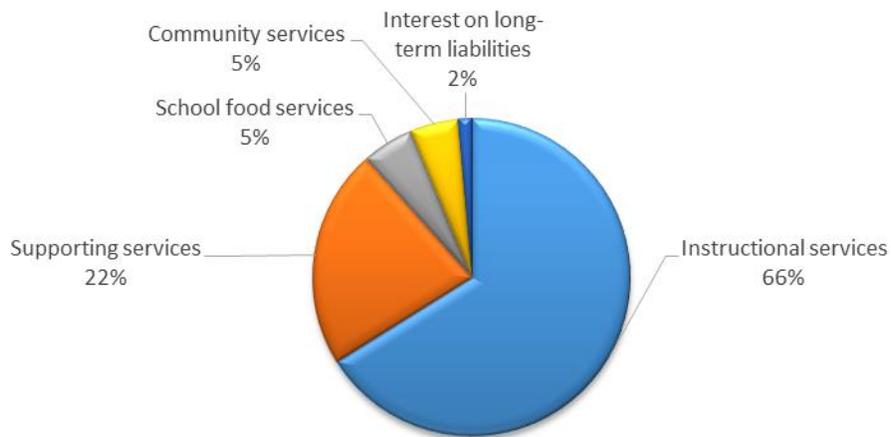
(in millions of dollars)

| | Governmental activities | | |
|--|-------------------------|------------------------|------------------------|
| | 2014 | 2013 | Change from 2013 |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for services | \$ 4.0 | \$ 6.2 | \$ (2.2) |
| Operating grants and contributions | 78.8 | 73.7 | 5.1 |
| General revenues: | | | |
| Property taxes | 32.7 | 31.7 | 1.0 |
| Federal and state aid not restricted to specific purposes | 3.9 | 3.8 | 0.1 |
| Earnings on investments | 0.3 | 0.3 | 0.0 |
| Miscellaneous | 0.4 | 0.3 | 0.1 |
| Total revenues | <u>120.2</u> | <u>116.0</u> | <u>4.2</u> |
| Expenses: | | | |
| Instructional services | 76.5 | 73.8 | 2.7 |
| Supporting services: | | | |
| Students | 4.0 | 3.8 | 0.2 |
| Instructional staff | 1.4 | 1.6 | (0.2) |
| District administration | 1.7 | 1.6 | 0.1 |
| School administration | 5.5 | 5.3 | 0.2 |
| Business | 5.0 | 3.0 | 2.0 |
| Operation and maintenance of facilities | 6.2 | 6.1 | 0.1 |
| Transportation | 2.0 | 2.6 | (0.6) |
| Other | 0.0 | 1.0 | (1.0) |
| School food services | 6.1 | 5.9 | 0.2 |
| Community services | 5.7 | 6.3 | (0.6) |
| Interest on long-term liabilities | 1.6 | 1.7 | (0.1) |
| Total expenses | <u>115.7</u> | <u>112.7</u> | <u>3.0</u> |
| Changes in net assets | <u>4.5</u> | <u>3.3</u> | <u>1.2</u> |
| Net position, beginning | <u>100.9</u> | <u>97.6</u> | <u>3.3</u> |
| Net position, ending | <u><u>\$ 105.4</u></u> | <u><u>\$ 100.9</u></u> | <u><u>\$ 4.5</u></u> |

Revenues by Source - Governmental Activities Year Ended June 30, 2014



Expenses by Function - Governmental Activities Year Ended June 30, 2014



Governmental Fund Financial Analysis (modified accrual basis of accounting)

A. Governmental funds

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

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

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

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

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

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

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

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

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

As the District completed the year, its governmental funds reported a combined fund balance of \$36.6 million, which is a \$647K decrease from the previous year. The primary reason for the decrease in fund balance mirror those highlighted in the analysis of governmental activities. In addition, the following changes should be noted:

- The District's *General* fund balance increased by \$1.9 million. This increase is due primarily to an increase in state revenue, along with conservative spending.
- The *Capital Projects* fund balance decreased by \$3.3 million. The primary reason for this change in fund balance is due to a transfer of \$1.9 million to the Municipal Building Authority to close out that fund and planned spending of fund balance on projects on the master plan.

- The District's *Municipal Building Authority* fund was established during FY10. This fund was closed out in FY14 with a transfer from the Capital Projects fund.
 - All other changes in fund balances are due to normal fluctuations in operational resources and property tax collections, and economic constraints.
- As compared to the prior year, expenditures for District purposes totaled \$120.6 million, an increase of \$4 million during the current fiscal year. The increase is primarily due to a planned spend-down of fund balance and increased operating costs.
- General fund salaries totaled \$52.3 million, virtually the same as in the previous year. Associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) totaled \$26 million as compared to \$24.8 million in the previous year. Associated benefits did not fluctuate comparatively to salaries due to annual post retirement benefit payments, an increase to the retirement rate and changes in medical costs.

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

Changes in local revenues are due to the following elements:

- *Property taxes:* Changes in property taxes are primarily due to changes in assessed property valuations, additions of new taxable properties, and collection rates.
- *Tuitions:* Tuitions represent charges to participants for ancillary programs such as truancy program fees, after school programs, preschool, the Center for High School Studies, recreation activities, and driver's education. Consequently, major changes in tuitions represents fluctuations in both program activity and services provided through these ancillary programs, and economic factors. These tuition revenues also represent fees charged to secondary school students for specific activities; secondary school fees are accounted for in the school activities fund.
- *Earnings on investments:* Changes in investment earnings are due to market fluctuations in interest rates and the current balance held in the investments.

- *Other revenue from local sources:* This classification represents collections for services rendered to other independent entities, fees for local services rendered, and other miscellaneous income sources including fund raising events in the School Activities fund.

- *Transportation fees, contributions and food services:* Changes are due to normal fluctuations in program level activities, and fluctuations due to economic factors.

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

| | 2014 | | 2013 |
|-----------------------------------|---------------|----|------------|
| Property taxes | \$ 32,444,766 | \$ | 32,428,761 |
| Tuitions | 214,857 | | 150,221 |
| Transportation fees | 211,936 | | 2,418,860 |
| Earnings on investments | 234,793 | | 306,619 |
| Food Services | 957,423 | | 945,021 |
| Other revenues from local sources | 7,981,544 | | 3,281,167 |
| Total | \$ 42,045,319 | \$ | 39,530,649 |

Budgetary Highlights

During the year, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1.2 million in total General fund revenues and an increase of \$2.1 million in General fund expenditures. The most significant budget changes may be summarized as follows:

- *Federal revenues:* Federal revenues increased \$230K. The increase is due to additional grant awards.
- *State revenues:* State revenues increased \$895K. The increase is due to increased enrollment.
- *Instructional services:* Instructional budget increased \$1.6 million. The increase is primarily due to an increase in purchased services, primarily due to contract services in conjunction with Provo’s eSchool.
- *Student Support Services:* Student Support Services budget increased \$321K. The increase is primarily due to a change in the reporting of the “Other” function.

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 have one major difference in state revenue. Due to turnover in the Finance Department towards the end of the year, revenue budgets were not adjusted to reflect the new state revenue totals.

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, 2014 and 2013 are outlined below:

| PROVO CITY SCHOOL DISTRICT Capital Assets (net of accumulated depreciation in millions of dollars) | | | | |
|---|-----------------|----|--------------|-----------------|
| | 2014 | | 2013 | Total Change |
| School sites (land) | \$ 6.2 | \$ | 6.2 | \$ - |
| Works of art | 0.4 | | 0.4 | - |
| Construction in progress | 1.1 | | 0.7 | 0.4 |
| Buildings | 87.4 | | 89.1 | (1.7) |
| Furniture & equipment | 5.5 | | 6.4 | (0.9) |
| | <u>100.6</u> | | <u>102.8</u> | <u>(2.2)</u> |
| Total | <u>\$ 100.6</u> | \$ | <u>102.8</u> | <u>\$ (2.2)</u> |

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

- Construction of the new Provo High Sports complex was completed in fiscal year 2014
- Various flooring and asphalt projects throughout the District
- Various HVAC upgrades through out the District to increase efficiency
- Significant school security upgrades were commenced in fiscal year 2014

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, 2014 is \$259.5 million. General obligation debt at June 30, 2014 is \$35 million, resulting in a legal debt margin of \$224.5 million.

PROVO CITY SCHOOL DISTRICT
Outstanding General Obligation Debt

| | 2014 | 2013 | Total Change |
|-----------------------|---------|---------|-----------------|
| Outstanding G.O. Debt | \$ 35.0 | \$ 39.9 | \$ (4.9) |

Additional information regarding the District’s debt can be found in Note 6 to the basic financial statements.

Request for Information

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

(This page left blank intentionally)

BASIC FINANCIAL STATEMENTS

Financial Section

PROVO CITY SCHOOL DISTRICT
Statement of Net Position
June 30, 2014

| | Primary Government | Component Unit Provo School District Foundation |
|---|----------------------------|--|
| | Governmental Activities | |
| Assets: | | |
| Cash and investments | \$ 42,961,335 | 990,029 |
| Receivables: | | |
| Property taxes | 30,254,563 | - |
| Other local, less allowance for doubtful accounts of \$158,532 | 528,566 | - |
| State | 908,619 | - |
| Federal | 2,879,066 | - |
| Note receivable | 169,634 | - |
| Prepaid expenses | 430,845 | - |
| Inventories | 100,912 | - |
| Net other post employment benefits | 7,091,705 | - |
| Capital assets: | | |
| Land, construction in progress, and works of art | 7,727,475 | - |
| Buildings and equipment, net accumulated depreciation | 92,833,005 | - |
| Total assets | 185,885,725 | 990,029 |
| Deferred Outflows of Resources: | | |
| Deferred loss on refunding | 387,432 | - |
| Liabilities: | | |
| Accounts payable | 926,131 | 267,307 |
| Accrued interest payable | 58,021 | - |
| Payroll and related payables | 9,741,907 | - |
| Unearned revenue: | | |
| Other local | 181,339 | - |
| Federal | 718,477 | - |
| Noncurrent liabilities: | | |
| Portion due or payable within one year | 5,774,253 | - |
| Portion due or payable after one year | 35,741,928 | - |
| Total liabilities | 53,142,056 | 267,307 |
| Deferred Inflows of Resources: | | |
| Deferred property tax revenue | 27,760,912 | - |
| Net Position: | | |
| Net investment in capital assets | 61,596,204 | - |
| Restricted for: | | |
| Debt service | 533,835 | - |
| Capital projects | 1,888,781 | - |
| Non-K-12 instruction | 273,857 | - |
| Student activities | 1,397,081 | - |
| Building reserve | 5,372,240 | - |
| School food services | 1,297,510 | - |
| Provo School District Foundation | - | 722,722 |
| Other purposes | 1,209,061 | - |
| Unrestricted | 31,801,620 | - |
| Total net position | \$ 105,370,189 | \$ 722,722 |

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

PROVO CITY SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2014

| Functions | Expenses | Program Revenues | | Net Revenues (Expenses) and Changes in net position | |
|--|-----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Primary | |
| | | | | Government Total Governmental Activities | Component Unit Provo School District Foundation |
| Governmental activities: | | | | | |
| Instructional services | \$ 76,515,349 | \$ 2,714,559 | \$ 62,347,449 | \$ (11,453,341) | \$ - |
| Supporting services: | | | | | |
| Students | 4,020,840 | 321,214 | 931,379 | (2,768,247) | - |
| Instructional staff | 1,405,164 | - | 2,023,938 | 618,774 | - |
| District administration | 1,671,347 | - | - | (1,671,347) | - |
| School administration | 5,503,377 | - | 3,478,936 | (2,024,441) | - |
| Business | 4,997,337 | - | - | (4,997,337) | - |
| Operation and maintenance of facilities | 6,191,211 | - | 108,195 | (6,083,016) | - |
| Transportation | 2,005,850 | 43,166 | 990,225 | (972,459) | - |
| Other | 21,617 | - | - | (21,617) | - |
| School food services | 6,115,057 | 957,423 | 4,393,239 | (764,395) | - |
| Community services | 5,705,292 | - | 4,564,121 | (1,141,171) | - |
| Interest on long-term liabilities | 1,563,458 | - | - | (1,563,458) | - |
| Total school district | <u>\$ 115,715,899</u> | <u>\$ 4,036,362</u> | <u>\$ 78,837,482</u> | <u>(32,842,055)</u> | <u>-</u> |
| Component unit: | | | | | |
| Provo School District Foundation | | | | | |
| Instructional services | \$ 392,649 | \$ - | 369,414 | \$ - | \$ (23,235) |
| Total component unit | <u>\$ 392,649</u> | <u>\$ -</u> | <u>\$ 369,414</u> | <u>-</u> | <u>(23,235)</u> |
| General Revenues: | | | | | |
| Property taxes levied for: | | | | | |
| Basic state supported program for regular K-12 instruction | | | | 7,620,360 | - |
| Voted leeway for regular K-12 instruction | | | | 5,858,349 | - |
| Board leeway and Board local leeway | | | | 6,840,749 | - |
| Debt service of general obligation bonds | | | | 6,218,864 | - |
| Capital outlay for buildings and other capital needs | | | | 6,133,242 | - |
| Federal and state aid not restricted to specific purposes | | | | 3,942,631 | - |
| Earnings on investments | | | | 234,793 | 4,290 |
| Gain on sale of assets | | | | 23,970 | - |
| Miscellaneous | | | | 418,483 | - |
| Total general revenues | | | | <u>37,291,441</u> | <u>4,290</u> |
| Changes in net position | | | | 4,449,387 | (18,944) |
| Net position - beginning | | | | <u>100,920,802</u> | <u>741,666</u> |
| Net position - ending | | | | <u>\$ 105,370,189</u> | <u>\$ 722,722</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, 2014

| | Major Funds | | | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|--------------------------|--------------------------------|--------------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | | |
| Assets: | | | | | |
| Cash and investments | \$ 32,711,243 | \$ 413,700 | \$ 1,953,523 | \$ 7,882,869 | \$ 42,961,335 |
| Receivables: | | | | | |
| Property tax | 21,950,957 | 5,915,236 | 2,388,370 | - | 30,254,563 |
| Other local | 403,669 | - | - | 124,897 | 528,566 |
| State | 552,609 | - | - | 356,010 | 908,619 |
| Federal | 2,814,472 | - | - | 64,594 | 2,879,066 |
| Due from other funds | 232,382 | - | - | - | 232,382 |
| Note receivable | 169,634 | - | - | - | 169,634 |
| Prepaid items | 428,140 | - | 2,705 | - | 430,845 |
| Inventories | 9,557 | - | - | 91,355 | 100,912 |
| Total assets | \$ 59,272,663 | \$ 6,328,936 | \$ 4,344,598 | \$ 8,519,725 | \$ 78,465,922 |
| Liabilities, deferred inflows of resources, and fund balance: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 510,167 | \$ - | \$ 171,157 | \$ 244,807 | \$ 926,131 |
| Payroll and related payables | 9,534,057 | - | - | 207,850 | 9,741,907 |
| Due to other funds | - | - | - | 232,382 | 232,382 |
| Unearned revenue: | | | | | |
| Other local | 181,339 | - | - | - | 181,339 |
| Federal | 718,477 | - | - | - | 718,477 |
| Total liabilities | 10,944,040 | - | 171,157 | 685,039 | 11,800,236 |
| Deferred Inflows of Resources: | | | | | |
| Deferred property tax revenue | 21,944,388 | 5,795,101 | 2,284,660 | - | 30,024,149 |
| Fund balance: | | | | | |
| Nonspendable: | | | | | |
| Inventories and prepaid items | 437,288 | - | - | 91,355 | 528,643 |
| Long-term portion, note receivable | 169,378 | - | - | - | 169,378 |
| Restricted For: | | | | | |
| Non K-12 Instruction | - | - | - | 273,857 | 273,857 |
| Building Reserve | - | - | - | 5,372,240 | 5,372,240 |
| School Food Services | - | - | - | 1,206,155 | 1,206,155 |
| Capital Projects | - | - | 1,888,781 | - | 1,888,781 |
| Debt Service | - | 533,835 | - | - | 533,835 |
| Other Purposes | 1,209,061 | - | - | - | 1,209,061 |
| Committed To: | | | | | |
| OPEB | 14,198,244 | - | - | - | 14,198,244 |
| Board voted contingency | 5,344,402 | - | - | - | 5,344,402 |
| Assigned To: | | | | | |
| Schools | - | - | - | 1,397,081 | 1,397,081 |
| Unassigned | 5,025,862 | - | - | (506,002) | 4,519,860 |
| Total fund balance | 26,384,235 | 533,835 | 1,888,781 | 7,834,686 | 36,641,537 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 59,272,663 | \$ 6,328,936 | \$ 4,344,598 | \$ 8,519,725 | \$ 78,465,922 |

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 Position
June 30, 2014

Total fund balances for governmental funds \$ 36,641,537

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

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

| | | |
|-------------------------------|--------------|-------------|
| Land | \$ 6,228,328 | |
| Construction in progress | 1,142,997 | |
| Works of art | 356,150 | |
| Buildings and improvements | 150,239,471 | |
| Furniture and equipment | 26,055,736 | |
| Accumulated depreciation for: | | |
| Buildings and improvements | (62,883,083) | |
| Furniture and equipment | (20,579,119) | |
| | 100,560,480 | 100,560,480 |

Net OPEB asset is not reported in the governmental funds. This amount represents accumulated plan contributions in excess of annual OPEB costs. 7,091,705

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds. 2,263,237

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (58,021)

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 | \$ (35,006,000) | |
| Deferred amounts for issuance premium/discount | (158,237) | |
| Deferred amount on refunding | 387,432 | |
| Lease revenue bonds | (5,542,000) | |
| Obligations under capital leases | (41,690) | |
| Notes payable | (236,953) | |
| Vacation payable | (531,301) | |
| | (41,128,749) | (41,128,749) |

Total net position of governmental activities \$ 105,370,189

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, 2014

| | Major Funds | | | Other Governmental Funds | Total Governmental Funds |
|---|-------------------|-------------------|-----------------------|--------------------------|--------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 20,657,597 | \$ 6,200,120 | \$ 5,587,049 | \$ - | \$ 32,444,766 |
| Food service sales | - | - | - | 957,423 | 957,423 |
| Interest | 229,480 | - | - | 5,313 | 234,793 |
| Other local | 4,015,725 | - | 108,195 | 4,288,417 | 8,412,337 |
| State | 59,502,309 | - | - | 2,109,865 | 61,612,174 |
| Federal | 11,992,367 | - | - | 4,260,657 | 16,253,024 |
| Total revenues | 96,397,478 | 6,200,120 | 5,695,244 | 11,621,675 | 119,914,517 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instructional services | 67,743,515 | - | - | 3,759,690 | 71,503,205 |
| Supporting services: | | | | | |
| Students | 3,804,067 | - | - | - | 3,804,067 |
| Instructional staff | 1,405,164 | - | - | - | 1,405,164 |
| District administration | 1,595,972 | - | - | - | 1,595,972 |
| School administration | 5,429,688 | - | - | - | 5,429,688 |
| Business | 4,984,781 | - | - | - | 4,984,781 |
| Operations and maintenance of facilities | 5,137,464 | - | 643,795 | - | 5,781,259 |
| Transportation | 2,005,641 | - | - | - | 2,005,641 |
| Other | 21,617 | - | - | - | 21,617 |
| School food services | - | - | - | 5,686,209 | 5,686,209 |
| Community services | 2,372,925 | - | - | 3,170,242 | 5,543,167 |
| Capital outlay | - | - | 5,904,104 | - | 5,904,104 |
| Debt service: | | | | | |
| Principal retirement | - | 4,941,000 | 486,727 | - | 5,427,727 |
| Interest and fiscal charges | - | 1,413,035 | 79,474 | - | 1,492,509 |
| Total expenditures | 94,500,834 | 6,354,035 | 7,114,100 | 12,616,141 | 120,585,110 |
| Excess (deficiency) of revenues over (under) expenditures | 1,896,644 | (153,915) | (1,418,856) | (994,466) | (670,593) |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | 23,950 | - | - | 20 | 23,970 |
| Transfers in (out) | - | - | (1,945,433) | 1,945,433 | - |
| Total other financing sources (uses) | 23,950 | - | (1,945,433) | 1,945,453 | 23,970 |
| Net change in fund balance | 1,920,594 | (153,915) | (3,364,289) | 950,987 | (646,623) |
| Fund balance - beginning | 24,463,641 | 687,750 | 5,253,070 | 6,883,699 | 37,288,160 |
| Fund balance - ending | \$ 26,384,235 | \$ 533,835 | \$ 1,888,781 | \$ 7,834,686 | \$ 36,641,537 |

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 Balance of
Governmental Funds To the Statement of Activities
Year Ended June 30, 2014

Net change in fund balance - total governmental funds \$ (646,623)

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

| | | |
|---------------------------------------|--------------------|-------------|
| Capital outlays | \$ 5,148,951 | |
| Depreciation expense - capital assets | <u>(7,384,641)</u> | (2,235,690) |

The governmental funds report OPEB contributions as expenditures when paid. However, in the statement of activities, the difference between OPEB plan contributions and OPEB costs for the year is expensed. 1,672,000

Property tax revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements. 226,798

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 | 5,401,000 | |
| Bond interest expense | 5,542 | |
| Amortization of deferred amounts, net | (221,781) | |
| Amortization of bond premium | <u>145,290</u> | 5,330,051 |

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 on note/lease payable | <u>26,727</u> | 26,727 |
|--|---------------|--------|

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

| | | |
|---|--|---------------|
| Vacation payable (compensated absences) | | <u>76,123</u> |
|---|--|---------------|

Change in net position of governmental activities \$ 4,449,387

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 Balance
Budget and Actual – General Fund
Year Ended June 30, 2014

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Postive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Local sources: | | | | |
| Property taxes | \$ 20,842,000 | \$ 20,842,000 | \$ 20,657,597 | \$ (184,403) |
| Contributions | 250,000 | 250,000 | - | (250,000) |
| Interest | 340,185 | 340,185 | 229,480 | (110,705) |
| Other local | 3,929,596 | 4,034,378 | 4,015,725 | (18,653) |
| State | 55,452,407 | 56,346,933 | 59,502,309 | 3,155,376 |
| Federal | 11,840,856 | 12,071,133 | 11,992,367 | (78,766) |
| Total revenues | 92,655,044 | 93,884,629 | 96,397,478 | 2,512,849 |
| Expenditures: | | | | |
| Current: | | | | |
| Instructional services | 66,660,298 | 68,253,058 | 67,743,515 | 509,543 |
| Supporting services: | | | | |
| Students | 3,566,205 | 3,887,686 | 3,804,067 | 83,619 |
| Instructional staff | 1,748,528 | 1,804,423 | 1,405,164 | 399,259 |
| District administration | 1,685,135 | 1,699,495 | 1,595,972 | 103,523 |
| School administration | 5,591,897 | 5,656,346 | 5,429,688 | 226,658 |
| Business | 3,087,701 | 4,134,787 | 4,984,781 | (849,994) |
| Operations and maintenance of facilities | 5,087,013 | 5,002,492 | 5,137,464 | (134,972) |
| Transportation | 2,044,969 | 2,052,092 | 2,005,641 | 46,451 |
| Other | 933,132 | - | 21,617 | (21,617) |
| Community services | 3,266,408 | 3,266,408 | 2,372,925 | 893,483 |
| Total expenditures | 93,671,286 | 95,756,787 | 94,500,834 | 1,255,953 |
| Excess (deficiency) of revenues over (under) expenditures | (1,016,242) | (1,872,158) | 1,896,644 | 3,768,802 |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 25,000 | 29,200 | 23,950 | (5,250) |
| Total other financing sources (uses) | 25,000 | 29,200 | 23,950 | (5,250) |
| Net change in fund balance | (991,242) | (1,842,958) | 1,920,594 | 3,763,552 |
| Fund balance - beginning | 24,463,641 | 24,463,641 | 24,463,641 | |
| Fund balance - ending | \$ 23,472,399 | \$ 22,620,683 | \$ 26,384,235 | \$ 3,763,552 |

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The Provo School District Foundation for Excellence. The foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible contributions to the District. The Foundation serves the District almost entirely, and the District has a significant influence upon the financial operations of the Foundation and is able to access the economic resources held by the Foundation. The Foundation is considered a discrete component unit. Separate financial statements for the Foundation can be obtained by contacting the Provo City School District Business Office, 280 West 940 North, Provo, Utah, 84604.

Provo City School District Municipal Building Authority (MBA). Use of the MBA was authorized in FY10 for the purpose of issuing lease revenue bonds. MBA accounts and transactions are recorded in the Municipal Building Authority Fund, a non-major fund included in the non-major governmental funds of the District. The MBA will receive lease revenue from the Capital Projects Fund (a major fund of the District). The lease revenue will be used to make the bond payments. See note 6 regarding details of the bond issuance and payment schedule. Financial information specific to the MBA may be obtained from the office of the Business Administrator of the District. This fund was closed as of June 30, 2014.

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:

- *Non-K-12 Instruction Fund*- to account for preschool, adult education and other non K-12 programs.
- *Student Activities Fund* – used to account for the receipt and disbursement of monies of student activity organizations and other custodial type transactions within the schools.
- *School Food Services Fund* - to account for preparation and serving of school lunches and breakfasts.
- *Building Reserve Fund*- to account for funds designated by the Board for new buildings or remodels.
- *Municipal Building Authority Fund* - accounts for resources accumulated and payments made related to the lease revenue bonds, including costs of construction on the bond projects, and bond interest payments. This fund was closed as of June 30, 2014.
- *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. This fund was closed as of June 30, 2014.

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.

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

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 policy to use restricted resources first, then unrestricted resources, as they are needed.

E. Budgets and Budgetary Accounting

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

- During June of each year, the District Business Administrator submits to the Board a proposed operating budget for the next fiscal year commencing July 1. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30.
- Copies of the proposed budget are made available for public inspection before the Board hearing in which the Board adopts the proposed budget.
- If the District does not require a truth in taxation hearing, a public hearing is held prior to June 22, at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the

District does require truth in taxation, the budget is adopted in August when data is available to set 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, 2014, have been included in the final budget approved by the Board, as presented in the financial statements.

- Expenditures may not legally exceed budgeted appropriations at the fund level.

F. Deposits and Investments

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

G. Cash and Cash Equivalents

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

H. Receivables and Payables

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

I. Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial cost of \$10,000 or more, or a "basket purchase" cost of more than \$20,000 for land, furniture, equipment, buildings and improvements, and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

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

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

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

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

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

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

K. 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.

K. Comparative Data

Comparative data for the prior year is presented in certain sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

L. 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.

M. Fund Balance

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

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

Restricted - includes fund balance amounts subject to external constraints that have been placed on the use of the resources imposed by either: a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

balances include unspent tax revenues for specific purposes (non K-12 instruction, building reserve, capital projects, debt service and other purposes), remaining child nutrition funds, and donations held in the Provo City School District Foundation.

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

The following fund balance amounts have been committed by the Board of Education:

- OPEB
- Contractual obligations
- Board voted contingency

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

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

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

N. Inventories

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

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

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

O. 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.

P. 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.

Q. 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 an independent entity. 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. This fund was closed as of June 30, 2014.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2014, as shown on the financial statements is as follows:

| | Primary Government | Component Unit |
|------------------------------------|-----------------------|-------------------|
| Carrying amount of deposits | \$ (3,110,116) | \$ 357,636 |
| Carrying amount of investments: | | |
| Public Treasurers' Investment Fund | 42,873,759 | 632,393 |
| Repurchase Agreement | 3,197,693 | - |
| Total investments | 46,071,452 | 632,393 |
| Total cash and investments | \$ 42,961,336 | \$ 990,029 |

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.

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

As of June 30, 2014, 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 | \$ (4,063,410) | \$ 45,669 | \$ 45,669 |
| Student Activities | 953,294 | 972,211 | 972,211 |
| Total primary government | <u>\$ (3,110,116)</u> | <u>\$ 1,017,880</u> | <u>\$ 1,017,880</u> |
| Component unit: | | | |
| Provo School District Foundation | <u>\$ 357,636</u> | <u>\$ 360,599</u> | <u>\$ 250,000</u> |

ix

Investments

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

As of June 30, 2014, the District had the following investments:

| Investment | Original Maturities | Fair Value |
|--|------------------------|----------------------|
| Utah Public Treasurers' Investment Fund (PTIF) | | |
| Primary government: | | |
| Other funds | less than 1 year | \$ 42,290,593 |
| Student Activities fund | less than 1 year | <u>583,166</u> |
| Total primary government | | 42,873,759 |
| Component unit: | | |
| Provo School District Foundation | less than 1 year | <u>632,393</u> |
| Total Utah PTIF | | 43,506,152 |
| Repurchase Agreement (primary government) | less than 1 year | <u>3,197,693</u> |
| | | <u>\$ 46,703,845</u> |

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

Investments - Credit Risk - The District follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) in handling its depository and investing transactions. District

funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The 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 \$3,197,693 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

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

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, 2013, the District had accrued a property tax receivable on the government-wide financial statements of \$30,089,876. This accrual includes calendar year 2013 property taxes of \$27,408,178 levied for the year ended June 30, 2013 due to be collected by November 30, 2013, plus \$2,036,439 of delinquent property taxes receivable for taxes assessed prior to 2013 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, 2014 the following interfund balances exist:

| | General Fund | Non-K12 Fund |
|----------------------|-------------------|-------------------|
| Due from other funds | \$ 232,382 | \$ - |
| Due to other funds | - | 232,382 |
| | <u>\$ 232,382</u> | <u>\$ 232,382</u> |

During the year ended June 30, 2014, the District made transfers between funds. The District transferred \$1,945,433 from Capital Projects fund to the Municipal Building Authority fund. The transfer was done to close the Municipal Building Authority fund.

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|-----------------------|-----------------------|---------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,228,328 | \$ - | \$ - | \$ 6,228,328 |
| Construction in progress | 717,012 | 1,057,682 | (631,697) | 1,142,997 |
| Works of art | 356,150 | - | - | 356,150 |
| Total capital assets, being not being depreciated | <u>7,301,490</u> | <u>1,057,682</u> | <u>(631,697)</u> | <u>7,727,475</u> |
| Capital assets, being depreciated : | | | | |
| Buildings and improvements | 146,647,509 | 3,591,962 | - | 150,239,471 |
| Furniture and equipment | 24,924,732 | 1,131,004 | - | 26,055,736 |
| Total capital assets, being depreciated | <u>171,572,241</u> | <u>4,722,966</u> | <u>-</u> | <u>176,295,207</u> |
| Accumulated depreciation for: | | | | |
| Buildings and improvements | (57,591,103) | (5,291,980) | - | (62,883,083) |
| Furniture and equipment | (18,486,458) | (2,092,661) | - | (20,579,119) |
| Total accumulated depreciation | <u>(76,077,561)</u> | <u>(7,384,641)</u> | <u>-</u> | <u>(83,462,202)</u> |
| Total capital assets, being depreciated, net | <u>95,494,680</u> | <u>(2,661,675)</u> | <u>-</u> | <u>92,833,005</u> |
| Governmental activity capital assets, net | <u>\$ 102,796,170</u> | <u>\$ (1,603,993)</u> | <u>\$ (631,697)</u> | <u>\$ 100,560,480</u> |

For the year ended June 30, 2014, depreciation expense was charged to functions of the District as follows:

| | Buildings and improvements | Furniture and equipment | Total |
|---|-------------------------------|----------------------------|---------------------|
| Governmental activities: | | | |
| Instructional services | \$ 4,480,192 | \$ 1,524,922 | \$ 6,005,114 |
| Supporting services: | | | |
| Students | 216,773 | - | 216,773 |
| District administration | 75,375 | - | 75,375 |
| School administration | 73,689 | - | 73,689 |
| Business | - | 12,556 | 12,556 |
| Operation and maintenance of facilities | - | 409,952 | 409,952 |
| Transportation | - | 209 | 209 |
| School food services | 295,127 | 133,721 | 428,848 |
| Community services | 150,824 | 11,301 | 162,125 |
| Total depreciation expense, governmental activities | <u>\$ 5,291,980</u> | <u>\$ 2,092,661</u> | <u>\$ 7,384,641</u> |

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

6. LONG-TERM OBLIGATIONS

A. Changes in Long-term Obligations

Long-term liability activity for the year ended June 30, 2014 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------|------------------|-----------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| General obligation bonds payable: | | | | | |
| General obligation bonds | \$ 39,947,000 | \$ - | \$ (4,941,000) | \$ 35,006,000 | \$ 5,181,000 |
| Lease revenue bonds | 6,002,000 | - | (460,000) | 5,542,000 | 460,000 |
| Deferred amounts for issuance premium/discount | 303,527 | - | (145,290) | 158,237 | - |
| Total general obligation bonds payable, net | <u>46,252,527</u> | <u>-</u> | <u>(5,546,290)</u> | <u>40,706,237</u> | <u>5,641,000</u> |
| Other long-term liabilities: | | | | | |
| Notes payable | 255,599 | - | (18,645) | 236,954 | 19,259 |
| Obligations under capital leases | 49,772 | - | (8,506) | 41,266 | 7,734 |
| Vacation payable | 607,423 | 50,419 | (151,098) | 506,744 | 106,260 |
| Total governmental activity long-term liabilities | <u>\$ 47,165,321</u> | <u>\$ 50,419</u> | <u>\$ (5,724,539)</u> | <u>\$ 41,491,201</u> | <u>\$ 5,774,253</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, 2014 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt service fund:

| Series | Purpose | Original Amount | Interest Rate Range | Final Maturity | Current Balance |
|-----------------------------------|-----------------|----------------------|------------------------|----------------|----------------------|
| 2007A Series G.O. Refunding Bonds | Bond Refunding | \$ 8,220,000 | 3.807% | June 15, 2015 | \$ 726,000 |
| 2012 Series G.O. Refunding Bonds | Bond Refunding | 9,045,000 | .056% to 1.29% | June 15, 2017 | 8,555,000 |
| 2006 Series G.O. Bonds | School Building | 9,400,000 | 4.00% | June 15, 2026 | 6,425,000 |
| 2007B Series G.O. Bonds | School Building | 25,600,000 | 4.00% to 4.50% | June 15, 2027 | 19,300,000 |
| | | <u>\$ 52,265,000</u> | | | <u>\$ 35,006,000</u> |

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

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

| Year Ending June 30, | Principal | Interest | Total (Debt Service Fund) |
|----------------------|----------------------|---------------------|---------------------------|
| 2015 | \$ 5,181,000 | \$ 1,200,285 | \$ 6,381,285 |
| 2016 | 5,375,000 | 1,083,438 | 6,458,438 |
| 2017 | 3,650,000 | 975,718 | 4,625,718 |
| 2018 | 1,750,000 | 882,563 | 2,632,563 |
| 2019 | 1,850,000 | 812,563 | 2,662,563 |
| 2020 - 2024 | 10,525,000 | 2,779,188 | 13,304,188 |
| 2025 - 2027 | 6,675,000 | 542,375 | 7,217,375 |
| | <u>\$ 35,006,000</u> | <u>\$ 8,276,130</u> | <u>\$ 43,282,130</u> |

C. Lease Revenue Bonds (Qualified School Construction Bonds)

During fiscal year 2010 the District was awarded \$6,462,000 in Qualified School Construction Bonds (QSCB). These bonds are part of the 2009 federal stimulus bill. The bonds were issued via the Municipal Building Authority to rebuild Farrer Elementary. The bonds carry an interest rate of 1.23% and mature in 2026. Lease revenue bonds payable at June 30, 2014 are as follows:

| Year Ending June 30, | Principal | Interest | Total (MBA Fund) |
|----------------------|---------------------|-------------------|---------------------|
| 2015 | \$ 460,000 | \$ 68,167 | \$ 528,167 |
| 2016 | 460,000 | 62,509 | 522,509 |
| 2017 | 460,000 | 56,851 | 516,851 |
| 2018 | 460,000 | 51,193 | 511,193 |
| 2019 | 460,000 | 45,535 | 505,535 |
| 2020 - 2024 | 2,300,000 | 142,803 | 2,442,803 |
| 2025 - 2026 | 942,000 | 71,199 | 1,013,199 |
| | <u>\$ 5,542,000</u> | <u>\$ 498,257</u> | <u>\$ 6,040,257</u> |

D. Obligations Under Capital Lease

Endpoint Server - In fiscal year 2013, the District entered into a lease agreement for an endpoint server, in the amount of \$45,375.

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

Annual payments are typically financed through the District's general fund, and future minimum lease payments at June 30, 2014 are as follows:

| Year Ending June 30, | Principal | Interest | Total (General Fund) |
|----------------------|------------------|---|----------------------|
| 2015 | \$ 7,734 | \$ 1,541 | \$ 9,275 |
| 2016 | 7,985 | 1,090 | 9,075 |
| 2017 | 8,245 | 830 | 9,075 |
| 2018 | 8,513 | 562 | 9,075 |
| 2019 | 8,789 | 286 | 9,075 |
| | <u>\$ 41,266</u> | <u>\$ 4,309</u> | <u>\$ 45,575</u> |
| | | Total minimum lease payments | \$ 45,575 |
| | | Amount representing interest | <u>(4,309)</u> |
| | | Present value of minimum lease payments | <u>\$ 41,266</u> |

E. Note Payable

Utah State Office of Energy Development - In fiscal year 2013, the District entered into a note payable agreement in the amount of \$320,720, with an imputed interest rate of 3.25% and payable in quarterly installments of \$6,682, including interest, until maturity in January 2025.

Annual payments are typically financed through the District's general fund, and payments at June 30, 2014 are as follows:

| Year Ending June 30, | Principal | Interest | Total (General Fund) |
|----------------------|-------------------|------------------|----------------------|
| 2015 | \$ 19,259 | \$ 7,468 | \$ 26,727 |
| 2016 | 19,892 | 6,835 | 26,727 |
| 2017 | 20,547 | 6,180 | 26,727 |
| 2018 | 21,223 | 5,504 | 26,727 |
| 2019 | 21,921 | 4,806 | 26,727 |
| 2010 - 2024 | 120,910 | 12,725 | 133,635 |
| 2025 | 13,202 | 161 | 13,363 |
| | <u>\$ 236,954</u> | <u>\$ 43,679</u> | <u>\$ 280,633</u> |

F. 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 |
|------------------------------|----------------------|---------------------|----------------------|
| 2015 | \$ 5,667,993 | \$ 1,277,461 | \$ 6,945,454 |
| 2016 | 5,862,877 | 1,153,872 | 7,016,749 |
| 2017 | 4,138,792 | 1,039,579 | 5,178,371 |
| 2018 | 2,239,736 | 939,822 | 3,179,558 |
| 2019 | 2,340,710 | 863,190 | 3,203,900 |
| 2020 - 2024 | 12,945,910 | 2,934,716 | 15,880,626 |
| 2025 - 2027 | 7,630,202 | 613,735 | 8,243,937 |
| | <u>\$ 40,826,220</u> | <u>\$ 8,822,375</u> | <u>\$ 49,648,595</u> |
| Less: Deferred amounts, net: | 158,237 | | |
| Compensated absences: | <u>506,744</u> | | |
| | <u>\$ 41,491,201</u> | | |

7. RETIREMENT PLANS

A. Defined Benefit Plan

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

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor.

The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy. Tier One plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 20.46% of annual covered salary. Tier Two plan members do not have a required contribution, and the District contributes 18.34% of annual covered salary. For employees participating in the State and School Non-contributory System, the District contributes 21.97% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

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, 2014, 2013, and 2012 were \$792,324, \$618,807, and \$316,598, respectively, and for the Non-contributory Retirement System the contributions for June 30, 2014, 2013, and 2012 were \$9,403,843, \$8,865,887, and \$7,450,014, 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, 2014, 2013, and 2012 were \$955,452, \$923,328, and \$840,850, respectively.

The employee contributions for years ended June 30, 2014, 2013, and 2012 were \$735,265, \$801,303, and \$725,975, 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 \$68,064 for the year ended June 30, 2014. 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 has a minimum of 12 years of service in the District who retires under provisions of the Utah State Employee's Retirement Act. Those qualifying under this program, who choose to retire early, may receive a salary benefit for up to five years and a health and accident benefit up to eight years. Benefits vary based upon years of service, position on salary schedule, and employee classification as follows:

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

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

The District also provides a life-time Medicare supplemental insurance benefit for retired employees who have completed at least 20 years of service as of January 1, 2005; the plan also provides coverage for spouses of employees who have completed 30 years of service by January 1, 2005. There are approximately 498 retirees receiving benefit coverage in addition to 269 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 2014, 2013, and 2012 were \$3,253,059, \$3,163,992, and \$3,289,051, respectively.

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

PROVO CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2014

The following table shows the components of the District’s annual OPEB cost for the year, the amount contributed for the year, and changes in the District’s net OPEB asset of the plan year:

| | |
|---------------------------------|----------------------------|
| Normal cost | \$ 1,902,000 |
| Amortization | <u>(27,000)</u> |
| Annual pension cost | 1,875,000 |
| Contributions made (estimated) | <u>3,547,000</u> |
| Increase in net OPEB asset | 1,672,000 |
| Net OPEB asset at July 1, 2013 | <u>5,419,705</u> |
| Net OPEB asset at June 30, 2014 | <u><u>\$ 7,091,705</u></u> |

Net OPEB asset at July 1, 2012 was \$3,903,705. The percentage of annual OPEB cost contributed was 189%, 181%, and 138% at June 30, 2014, 2013, and 2012, respectively.

Funded Status and Funding Progress The actuarial accrued liability of the District’s post-employment benefit plan as of July 1, 2012 and July 1, 2010 is \$36,739,000, and \$43,337,000, respectively. All of which is unfunded. July 1, 2012 is the most recent actuarial valuation date. The covered payroll (annual payroll of active employees) at June 30, 2014 and 2013 is \$10,686,150 and \$13,106,000, respectively. The ratio of the unfunded actuarial accrued liability to the covered payroll was 344% for fiscal year 2014 and 280% for fiscal year 2013.

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, 2012 actuarial valuation, the projected unit credit with benefits attributed from the date of hire to expected retirement age was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), a 3.5% projected annual salary increase, and an annual health care cost trend rate of 10.0% 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, 2014, the District has committed \$14,198,244 of the general fund balance for future funding of the OPEB.

9. GRANTS - CONTINGENT LIABILITY

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. As of September 26, 2014, the District had not received any notification from any grant providing agency or government identifying any noncompliance liabilities associated with past District grant awards.

10. DESIGNATED FOR UNDISTRIBUTED RESERVE

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

11. LITIGATION AND LEGAL COMPLIANCE

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

At the end of fiscal year 2014, the Non-K-12 fund had a negative fund balance in the amount of (\$232,145). This is due to a change in the property tax levies that were collapsed at the beginning of the fiscal year. This negative fund balance will be taken care of by a transfer from the General Fund during fiscal year 2015.

12. SUBSEQUENT EVENTS

During fiscal year 2014, district administration and the Board of Education, along with members of the community, began the process of preparing for a voter election to issue \$108 million in general obligation bonds to replace the most critical schools on the master plan. This voter election will take place in November of 2014.

13. RISK MANAGEMENT

A. Property and Liability Insurance Coverage

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability through policies administered by the Utah State Risk Management (Fund). The District also insures its buildings and contents against all insurable risks of direct physical loss or damage with the fund. The Fund is a public entity risk pool operated by the State for the benefit of the state and local governments within Utah. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool re-insures sizeable losses to preserve the capital base. During fiscal year ended June 30, 2014, 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, 2014, 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, 2014, which have not been resolved.

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

(This page left blank intentionally)

Major Governmental Funds

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
General Fund
June 30, 2014 (with comparative totals for 2013)

| | 2014 | 2013 |
|---|----------------------|----------------------|
| Assets: | | |
| Cash and investments | \$ 32,943,625 | \$ 30,726,600 |
| Receivables: | | |
| Property taxes | 21,950,957 | 19,385,922 |
| Other local | 573,303 | 529,998 |
| State | 552,609 | 633,835 |
| Federal | 2,814,472 | 2,436,318 |
| Due from other funds | - | 1,945,433 |
| Prepaid items | 428,140 | 384,693 |
| Inventories | 9,557 | 3,457 |
| | <u>59,272,663</u> | <u>56,046,256</u> |
| Total assets | | |
| Liabilities, deferred inflows of resources, and fund balance: | | |
| Liabilities: | | |
| Accounts payable | 510,167 | 1,010,768 |
| Payroll and related payables | 9,534,057 | 10,185,073 |
| Deferred revenue: | | |
| Other local | 181,339 | 185,600 |
| Federal | 718,477 | 1,087,868 |
| | <u>10,944,040</u> | <u>12,469,309</u> |
| Total liabilities | | |
| Deferred Inflows of Resources: | | |
| Deferred property tax revenue | <u>21,944,388</u> | <u>19,113,306</u> |
| Fund balance: | | |
| Nonspendable: | | |
| Inventories and prepaid items | 437,288 | 388,150 |
| Long-term portion, note receivable | 169,378 | 217,234 |
| Restricted For: | | |
| Other Purposes | 1,209,061 | 1,605,746 |
| Committed To: | | |
| OPEB | 14,198,244 | 14,198,244 |
| Board voted contingency | 5,344,402 | 5,344,402 |
| Unassigned | 5,025,862 | 2,709,865 |
| | <u>26,384,235</u> | <u>24,463,641</u> |
| Total fund balance | | |
| Total liabilities, deferred inflows of resources, and fund balance | | |
| | <u>\$ 59,272,663</u> | <u>\$ 56,046,256</u> |

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Positive (Negative) | 2013 |
|--|----------------------|----------------------|----------------------|---|----------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 20,842,000 | \$ 20,842,000 | \$ 20,657,597 | \$ (184,403) | 19,574,339 |
| Interest | 340,185 | 340,185 | 229,480 | (110,705) | 300,883 |
| Other local | 4,179,596 | 4,284,378 | 4,015,725 | (268,653) | 3,372,565 |
| State | 55,452,407 | 56,346,933 | 59,502,309 | 3,155,376 | 55,110,921 |
| Federal | 11,840,856 | 12,071,133 | 11,992,367 | (78,766) | 12,616,532 |
| Total revenues | <u>92,655,044</u> | <u>93,884,629</u> | <u>96,397,478</u> | <u>2,512,849</u> | <u>90,975,240</u> |
| Expenditures: | | | | | |
| Salaries | 53,527,196 | 53,036,177 | 52,289,088 | 747,089 | 51,454,222 |
| Employee benefits | 26,413,035 | 26,217,055 | 25,975,283 | 241,772 | 24,790,843 |
| Purchased services | 5,391,951 | 7,596,504 | 7,447,680 | 148,824 | 6,195,832 |
| Supplies | 6,390,726 | 7,244,445 | 6,930,204 | 314,241 | 7,452,563 |
| Property | 530,682 | 644,385 | 564,197 | 80,188 | 728,126 |
| Other | 1,417,696 | 1,018,221 | 1,294,382 | (276,161) | 1,037,014 |
| Total expenditures | <u>93,671,286</u> | <u>95,756,787</u> | <u>94,500,834</u> | <u>1,255,953</u> | <u>91,658,600</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,016,242)</u> | <u>(1,872,158)</u> | <u>1,896,644</u> | <u>3,768,802</u> | <u>(683,360)</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from debt issuance | - | - | - | - | 41,266 |
| Proceeds from sale of capital assets | 25,000 | 29,200 | 23,950 | (5,250) | 23,518 |
| Total other financing sources (uses) | <u>25,000</u> | <u>29,200</u> | <u>23,950</u> | <u>(5,250)</u> | <u>64,784</u> |
| Net change in fund balance | (991,242) | (1,842,958) | 1,920,594 | 3,763,552 | (618,576) |
| Fund balance - beginning | <u>24,463,641</u> | <u>24,463,641</u> | <u>24,463,641</u> | | <u>25,082,221</u> |
| Fund balance - ending | <u>\$ 23,472,399</u> | <u>\$ 22,620,683</u> | <u>\$ 26,384,235</u> | <u>\$ 3,763,552</u> | <u>\$ 24,463,645</u> |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Debt Service Fund
June 30, 2014 (with comparative totals for 2013)

| | <u>2014</u> | <u>2013</u> |
|---|---------------------|---------------------|
| Assets: | | |
| Cash and investments | 413,700 | 505,990 |
| Receivables: | | |
| Property taxes | <u>5,915,236</u> | <u>5,887,282</u> |
| Total assets | <u>\$ 6,328,936</u> | <u>\$ 6,393,272</u> |
| Liabilities, deferred inflows of resources, and fund balance: | | |
| Liabilities | \$ - | \$ - |
| Deferred Inflows of Resources: | | |
| Deferred property tax revenue | <u>5,795,101</u> | <u>5,705,522</u> |
| Fund balance: | | |
| Restricted For: | | |
| Debt Service | <u>533,835</u> | <u>687,750</u> |
| Total fund balance | <u>533,835</u> | <u>687,750</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 6,328,936</u> | <u>\$ 6,393,272</u> |

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Postive (Negative) | 2013 |
|--|------------------|--------------|-------------------|--|-------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Orginal | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 6,422,000 | \$ 6,422,000 | \$ 6,200,120 | \$ (221,880) | 6,345,627 |
| Total revenues | 6,422,000 | 6,422,000 | 6,200,120 | (221,880) | 6,345,627 |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Principal retirement | 4,941,000 | 4,941,000 | 4,941,000 | - | 4,766,000 |
| Interest and fiscal charges | 1,469,253 | 1,469,253 | 1,413,035 | 56,218 | 1,678,479 |
| Total expenditures | 6,410,253 | 6,410,253 | 6,354,035 | 56,218 | 6,444,479 |
| Excess (deficiency) of revenues over (under) expenditures | 11,747 | 11,747 | (153,915) | (165,662) | (98,852) |
| Other financing sources (uses): | | | | | |
| Proceeds from debt issuance | - | - | - | - | 9,045,000 |
| Payment to bond escrow agent | - | - | - | - | (8,953,719) |
| Total other financing sources (uses) | - | - | - | - | 91,281 |
| Net change in fund balance | 11,747 | 11,747 | (153,915) | (165,662) | (7,571) |
| Fund balance - beginning | 687,750 | 687,750 | 687,750 | - | 695,321 |
| Fund balance - ending | \$ 699,497 | \$ 699,497 | \$ 533,835 | \$ (165,662) | \$ 687,750 |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Capital Projects Fund
June 30, 2014 (with comparative totals for 2013)

| | 2014 | 2013 |
|---|---------------------|---------------------|
| Assets: | | |
| Cash and investments | \$ 1,953,523 | \$ 5,330,541 |
| Receivables: | | |
| Property taxes | 2,388,370 | 2,319,919 |
| Prepaid items | 2,705 | - |
| Total assets | <u>\$ 4,344,598</u> | <u>\$ 7,650,460</u> |
| Liabilities, deferred inflows of resources, and fund balance: | | |
| Liabilities: | | |
| Accounts payable | \$ 171,157 | \$ 186,497 |
| Payroll and related payables | - | 6,954 |
| Total liabilities | <u>171,157</u> | <u>193,451</u> |
| Deferred Inflows of Resources: | | |
| Deferred property tax revenue | <u>2,284,660</u> | <u>2,203,939</u> |
| Fund balance: | | |
| Restricted For: | | |
| Capital Projects | <u>1,888,781</u> | <u>5,253,070</u> |
| Total fund balance | <u>1,888,781</u> | <u>5,253,070</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 4,344,598</u> | <u>\$ 7,650,460</u> |

PROVO CITY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – Capital Projects Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Positive (Negative) | 2013 |
|--|---------------------|--------------------|---------------------|---|---------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 5,784,000 | \$ 5,784,000 | \$ 5,587,049 | \$ (196,951) | 3,885,035 |
| Interest | - | - | - | - | - |
| Other local | 124,000 | 124,000 | 108,195 | (15,805) | 148,527 |
| Total revenues | <u>5,908,000</u> | <u>5,908,000</u> | <u>5,695,244</u> | <u>(212,756)</u> | <u>4,033,562</u> |
| Expenditures: | | | | | |
| Salaries | 717,137 | 649,105 | 641,747 | 7,358 | 588,163 |
| Employee benefits | 299,553 | 318,710 | 286,573 | 32,137 | 254,061 |
| Purchased services | 6,203,058 | 6,104,288 | 5,022,891 | 1,081,397 | 4,130,278 |
| Supplies | 199,253 | 286,253 | 246,050 | 40,203 | 109,877 |
| Property | 793,000 | 556,609 | 350,513 | 206,096 | 484,186 |
| Other | 460,000 | 490,000 | 125 | 489,875 | 19 |
| Debt service: | | | | | |
| Principal retirement | - | - | 486,727 | (486,727) | 9,098 |
| Interest and fiscal charges | - | - | 79,474 | (79,474) | 4,327 |
| Total expenditures | <u>8,672,001</u> | <u>8,404,965</u> | <u>7,114,100</u> | <u>1,290,865</u> | <u>5,580,009</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,764,001)</u> | <u>(2,496,965)</u> | <u>(1,418,856)</u> | <u>1,078,109</u> | <u>(1,546,447)</u> |
| Other financing sources (uses): | | | | | |
| Transfers in (out) | - | (1,945,433) | (1,945,433) | - | 3,668,000 |
| Total other financing sources (uses) | <u>-</u> | <u>(1,945,433)</u> | <u>(1,945,433)</u> | <u>-</u> | <u>3,668,000</u> |
| Net change in fund balance | <u>(2,764,001)</u> | <u>(4,442,398)</u> | <u>(3,364,289)</u> | <u>1,078,109</u> | <u>2,121,553</u> |
| Fund balance - beginning | <u>5,253,070</u> | <u>5,253,070</u> | <u>5,253,070</u> | <u>-</u> | <u>3,131,517</u> |
| Fund balance - ending | <u>\$ 2,489,069</u> | <u>\$ 810,672</u> | <u>\$ 1,888,781</u> | <u>\$ 1,078,109</u> | <u>\$ 5,253,070</u> |

(T is page left blank intentionally)h

Non-Major Governmental Funds

PROVO CITY SCHOOL DISTRICT
Combining Balance Sheet
Non-major Governmental Funds
Year Ended June 30, 2014

| | Special Revenue Funds | | | | | Total Nonmajor Governmental Funds |
|---|-------------------------|-----------------------|---------------------|---------------------|------------------------------------|--|
| | Non K-12 Instruction | Student Activities | Food Services | Building Reserve | Municipal Building Authority | |
| Assets: | | | | | | |
| Cash and investments | \$ - | \$ 1,536,459 | \$ 974,170 | \$ 5,372,240 | \$ - | \$ 7,882,869 |
| Receivables: | | | | | | |
| Other local | 49,800 | 75,097 | - | - | - | 124,897 |
| State | 5,000 | - | 351,010 | - | - | 356,010 |
| Federal | 64,594 | - | - | - | - | 64,594 |
| Inventories | - | - | 91,355 | - | - | 91,355 |
| Total assets | \$ 119,394 | \$ 1,611,556 | \$ 1,416,535 | \$ 5,372,240 | \$ - | \$ 8,519,725 |
| Liabilities and fund balance | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 2,871 | \$ 214,475 | \$ 27,461 | \$ - | \$ - | \$ 244,807 |
| Payroll and related payables | 116,286 | - | 91,564 | - | - | 207,850 |
| Due to other funds | 232,382 | - | - | - | - | 232,382 |
| Total liabilities | 351,539 | 214,475 | 119,025 | - | - | 685,039 |
| Fund balance: | | | | | | |
| Nonspendable: | | | | | | |
| Inventories | - | - | 91,355 | - | - | 91,355 |
| Restricted | 273,857 | - | 1,206,155 | 5,372,240 | - | 6,852,252 |
| Assigned to: | | | | | | |
| Schools | - | 1,397,081 | - | - | - | 1,397,081 |
| Unassigned | (506,002) | - | - | - | - | (506,002) |
| Total fund balance | (232,145) | 1,397,081 | 1,297,510 | 5,372,240 | - | 7,834,686 |
| Total liabilities and fund balance | \$ 119,394 | \$ 1,611,556 | \$ 1,416,535 | \$ 5,372,240 | \$ - | \$ 8,519,725 |

PROVO CITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2014

| | Special Revenue Funds | | | | | Total Nonmajor Governmental Funds |
|--|-------------------------|-----------------------|---------------------|---------------------|------------------------------------|--|
| | Non K-12 Instruction | Student Activities | Food Services | Building Reserve | Municipal Building Authority | |
| Revenues: | | | | | | |
| Local sources: | | | | | | |
| Food service sales | \$ - | \$ - | \$ 957,423 | \$ - | \$ - | \$ 957,423 |
| Interest | 959 | 4,354 | - | - | - | 5,313 |
| Other local | 661,737 | 3,626,680 | - | - | - | 4,288,417 |
| State | 1,332,673 | - | 777,192 | - | - | 2,109,865 |
| Federal | 644,610 | - | 3,616,047 | - | - | 4,260,657 |
| Total revenues | 2,639,979 | 3,631,034 | 5,350,662 | - | - | 11,621,675 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Instructional services | 4,154 | 3,755,536 | - | - | - | 3,759,690 |
| School food services | - | - | 5,686,209 | - | - | 5,686,209 |
| Community services | 3,170,242 | - | - | - | - | 3,170,242 |
| Total expenditures | 3,174,396 | 3,755,536 | 5,686,209 | - | - | 12,616,141 |
| Excess (deficiency) of revenues over (under) expenditures | (534,417) | (124,502) | (335,547) | - | - | (994,466) |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of capital assets | - | - | 20 | - | - | 20 |
| Transfers In (Out) | - | - | - | - | 1,945,433 | 1,945,433 |
| Total other financing sources (uses) | - | - | 20 | - | 1,945,433 | 1,945,453 |
| Net change in fund balance | (534,417) | (124,502) | (335,527) | - | 1,945,433 | 950,987 |
| Fund balance, beginning | 302,272 | 1,521,583 | 1,633,037 | 5,372,240 | (1,945,433) | 6,883,699 |
| Fund balance, ending | <u>\$ (232,145)</u> | <u>\$ 1,397,081</u> | <u>\$ 1,297,510</u> | <u>\$ 5,372,240</u> | <u>\$ -</u> | <u>\$ 7,834,686</u> |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Non-major Governmental Funds
Non-K12 Instruction Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | 2013 |
|---|-------------------|---------------------|
| Assets: | | |
| Cash and investments | \$ - | \$ 491,175 |
| Receivables: | | |
| Property taxes | - | 2,496,753 |
| Other Local | 49,800 | - |
| State | 5,000 | - |
| Federal | 64,594 | 27,288 |
| Total assets | \$ 119,394 | \$ 3,015,216 |
| Liabilities, deferred inflows of resources, and fund balance: | | |
| Liabilities: | | |
| Accounts payable | \$ 2,871 | \$ 87,738 |
| Payroll and related payables | 116,286 | 203,354 |
| Due to Other Funds | 232,382 | - |
| Total liabilities | 351,539 | 291,092 |
| Deferred Inflows of Resources: | | |
| Deferred property tax revenue | - | 2,421,856 |
| Fund balance: | | |
| Restricted For: | | |
| Other Purposes | 273,857 | 272,732 |
| Unassigned | (506,002) | 29,536 |
| Total fund balance | (232,145) | 302,268 |
| Total liabilities, deferred inflows of resources, and fund balance | \$ 119,394 | \$ 3,015,216 |

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
Non-K12 Instruction Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Positive (Negative) | 2013 |
|--|------------------|------------------|-------------------|---|--------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Property taxes | \$ 553,000 | \$ 553,000 | \$ - | \$ (553,000) | \$ 2,623,760 |
| Other local | 613,591 | 613,591 | 661,737 | 48,146 | 625,856 |
| Interest | - | - | 959 | 959 | - |
| State | 1,395,248 | 1,332,673 | 1,332,673 | - | 1,356,857 |
| Federal | 655,506 | 662,310 | 644,610 | (17,700) | 660,558 |
| Total revenues | 3,217,345 | 3,161,574 | 2,639,979 | (521,595) | 5,267,031 |
| Expenditures: | | | | | |
| Salaries | 2,010,715 | 2,037,879 | 2,035,356 | 2,523 | 1,976,527 |
| Employee benefits | 744,714 | 869,185 | 713,106 | 156,079 | 704,638 |
| Purchased services | 263,202 | 210,793 | 140,508 | 70,285 | 206,951 |
| Supplies | 177,480 | 168,398 | 252,960 | (84,562) | 226,526 |
| Property | - | - | 21,817 | (21,817) | - |
| Other | 43,008 | 41,830 | 10,649 | 31,181 | 31,093 |
| Total expenditures | 3,239,119 | 3,328,085 | 3,174,396 | 153,689 | 3,145,735 |
| Excess (deficiency) of revenues over (under) expenditures | (21,774) | (166,511) | (534,417) | 367,906 | 2,121,296 |
| Other financing sources (uses): | | | | | |
| Transfers In (Out) | - | - | - | - | (2,000,000) |
| Total other financing sources (uses) | - | - | - | - | (2,000,000) |
| Net change in fund balance | (21,774) | (166,511) | (534,417) | 367,906 | 121,296 |
| Fund balance - beginning | 302,272 | 302,272 | 302,272 | - | 180,976 |
| Fund balance - ending | \$ 280,498 | \$ 135,761 | \$ (232,145) | \$ 367,906 | \$ 302,272 |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Non-major Governmental Funds
Student Activities Special Revenue Fund
Year ended June 30, 2014 (with comparative totals for 2013)

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------------|---------------------|
| Assets: | | |
| Cash and investments | \$ 1,536,459 | \$ 1,557,711 |
| Receivables: | | |
| Other local | <u>75,097</u> | <u>72,527</u> |
| Total assets | <u>\$ 1,611,556</u> | <u>\$ 1,630,238</u> |
| Liabilities and fund balance: | | |
| Liabilities: | | |
| Accounts payable | <u>214,475</u> | <u>108,655</u> |
| Total liabilities | <u>214,475</u> | <u>108,655</u> |
| Fund balance: | | |
| Assigned To: | | |
| Schools | <u>1,397,081</u> | <u>1,521,583</u> |
| Total fund balance | <u>1,397,081</u> | <u>1,521,583</u> |
| Total liabilities and fund balance | <u>\$ 1,611,556</u> | <u>\$ 1,630,238</u> |

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
Student Activities Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Postive (Negative) | 2013 |
|--|---------------------|---------------------|---------------------|--|---------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Interest | \$ 5,000 | \$ 5,000 | \$ 4,354 | \$ (646) | \$ 5,736 |
| Other local | 3,535,345 | 3,535,345 | 3,626,680 | 91,335 | 3,550,850 |
| Total revenues | <u>3,540,345</u> | <u>3,540,345</u> | <u>3,631,034</u> | <u>90,689</u> | <u>3,556,586</u> |
| Expenditures: | | | | | |
| Purchased services | 1,166,247 | 1,331,247 | 1,344,112 | (12,865) | 1,331,182 |
| Supplies | 1,846,994 | 2,031,994 | 1,490,443 | 541,551 | 1,768,936 |
| Property | 25,000 | 25,000 | - | 25,000 | - |
| Other | 619,141 | 619,141 | 920,981 | (301,840) | 656,694 |
| Total expenditures | <u>3,657,382</u> | <u>4,007,382</u> | <u>3,755,536</u> | <u>251,846</u> | <u>3,756,812</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(117,037)</u> | <u>(467,037)</u> | <u>(124,502)</u> | <u>342,535</u> | <u>(200,226)</u> |
| Net change in fund balances | (117,037) | (467,037) | (124,502) | 342,535 | (200,226) |
| Fund balance - beginning | <u>1,521,583</u> | <u>1,521,583</u> | <u>1,521,583</u> | <u>-</u> | <u>1,721,809</u> |
| Fund balance - ending | <u>\$ 1,404,546</u> | <u>\$ 1,054,546</u> | <u>\$ 1,397,081</u> | <u>\$ 342,535</u> | <u>\$ 1,521,583</u> |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Non-major Governmental Funds
Food Services Special Revenue Fund
June 30, 2014 (with comparative totals for 2013)

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------------|---------------------|
| Assets: | | |
| Cash and investments | \$ 974,170 | \$ 1,380,431 |
| Receivables: | | |
| State | 351,010 | 337,607 |
| Inventories | <u>91,355</u> | <u>105,762</u> |
| Total assets | <u>\$ 1,416,535</u> | <u>\$ 1,823,800</u> |
| Liabilities and fund balance: | | |
| Liabilities: | | |
| Accounts payable | \$ 27,461 | \$ 30,113 |
| Payroll and related payables | <u>91,564</u> | <u>160,650</u> |
| Total liabilities | <u>119,025</u> | <u>190,763</u> |
| Fund balance: | | |
| Nonspendable: | | |
| Inventories | 76,948 | 105,762 |
| Restricted | <u>1,220,562</u> | <u>1,527,275</u> |
| Total fund balance | <u>1,297,510</u> | <u>1,633,037</u> |
| Total liabilities and fund balance | <u>\$ 1,416,535</u> | <u>\$ 1,823,800</u> |

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
Food Services Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Postive (Negative) | 2013 |
|--|-------------------|-------------------|---------------------|--|---------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Orginal | Final | | | |
| Revenues: | | | | | |
| Local sources: | | | | | |
| Food sales | \$ 1,126,915 | \$ 1,126,915 | \$ 957,423 | \$ (169,492) | \$ 945,021 |
| State | 635,000 | 635,000 | 777,192 | 142,192 | 1,042,000 |
| Federal | 3,474,025 | 3,474,025 | 3,616,047 | 142,022 | 3,479,363 |
| Total revenues | <u>5,235,940</u> | <u>5,235,940</u> | <u>5,350,662</u> | <u>114,722</u> | <u>5,466,384</u> |
| Expenditures: | | | | | |
| Salaries | 1,914,544 | 1,914,544 | 1,840,046 | 74,498 | 1,781,384 |
| Employee benefits | 712,576 | 712,576 | 692,102 | 20,474 | 662,293 |
| Purchased services | 60,755 | 165,755 | 133,298 | 32,457 | 124,271 |
| Supplies | 180,000 | 180,000 | 264,547 | (84,547) | 274,671 |
| Food | 2,051,835 | 2,051,835 | 1,941,510 | 110,325 | 1,969,232 |
| Property | 290,350 | 185,350 | 147,748 | 37,602 | 147,488 |
| Other | 668,750 | 668,750 | 666,958 | 1,792 | 505,479 |
| Total expenditures | <u>5,878,810</u> | <u>5,878,810</u> | <u>5,686,209</u> | <u>192,601</u> | <u>5,464,818</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(642,870)</u> | <u>(642,870)</u> | <u>(335,547)</u> | <u>307,323</u> | <u>1,566</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | 4,000 | 4,000 | 20 | (3,980) | 3,651 |
| Total other financing sources (uses) | <u>4,000</u> | <u>4,000</u> | <u>20</u> | <u>(3,980)</u> | <u>3,651</u> |
| Net change in fund balance | <u>(638,870)</u> | <u>(638,870)</u> | <u>(335,527)</u> | <u>303,343</u> | <u>5,217</u> |
| Fund balance - beginning | <u>1,633,037</u> | <u>1,633,037</u> | <u>1,633,037</u> | <u>-</u> | <u>1,627,820</u> |
| Fund balance - ending | <u>\$ 994,167</u> | <u>\$ 994,167</u> | <u>\$ 1,297,510</u> | <u>\$ 303,343</u> | <u>\$ 1,633,037</u> |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Non-major Governmental Funds
Building Reserve Special Revenue Fund
June 30, 2014 (with comparative totals for 2013)

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|---------------------|---------------------|
| Assets: | | |
| Cash and investments | <u>5,372,240</u> | <u>\$ 5,372,240</u> |
| Total assets | <u>\$ 5,372,240</u> | <u>\$ 5,372,240</u> |
| Liabilities and fund balance: | | |
| Total liabilities | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance: | | |
| Restricted For: | | |
| Other Purposes | <u>5,372,240</u> | <u>5,372,240</u> |
| Total fund balance | <u>5,372,240</u> | <u>5,372,240</u> |
| Total liabilities and fund balance | <u>\$ 5,372,240</u> | <u>\$ 5,372,240</u> |

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
Building Reserve Special Revenue Fund
Year Ended June 30, 2014 *(with comparative totals for 2013)*

| | 2014 | | | Variance with Final Budget - Positive (Negative) | 2013 |
|--|---------------------|---------------------|---------------------|---|---------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Total revenues | \$ - | \$ - | \$ - | \$ - | \$ - |
| Expenditures: | | | | | |
| Total expenditures | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | - |
| Other financing sources (uses): | | | | | |
| Transfer in (out) | - | - | - | - | (1,668,000) |
| Total other financing sources (uses) | - | - | - | - | (1,668,000) |
| Net change in fund balance | - | - | - | - | (1,668,000) |
| Fund balance - beginning | 5,372,240 | 5,372,240 | 5,372,240 | - | 7,040,240 |
| Fund balance - ending | <u>\$ 5,372,240</u> | <u>\$ 5,372,240</u> | <u>\$ 5,372,240</u> | <u>\$ -</u> | <u>\$ 5,372,240</u> |

PROVO CITY SCHOOL DISTRICT
Comparative Balance Sheets
Non-major Governmental Funds
Municipal Building Authority Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|-------------|---------------------|
| Assets: | | |
| Total assets | <u>\$ -</u> | <u>\$ -</u> |
| Liabilities and fund balance: | | |
| Liabilities: | | |
| Due to other funds | <u>\$ -</u> | <u>\$ 1,945,433</u> |
| Total liabilities | <u>-</u> | <u>1,945,433</u> |
| Fund balance: | | |
| Unassigned | <u>-</u> | <u>(1,945,433)</u> |
| Total fund balance | <u>-</u> | <u>(1,945,433)</u> |
| Total liabilities and fund balance | <u>\$ -</u> | <u>\$ -</u> |

PROVO CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Non-major Governmental Funds
Municipal Building Authority Special Revenue Fund
Year Ended June 30, 2014 (with comparative totals for 2013)

| | 2014 | | | Variance with Final Budget - Positive (Negative) | 2013 |
|--|------------------|-------------|-------------------|---|-------------------|
| | Budgeted Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Revenues: | | | | | |
| Interest | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - | - |
| Expenditures: | | | | | |
| Purchased services | - | - | - | - | - |
| Supplies | - | - | - | - | - |
| Property | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | 460,000 |
| Interest and fiscal charges | - | - | - | - | 79,473 |
| Total expenditures | - | - | - | - | 539,473 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - | (539,473) |
| Other financing sources (uses) | | | | | |
| Transfers in (out) | | 1,945,433 | 1,945,433 | - | - |
| Net change in fund balance | - | 1,945,433 | 1,945,433 | - | (539,473) |
| Fund balance - beginning | (1,945,433) | (1,945,433) | (1,945,433) | - | (1,405,960) |
| Fund balance - ending | \$ (1,945,433) | \$ - | \$ - | \$ - | \$ (1,945,433) |

(This page left blank intentionally)

Fiduciary Funds

(This page left blank intentionally)

PROVO CITY SCHOOL DISTRICT
Comparative Statement of Assets and Liabilities - *Fiduciary Fund*
Special Programs Agency Fund
June 30, 2014 (with comparative totals for 2013)

| | 2014 | 2013 |
|---------------------------------------|------|-----------|
| Assets: | | |
| Cash and investments | \$ - | \$ 31,314 |
| Receivables: | | |
| Other local | - | - |
| Federal | - | - |
| Total assets | \$ - | \$ 31,314 |
| Liabilities: | | |
| Accounts payable | \$ - | \$ 28,369 |
| Due to other entities: | | |
| Utah State Office of Education: | | |
| Reading program | - | - |
| Careers and technology education | - | - |
| Utah County Local Interagency Council | - | - |
| Brigham Young University Partnership | - | - |
| Utah Professional Development Center | - | 2,945 |
| Total liabilities | \$ - | \$ 31,314 |

(This page left blank intentionally)

STATISTICAL SECTION

(This page left blank intentionally)

PROVO CITY SCHOOL DISTRICT
Net Position By Component
June 30, 2005 through 2014
(Full accrual-based accounting)

| Fiscal Year Ending June 30, | Invested in capital assets, net of related debt | Restricted | Unrestricted | Total Net Position |
|-----------------------------------|---|---------------|---------------|-----------------------|
| 2014 | \$ 61,596,204 | \$ 11,972,365 | \$ 31,801,620 | \$ 105,370,189 |
| 2013 | 56,728,164 | 16,346,158 | 27,846,480 | 100,920,802 |
| 2012 | 53,795,168 | 17,120,587 | 26,936,110 | 97,851,865 |
| 2011 | 49,159,753 | 18,167,092 | 29,504,737 | 96,831,582 |
| 2010 | 37,158,614 | 15,622,922 | 37,503,460 | 90,284,996 |
| 2009 | 38,192,076 | 32,838,938 | 6,502,610 | 77,533,624 |
| 2008 | 32,155,592 | 19,646,268 | (1,074,778) | 50,727,082 |
| 2007 | 29,750,263 | 18,344,287 | (1,964,329) | 46,130,221 |
| 2006 | 28,454,429 | 13,103,729 | (1,208,661) | 40,349,497 |
| 2005 | 23,818,368 | 9,534,260 | (5,879,175) | 27,473,453 |

Source: District Data

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

Prior period adjustments and other restatements of net position may not be reflected in this above schedule for the year originally recorded.

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position
June 30, 2005 through 2014
(Full accrual-based accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|-----------------------|-----------------------|----------------------|----------------------|
| Assets: | | | | |
| Cash and temporary cash investments | \$ 42,961,335 | \$ 45,364,687 | \$ 45,475,281 | \$ 45,632,014 |
| Accounts, taxes, and grants receivables: | | | | |
| Local | 30,783,129 | 30,475,167 | 30,680,067 | 31,542,178 |
| State | 908,619 | 971,442 | 126,375 | 62,015 |
| Federal | 2,879,066 | 2,463,606 | 4,038,422 | 1,695,091 |
| Note receivable | 169,634 | 217,234 | - | - |
| Prepaid expenditures | 430,845 | 384,693 | 396,044 | - |
| Inventory | 100,912 | 109,219 | 128,927 | 169,133 |
| Bond issuance costs, net of accumulated amortization | - | - | 43,745 | 82,485 |
| Net other post employment benefits | 7,091,705 | 5,419,705 | 3,903,705 | 397,787 |
| Total capital assets, net accumulated depreciation | <u>100,560,480</u> | <u>102,796,170</u> | <u>104,505,216</u> | <u>104,272,570</u> |
| Total assets | <u>185,885,725</u> | <u>188,201,923</u> | <u>189,297,782</u> | <u>183,853,274</u> |
| Deferred Outflows of Resources: | | | | |
| Deferred loss on refundings | <u>387,432</u> | <u>609,213</u> | | |
| Liabilities: | | | | |
| Accounts payable | 926,131 | 1,423,772 | 1,982,305 | 3,291,630 |
| Accrued interest payable | 58,021 | 63,563 | 83,953 | 91,088 |
| Payroll and related payables | 9,741,907 | 10,556,031 | 10,914,605 | 1,647,439 |
| Due to other agencies - fiduciary activities | - | - | - | - |
| Deferred revenue: | | | | |
| Property taxes | - | - | 26,705,685 | 24,657,369 |
| Other deferred revenues | 899,816 | 1,273,468 | 696,641 | 1,225,070 |
| Noncurrent liabilities: | | | | |
| Due within one year | 5,774,253 | 5,557,145 | 5,455,007 | 5,349,740 |
| Due in more than one year | <u>35,741,928</u> | <u>41,608,177</u> | <u>46,185,543</u> | <u>50,759,356</u> |
| Total liabilities | <u>53,142,056</u> | <u>60,482,156</u> | <u>92,023,740</u> | <u>87,021,692</u> |
| Deferred Inflows of Resources: | | | | |
| Deferred property tax revenue | <u>27,760,912</u> | <u>27,408,178</u> | | |
| Net Position: | | | | |
| Invested in capital assets, net of related debt | 61,596,204 | 56,728,164 | 53,795,168 | 49,159,753 |
| Restricted for: | | | | |
| Debt service | 533,835 | 687,750 | 1,195,509 | 1,365,353 |
| Capital projects | 1,888,781 | 5,253,070 | 3,083,405 | 4,955,684 |
| Non K-12 instruction | 273,857 | 272,732 | 181,479 | 132,539 |
| Building Reserve | 5,372,240 | 1,521,583 | 7,040,240 | 5,940,240 |
| Student Activities | 1,397,081 | 5,372,240 | 1,831,809 | 1,886,471 |
| Supplemental programs | 1,297,510 | 1,633,037 | - | - |
| School food services | - | - | 1,627,820 | 1,715,481 |
| Foundation | - | - | 829,566 | 1,013,178 |
| Other restricted programs | 1,209,061 | 1,605,746 | 1,330,758 | 1,158,146 |
| Unrestricted | <u>31,801,620</u> | <u>27,846,480</u> | <u>26,936,110</u> | <u>29,504,737</u> |
| Total net position | <u>\$ 105,370,189</u> | <u>\$ 100,920,802</u> | <u>\$ 97,851,864</u> | <u>\$ 96,831,582</u> |

Source: District Data

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

Prior period adjustments and other restatements of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position may not be reflected in this above schedule for the year originally recorded.

PROVO CITY SCHOOL DISTRICT
Comparative Statements of Net Position - Continued
June 30, 2005 through 2014
(Full accrual-based accounting)

| <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 50,383,686 | \$ 37,018,100 | \$ 34,707,831 | \$ 52,021,467 | \$ 12,202,695 | \$ 9,714,165 |
| 27,967,740 | 26,661,039 | 21,760,749 | 20,912,352 | 25,526,880 | 18,470,506 |
| 36,696 | 90,151 | 95,610 | 75,348 | 233,988 | 191,326 |
| 1,234,451 | 1,314,559 | 2,433,460 | 2,709,098 | 4,470,152 | 3,083,366 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 239,548 | 259,543 | 227,002 | 257,265 | 203,741 | 205,614 |
| 53,735 | 70,232 | 86,729 | 398,892 | 181,467 | 287,313 |
| 2,600,867 | 1,319,067 | - | - | - | - |
| 96,540,410 | 95,405,670 | 93,588,175 | 72,860,474 | 60,033,896 | 59,635,515 |
| <u>179,057,133</u> | <u>162,138,360</u> | <u>152,899,556</u> | <u>149,234,896</u> | <u>102,852,819</u> | <u>91,587,805</u> |
| 2,259,051 | 738,185 | 3,927,176 | 4,741,970 | 1,934,854 | 443,265 |
| 80,874 | 113,634 | 126,320 | 175,822 | 95,146 | 80,422 |
| 1,739,466 | 1,715,322 | 10,760,273 | 7,071,982 | 1,455,239 | 1,370,467 |
| - | (552,522) | (589,732) | 12,000 | - | 1,358,525 |
| 23,779,682 | 24,029,421 | 19,071,813 | 18,849,716 | 18,272,470 | 17,541,792 |
| 566,533 | 442,113 | 156,870 | 153,192 | 70,527 | 48,461 |
| 5,164,405 | 5,206,118 | 7,388,802 | 6,386,343 | 5,698,672 | 5,542,189 |
| 55,182,125 | 52,912,466 | 61,118,673 | 65,782,889 | 34,976,414 | 37,729,231 |
| <u>88,772,136</u> | <u>84,604,737</u> | <u>101,960,196</u> | <u>103,173,914</u> | <u>62,503,322</u> | <u>64,114,352</u> |
| 37,158,614 | 38,192,076 | 32,155,592 | 29,750,263 | 28,454,429 | 23,366,925 |
| 1,510,175 | 1,245,636 | 1,258,025 | 2,252,802 | 1,538,526 | 974,828 |
| 4,304,238 | 10,334,131 | 13,234,320 | 11,253,722 | 9,319,565 | 5,027,562 |
| 151,893 | 416,203 | 647,123 | 576,666 | 307,754 | 186,168 |
| 3,940,240 | - | - | - | - | - |
| 1,935,098 | 1,703,390 | 1,849,953 | 1,835,600 | - | - |
| - | - | - | - | 59,049 | 25,154 |
| 2,027,050 | 1,929,635 | 2,199,774 | 1,980,678 | 1,522,063 | 1,125,641 |
| 650,226 | 527,057 | 457,074 | 444,819 | 356,772 | 259,174 |
| 1,104,002 | 788,734 | 742,084 | 1,062,492 | 1,750,413 | 1,935,733 |
| 37,503,460 | 22,396,764 | (1,816,863) | (3,026,820) | (2,959,074) | (5,427,732) |
| * \$ <u>90,284,997</u> | \$ <u>77,533,625</u> | \$ <u>50,727,080</u> | \$ <u>46,130,221</u> | \$ <u>40,349,497</u> | \$ <u>27,473,453</u> |

Source: District Data

PROVO CITY SCHOOL DISTRICT
Comparative Schedule of Changes in Net Position
June 30, 2005 through 2014
(Full accrual-based accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-----------------------|-----------------------|----------------------|----------------------|
| Expenses: | | | | |
| Instruction | \$ 76,511,349 | \$ 73,787,894 | \$ 72,935,322 | \$ 70,907,845 |
| Supporting services: | | | | |
| Student | 4,020,840 | 3,835,378 | 4,117,960 | 3,932,521 |
| Instructional staff | 1,405,164 | 1,603,967 | 1,559,232 | 1,458,566 |
| District administration | 1,671,347 | 1,613,516 | 1,611,412 | 1,273,567 |
| School administration | 5,503,377 | 5,273,792 | 5,220,467 | 5,085,658 |
| Business | 4,997,337 | 2,997,607 | 3,220,175 | 3,102,163 |
| Operation and maintenance of facilities | 6,191,211 | 6,070,069 | 5,805,386 | 6,863,193 |
| Student transportation | 2,005,850 | 2,607,556 | 2,717,234 | 2,396,835 |
| Other | 21,617 | 1,011,101 | 1,176,456 | 1,107,400 |
| School food services | 6,115,057 | 5,848,990 | 5,727,848 | 5,543,199 |
| Community services | 5,705,292 | 6,306,128 | 3,675,111 | 3,502,322 |
| Facilities & Construction | - | - | - | - |
| Interest on long-term liabilities | 1,563,458 | 1,727,099 | 2,026,217 | 2,200,135 |
| Total school district | <u>115,711,899</u> | <u>112,683,097</u> | <u>109,792,820</u> | <u>107,373,403</u> |
| Program Revenues: | | | | |
| Instructional services | 65,062,008 | 62,594,300 | 33,076,742 | 32,181,593 |
| Supporting services: | | | | |
| Student | 1,252,593 | 1,229,288 | 2,249,264 | 2,456,108 |
| Instructional staff | 2,023,938 | 1,546,259 | 223,711 | 777,618 |
| General administration | - | - | 218,864 | 651,276 |
| School administration | 3,478,936 | 345,880 | 293,359 | 541,799 |
| Business | - | - | 418,742 | 435,474 |
| Operation and maintenance of facilities | 108,195 | 148,527 | 267,385 | 1,429,453 |
| Transportation | 1,029,391 | 3,566,805 | 1,760,312 | 524,440 |
| Other | - | - | 600,050 | 946,387 |
| School food services | 5,350,662 | 5,466,384 | 5,292,594 | 4,897,017 |
| Community services | 4,564,121 | 5,012,525 | 5,957,292 | 5,841,147 |
| Interest on long-term liabilities | - | - | - | - |
| Total program revenues | <u>82,869,844</u> | <u>79,909,968</u> | <u>50,358,315</u> | <u>50,682,312</u> |
| Net (expense) revenue | <u>(32,842,055)</u> | <u>(32,773,129)</u> | <u>(59,434,504)</u> | <u>(56,691,092)</u> |
| General revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | 20,319,458 | 13,411,652 | 13,580,600 | 13,482,244 |
| Reading Program | - | 1,773,442 | 579,631 | 575,433 |
| Class size reduction | - | 536,466 | 1,877,811 | 1,864,212 |
| Special transportation | - | 443,360 | - | - |
| Tort liability | - | 354,688 | - | - |
| Recreation | - | 2,660,162 | 632,324 | 627,745 |
| Debt service | 6,218,864 | 6,202,612 | 6,308,871 | 6,263,180 |
| Capital outlay | 6,133,242 | 1,108,401 | 4,704,109 | 4,670,040 |
| Ten percent of basic for construction, textbooks and supplies | - | 5,222,786 | 4,440,640 | 4,408,480 |
| Federal and state aid not restricted to specific purposes | 3,942,631 | 3,751,789 | 20,703,055 | 22,612,145 |
| Earnings on investments | 234,793 | 306,619 | 368,052 | 280,572 |
| Gain on sale of assets | 23,970 | 27,169 | 10,362 | (17,638) |
| Miscellaneous | 418,483 | 297,493 | 7,249,331 | 8,426,016 |
| Total general revenues | <u>37,291,441</u> | <u>36,096,639</u> | <u>60,454,786</u> | <u>63,192,429</u> |
| Change in net position | 4,449,386 | 3,323,510 | 1,020,282 | 6,501,337 |
| Net position - beginning | 100,920,802 | 97,022,299 | 96,831,582 | 90,330,244 |
| Prior period adjustments | - | 574,993 | - | - |
| Net position - ending | <u>\$ 105,370,188</u> | <u>\$ 100,920,802</u> | <u>\$ 97,851,866</u> | <u>\$ 96,831,582</u> |

Source: District Data

In fiscal year 2014, property tax levies were collapsed to simplify property tax reporting.

PROVO CITY SCHOOL DISTRICT
Comparative Schedule of Changes in Net Position - Continued
June 30, 2005 through 2014
(Full accrual-based accounting)

| <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 65,458,961 | \$ 62,546,410 | \$ 69,059,951 | \$ 65,724,634 | \$ 56,198,524 | \$ 57,155,465 |
| 3,924,191 | 3,913,806 | 3,452,728 | 3,575,644 | 3,180,870 | 3,362,498 |
| 2,092,586 | 2,104,484 | 1,544,884 | 2,074,350 | 2,032,397 | 2,009,129 |
| 1,217,314 | 833,850 | 1,268,614 | 1,515,876 | 1,505,202 | 887,645 |
| 4,912,708 | 5,089,616 | 4,740,635 | 4,514,003 | 4,238,678 | 4,286,195 |
| 3,090,296 | 2,992,513 | 2,719,019 | 1,213,819 | 1,226,698 | 2,702,036 |
| 5,404,007 | 5,418,773 | 5,167,878 | 4,062,566 | 4,146,859 | 3,967,227 |
| 2,583,551 | 2,444,373 | 2,734,970 | 2,480,134 | 2,091,460 | 1,663,845 |
| 61,739 | 91,078 | 392,585 | 2,035,645 | 1,072,477 | 39,842 |
| 5,226,130 | 5,381,233 | 4,494,804 | 4,340,954 | 3,929,424 | 3,984,890 |
| 3,590,594 | 4,839,650 | 4,166,235 | 3,981,248 | 3,142,504 | 3,861,900 |
| - | - | - | - | 1,504,534 | 1,256,996 |
| 2,465,620 | 2,636,859 | 2,849,763 | 1,878,214 | - | 2,107,402 |
| <u>100,027,696</u> | <u>98,292,645</u> | <u>102,592,066</u> | <u>97,397,085</u> | <u>84,269,627</u> | <u>87,285,070</u> |
| 33,465,497 | 25,824,392 | 31,544,598 | 24,131,131 | 27,234,746 | 22,867,201 |
| 2,207,564 | 962,090 | 1,738,554 | 2,303,521 | 1,697,596 | 2,234,342 |
| 758,012 | 543,374 | 625,376 | 514,125 | 486,344 | - |
| 426,727 | 252,740 | 356,406 | 237,329 | 233,860 | 160,971 |
| 627,347 | 288,900 | 331,337 | 287,994 | 172,264 | 258,457 |
| 570,906 | 327,415 | 7,712 | 62,378 | 61,249 | - |
| 17,174 | 7,398 | - | - | - | - |
| 2,252,524 | 2,316,300 | 1,669,463 | 1,579,704 | 1,407,781 | 1,304,931 |
| 75,531 | 34,926 | 53,830 | 2,177 | 33,187 | - |
| 5,005,840 | 4,804,413 | 4,346,857 | 4,329,459 | 4,135,519 | 4,236,393 |
| 6,704,723 | 5,028,833 | 2,868,356 | 1,904,807 | 1,779,262 | 1,514,383 |
| - | - | - | - | - | - |
| <u>52,111,845</u> | <u>40,390,781</u> | <u>43,542,490</u> | <u>35,352,626</u> | <u>37,241,808</u> | <u>32,576,678</u> |
| (47,915,851) | (57,901,864) | (59,049,576) | (62,044,459) | (47,027,819) | (54,708,392) |
| 13,676,215 | 10,120,968 | 11,057,943 | 11,036,199 | 10,402,512 | 12,064,148 |
| 595,474 | - | - | - | - | - |
| 1,112,207 | 8,577,771 | 1,713,274 | 1,731,848 | 1,612,793 | - |
| 482,285 | 372,772 | 485,175 | 489,247 | 483,838 | 476,401 |
| 300,198 | 232,482 | 303,234 | 307,403 | 302,399 | - |
| 649,608 | 998,068 | 1,293,800 | 1,307,545 | 1,290,234 | 739,336 |
| 6,432,102 | 4,978,314 | 5,144,875 | 5,199,872 | 4,044,077 | 3,871,385 |
| 4,576,783 | 3,318,876 | 1,864,891 | 1,883,384 | 2,290,166 | 7,408,371 |
| 4,847,453 | 3,543,341 | 4,614,215 | 4,658,670 | 4,265,836 | - |
| 22,128,854 | 35,865,302 | 29,161,587 | 31,124,777 | 26,995,732 | 30,633,267 |
| 324,949 | 788,220 | 2,142,078 | 1,721,041 | 734,136 | 393,903 |
| 63,288 | 13,655 | 76,952 | 3,955 | 6,470,801 | - |
| 5,424,856 | 6,113,493 | 5,946,691 | 5,022,842 | 607,033 | 1,213,820 |
| <u>60,614,274</u> | <u>74,923,262</u> | <u>63,804,715</u> | <u>64,486,783</u> | <u>59,499,557</u> | <u>56,800,631</u> |
| 12,698,421 | 17,021,398 | 4,755,139 | 2,442,324 | 12,471,738 | 2,092,239 |
| 77,586,576 | 60,565,177 | 45,971,941 | 43,687,897 | 27,877,759 | 25,381,214 |
| - | - | - | - | - | - |
| <u>\$ 90,284,997</u> | <u>\$ 77,586,576</u> | <u>\$ 50,727,080</u> | <u>\$ 46,130,221</u> | <u>\$ 40,349,497</u> | <u>\$ 27,473,453</u> |

Source: District Data

PROVO CITY SCHOOL DISTRICT
Governmental Funds – Aggregate Fund Balance
June 30, 2005 through 2014
(Modified accrual-based accounting)

| Fiscal Year Ended June 30, | General Fund | | | | | Total |
|----------------------------------|--------------|--------------|---------------|----------|--------------|---------------|
| | Nonspendable | Restricted | Committed | Assigned | Unassigned | |
| 2014 | \$ 606,666 | \$ 1,209,061 | \$ 19,542,646 | \$ - | \$ 5,025,862 | \$ 26,384,235 |
| 2013 | 605,384 | 1,605,746 | 19,542,646 | - | 2,709,865 | 24,463,641 |
| 2012 | 663,333 | 1,330,758 | 19,542,646 | 396,012 | 3,149,472 | 25,082,221 |
| 2011 | 313,724 | 1,158,146 | 19,542,646 | 792,056 | 4,387,896 | 26,194,468 |
| 2010 | 315,088 | 1,104,007 | 19,542,647 | - | 3,807,316 | 24,769,058 |
| 2009 | 514,053 | 588,044 | 14,742,647 | - | 3,852,927 | 19,697,670 |
| 2008 | 622,713 | 1,343,360 | 9,082,301 | - | 3,229,681 | 14,278,055 |
| 2007 | 69,302 | 3,048,644 | - | - | 1,782,603 | 4,900,550 |
| 2006 | 66,448 | 1,731,027 | - | - | 3,256,474 | 5,053,948 |
| 2005 | 74,316 | 2,270,332 | - | - | 867,549 | 3,212,197 |

| Fiscal Year Ended June 30, | All Other Governmental Funds | | | | | Total |
|----------------------------------|------------------------------|--------------|------------|--------------|--------------|---------------|
| | Nonspendable | Restricted | Committed | Assigned | Unassigned | |
| 2014 | \$ 91,355 | \$ 9,274,868 | \$ - | \$ 1,397,081 | \$ (506,002) | \$ 10,257,302 |
| 2013 | 105,762 | 13,025,168 | - | 1,521,583 | (1,827,994) | 12,824,519 |
| 2012 | 124,736 | 12,685,604 | - | 1,831,808 | (1,352,300) | 13,289,848 |
| 2011 | 163,307 | 13,779,885 | 905,138 | 1,886,471 | (2,842) | 16,731,959 |
| 2010 | 232,358 | 11,192,407 | 10,687,218 | 12,622,316 | (50,380) | 34,683,919 |
| 2009 | 251,304 | 15,431,130 | - | 1,703,390 | - | 17,385,824 |
| 2008 | 172,959 | 16,956,603 | - | 2,008,233 | - | 19,137,795 |
| 2007 | 187,962 | 36,693,889 | - | 1,835,600 | - | 38,717,451 |
| 2006 | 137,293 | 8,925,593 | - | - | - | 9,062,886 |
| 2005 | 131,298 | 7,430,571 | - | 36,659 | - | 7,598,528 |

Source: District Data

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

Prior period adjustments and other restatements of fund balance may not be reflected in this above schedule for the year originally recorded.

PROVO CITY SCHOOL DISTRICT
Governmental Funds – Net Changes in Aggregate Fund Balances
June 30, 2005 through 2014
(Modified accrual-based accounting)

| Fiscal Year Ended June 30th | General Fund | Debt Service | Capital Projects | Non K-12 Instruction | Student Activities | Supplemental Programs | Food Services | Building Reserve | Municipal Building Authority | Foundation | Total Governmental Funds |
|-----------------------------|--------------|--------------|------------------|----------------------|--------------------|-----------------------|---------------|------------------|------------------------------|------------|--------------------------|
| 2014 | \$ 1,920,594 | \$ (153,915) | \$ (3,364,289) | \$ (534,417) | \$ (124,502) | \$ - | \$ (335,527) | \$ - | \$ 1,945,433 | \$ - | \$ (646,623) |
| 2013 | (618,580) | (7,571) | 2,121,553 | 121,296 | (200,226) | - | 5,217 | (1,668,000) | (539,473) | - | (785,784) |
| 2012 | (1,112,247) | (138,239) | (1,872,279) | 105,442 | (54,662) | - | (87,661) | 1,100,000 | (2,311,098) | (183,612) | (4,554,357) |
| 2011 | 1,425,410 | (162,049) | 647,901 | 28,730 | (48,628) | - | (311,569) | 2,000,000 | (9,782,080) | 362,952 | (5,839,333) |
| 2010 | 4,900,587 | 12,526 | (6,230,367) | (139,993) | 231,708 | - | 97,415 | 2,000,000 | 10,687,218 | 123,169 | 11,682,264 |
| 2009 | 5,132,777 | 10,242 | (2,924,738) | (56,460) | (146,563) | - | (270,139) | 1,940,240 | - | 14,040 | 3,699,398 |
| 2008 | 239,261 | (734,528) | (19,377,864) | 68,812 | 172,633 | - | 219,096 | - | - | 55,943 | (19,356,647) |
| 2007 | (1,055,752) | 466,566 | 26,614,150 | 211,359 | (38,386) | - | 458,615 | - | - | 88,049 | 26,744,601 |
| 2006 | 1,841,751 | 265,974 | 605,712 | 64,759 | - | 33,895 | 396,422 | - | - | 97,598 | 3,306,111 |
| 2005 | 935,947 | 76,950 | 795,437 | (224,790) | - | (11,701) | 229,377 | - | - | 35,652 | 1,836,872 |

Source: District Data

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

Prior period adjustments and other restatements of fund balance may not be reflected in this above schedule for the year originally recorded.

PROVO CITY SCHOOL DISTRICT
Governmental Funds – Fund Balances
June 30, 2005 through 2014
(Modified accrual-based accounting)

| | 2014 | 2013 | 2012 | 2011 |
|---|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | |
| Nonspendable | \$ 606,666 | \$ 605,384 | \$ 663,333 | \$ 313,724 |
| Restricted | 1,209,061 | 1,605,746 | 1,330,758 | 1,158,146 |
| Committed | 19,542,646 | 19,542,646 | 19,542,646 | 19,542,646 |
| Assigned | - | - | 396,012 | 792,056 |
| Unassigned | 5,025,862 | 2,709,865 | 3,149,472 | 4,387,896 |
| | <u>26,384,235</u> | <u>24,463,641</u> | <u>25,082,221</u> | <u>26,194,468</u> |
| Debt Service Fund | | | | |
| Restricted | 533,835 | 687,750 | 695,321 | 833,560 |
| | <u>533,835</u> | <u>687,750</u> | <u>695,321</u> | <u>833,560</u> |
| Capital Projects Fund | | | | |
| Restricted | 1,888,781 | 5,253,070 | 2,490,077 | 4,362,356 |
| | <u>1,888,781</u> | <u>5,253,070</u> | <u>2,490,077</u> | <u>4,362,356</u> |
| Non K-12 Instruction Fund | | | | |
| Restricted | 273,857 | 272,732 | 127,316 | 78,376 |
| Assigned | - | - | - | - |
| Unassigned | (506,002) | 29,540 | 53,660 | (2,842) |
| | <u>(232,145)</u> | <u>302,272</u> | <u>180,976</u> | <u>75,534</u> |
| School Activities Fund | | | | |
| Assigned | 1,397,081 | 1,521,583 | 1,831,809 | 1,886,471 |
| | <u>1,397,081</u> | <u>1,521,583</u> | <u>1,831,809</u> | <u>1,886,471</u> |
| Food Services Fund | | | | |
| Nonspendable | 91,355 | 105,762 | 124,736 | 163,307 |
| Restricted | 1,206,155 | 1,527,275 | 1,503,084 | 1,552,174 |
| | <u>1,297,510</u> | <u>1,633,037</u> | <u>1,627,820</u> | <u>1,715,481</u> |
| Building Reserve Fund | | | | |
| Restricted | 5,372,240 | 5,372,240 | 7,040,240 | 5,940,240 |
| | <u>5,372,240</u> | <u>5,372,240</u> | <u>7,040,240</u> | <u>5,940,240</u> |
| Municipal Building Authority | | | | |
| Committed | - | - | - | 905,138 |
| Restricted | - | (1,945,433) | (1,405,960) | - |
| | <u>-</u> | <u>(1,945,433)</u> | <u>(1,405,960)</u> | <u>905,138</u> |
| Provo School District Foundation | | | | |
| Restricted | - | - | 829,566 | 1,013,178 |
| | <u>-</u> | <u>-</u> | <u>829,566</u> | <u>1,013,178</u> |
| Total All Governmental Funds | | | | |
| Nonspendable | 698,021 | 711,146 | 788,069 | 477,031 |
| Committed | 19,542,646 | 19,542,646 | 19,542,646 | 20,447,784 |
| Restricted | 10,483,929 | 12,773,380 | 12,610,402 | 14,938,030 |
| Assigned | 1,397,081 | 1,521,583 | 2,227,821 | 3,583,665 |
| Unassigned | 4,519,860 | 2,739,405 | 3,203,132 | 4,385,054 |
| | <u>\$ 36,641,537</u> | <u>\$ 37,288,160</u> | <u>\$ 38,372,069</u> | <u>\$ 43,831,564</u> |

Source: The District's governmental funds

PROVO CITY SCHOOL DISTRICT
Governmental Funds – Fund Balances – Continued
June 30, 2005 through 2014
(Modified accrual-based accounting)

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 315,088 | \$ 514,053 | \$ 622,713 | \$ 69,302 | \$ 66,448 | \$ 74,316 |
| 1,104,007 | 588,044 | 1,343,360 | 3,048,644 | 1,731,027 | 2,270,332 |
| 19,542,647 | 14,742,647 | 9,082,301 | - | - | - |
| - | - | - | - | - | - |
| 3,807,316 | 3,852,927 | 3,229,681 | 1,782,603 | 3,256,474 | 867,549 |
| 24,769,058 | 19,697,670 | 14,278,055 | 4,900,550 | 5,053,948 | 3,212,197 |
| 995,609 | 983,083 | 972,841 | 1,707,368 | 1,240,802 | 974,828 |
| 995,609 | 983,083 | 972,841 | 1,707,368 | 1,240,802 | 974,828 |
| 3,714,455 | 9,944,822 | 12,869,560 | 32,247,424 | 5,633,274 | 5,027,562 |
| 3,714,455 | 9,944,822 | 12,869,560 | 32,247,424 | 5,633,274 | 5,027,562 |
| 97,184 | 357,598 | 570,375 | 501,562 | 250,927 | 149,510 |
| - | - | - | - | - | 36,659 |
| (50,380) | - | - | - | - | - |
| 46,804 | 357,598 | 570,375 | 501,562 | 250,927 | 186,169 |
| 1,935,098 | 1,703,390 | 2,008,233 | 1,835,600 | - | - |
| 1,935,098 | 1,703,390 | 2,008,233 | 1,835,600 | - | - |
| 232,358 | 251,304 | 172,959 | 187,962 | 137,293 | 131,298 |
| 1,794,693 | 1,678,331 | 2,026,815 | 1,792,716 | 1,384,770 | 994,343 |
| 2,027,050 | 1,929,635 | 2,199,774 | 1,980,678 | 1,522,063 | 1,125,641 |
| 3,940,240 | 1,940,240 | - | - | - | - |
| 3,940,240 | 1,940,240 | - | - | - | - |
| 10,687,218 | - | - | - | - | - |
| - | - | - | - | 59,049 | 25,154 |
| 10,687,218 | - | - | - | 59,049 | 25,154 |
| 650,226 | 527,057 | 517,013 | 444,819 | 356,772 | 259,174 |
| 650,226 | 527,057 | 517,013 | 444,819 | 356,772 | 259,174 |
| 547,446 | 765,357 | 795,672 | 257,265 | 203,740 | 205,613 |
| 30,229,865 | 14,742,647 | 9,082,301 | - | - | - |
| 12,296,414 | 16,019,174 | 18,299,963 | 39,742,534 | 10,656,620 | 9,700,903 |
| 12,622,316 | 1,703,390 | 2,008,233 | 1,835,600 | - | 36,659 |
| 3,756,936 | 3,852,927 | 3,229,681 | 1,782,603 | 3,256,474 | 867,549 |
| \$ 59,452,977 | \$ 37,083,495 | \$ 33,415,850 | \$ 43,618,002 | \$ 14,116,834 | \$ 10,810,725 |

PROVO CITY SCHOOL DISTRICT
Total Governmental Funds – Changes in Fund Balances
June 30, 2005 through 2014
(Modified accrual-based accounting)

| | 2014 | 2013 | 2012 | 2011 |
|--|---------------------|---------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Property taxes | \$ 32,444,766 | \$ 32,428,761 | \$ 32,123,987 | \$ 31,891,333 |
| Other local sources | 9,600,553 | 8,949,455 | 9,672,627 | 10,872,559 |
| State of Utah | 61,612,174 | 57,509,778 | 53,467,124 | 52,601,369 |
| Federal government | 16,253,024 | 16,756,453 | 15,539,002 | 18,491,842 |
| Total revenues | <u>119,910,517</u> | <u>115,644,447</u> | <u>110,802,740</u> | <u>113,857,103</u> |
| Expenditures | | | | |
| Instruction | 71,499,205 | 69,533,767 | 68,680,153 | 68,102,925 |
| Supporting services: | | | | |
| Students | 3,804,067 | 3,542,614 | 3,852,848 | 3,675,095 |
| Instructional staff | 1,405,164 | 1,569,945 | 1,521,358 | 1,421,080 |
| District administration | 1,595,972 | 1,541,051 | 1,551,884 | 1,216,376 |
| School administration | 5,429,688 | 5,196,888 | 5,155,525 | 5,023,070 |
| Business | 4,984,781 | 2,803,584 | 3,004,179 | 2,888,383 |
| Operation and maintenance of buildings | 5,781,259 | 6,042,890 | 5,849,045 | 6,833,247 |
| Student transportation | 2,005,641 | 2,158,201 | 2,216,991 | 1,901,723 |
| Other | 21,617 | 1,011,101 | 1,176,456 | 1,107,400 |
| School food services | 5,686,209 | 5,464,818 | 5,382,955 | 5,208,605 |
| Non K-12 programs | 5,543,167 | 6,138,445 | 3,530,746 | 3,362,893 |
| Capital outlay | 5,904,104 | 4,589,266 | 7,009,197 | 12,526,166 |
| Debt Service: | | | | |
| Bond principal | 5,427,727 | 5,235,098 | 4,353,461 | 4,219,671 |
| Bond issue costs | - | - | - | - |
| Bond interest and fees | 1,492,509 | 1,762,279 | 2,082,660 | 2,239,229 |
| Total expenditures | <u>120,581,110</u> | <u>116,589,947</u> | <u>115,367,458</u> | <u>119,725,862</u> |
| Excess (deficiency) of revenues over (under) expenditures | (670,593) | (945,500) | (4,564,718) | (5,868,760) |
| Other financing sources (uses) | | | | |
| Capital lease | - | 41,266 | - | - |
| Sale of capital assets | 23,970 | 27,169 | 10,362 | 29,427 |
| General obligation bonds issued | - | - | - | - |
| Bond premium (discount) | - | - | - | - |
| Refunding bonds issued | - | 9,045,000 | - | - |
| Payment to refunded bonds escrow agent | - | (8,953,719) | - | - |
| Insurance recoveries | - | - | - | - |
| Donated Assets | - | - | - | - |
| Total other financing sources (uses) | <u>23,970</u> | <u>159,716</u> | <u>10,362</u> | <u>29,427</u> |
| Net change in fund balance | <u>\$ (646,623)</u> | <u>\$ (785,784)</u> | <u>\$ (4,554,356)</u> | <u>\$ (5,839,333)</u> |
| Debt service as a percentage of noncapital expenditures | 6.0% | 6.2% | 5.9% | 6.0% |

Source: The District's governmental funds

PROVO CITY SCHOOL DISTRICT
Total Governmental Funds – Changes in Fund Balances – Continued
June 30, 2005 through 2014
(Modified accrual-based accounting)

| 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|----------------------|---------------------|------------------------|----------------------|---------------------|---------------------|
| \$ 32,672,324 | \$ 32,142,593 | \$ 26,477,406 | \$ 26,614,168 | \$ 24,691,855 | \$ 24,559,640 |
| 7,859,395 | 8,538,122 | 10,197,788 | 9,374,876 | 3,599,965 | 3,629,173 |
| 53,877,288 | 57,520,715 | 59,138,786 | 52,642,013 | 49,629,417 | 49,096,887 |
| 18,258,540 | 17,170,413 | 11,556,049 | 12,085,892 | 12,599,383 | 12,061,062 |
| <u>112,667,547</u> | <u>115,371,843</u> | <u>107,370,029</u> | <u>100,716,948</u> | <u>90,520,620</u> | <u>89,346,762</u> |
| 64,797,364 | 66,318,579 | 68,788,467 | 62,720,619 | 54,990,497 | 54,063,533 |
| 3,681,968 | 3,681,831 | 3,299,652 | 3,452,851 | 3,065,811 | 3,279,557 |
| 2,060,247 | 2,074,908 | 1,519,541 | 2,053,435 | 2,014,830 | 1,909,225 |
| 1,160,972 | 778,689 | 1,236,565 | 1,489,474 | 1,478,589 | 855,576 |
| 4,851,866 | 5,030,421 | 4,705,273 | 4,485,853 | 4,210,928 | 4,333,483 |
| 2,905,870 | 2,823,844 | 2,574,485 | 1,094,542 | 1,126,515 | 2,530,560 |
| 5,378,173 | 5,395,147 | 5,147,632 | 4,045,858 | 4,132,825 | 3,670,441 |
| 2,156,422 | 2,053,738 | 2,400,231 | 2,203,890 | 1,859,437 | 1,747,676 |
| 61,739 | 91,078 | 392,584 | 2,035,645 | 1,072,477 | 37,172 |
| 4,910,053 | 5,077,938 | 4,293,453 | 4,180,570 | 3,778,134 | 4,007,548 |
| 3,456,294 | 4,709,556 | 4,084,935 | 3,914,974 | 3,078,042 | 3,964,383 |
| 5,759,945 | 6,936,233 | 22,703,562 | 16,571,562 | 2,765,337 | 3,296,431 |
| 4,326,211 | 4,127,972 | 4,013,261 | 4,725,450 | 2,960,617 | 2,630,748 |
| - | - | - | 308,305 | - | - |
| 2,434,054 | 2,586,166 | 2,792,332 | 1,772,475 | 1,543,104 | 2,034,644 |
| <u>107,941,176</u> | <u>111,686,100</u> | <u>127,951,971</u> | <u>115,055,503</u> | <u>88,077,143</u> | <u>88,360,977</u> |
| 4,726,371 | 3,685,743 | (20,581,943) | (14,338,555) | 2,443,477 | 985,785 |
| 81,721 | - | 1,148,344 | - | 91,833 | 573,340 |
| 63,288 | 13,655 | 76,952 | 5,703,955 | 770,801 | 249,842 |
| - | - | - | 35,000,000 | - | - |
| - | - | - | 244,201 | - | - |
| 6,462,000 | - | - | 8,220,000 | - | - |
| - | - | - | (8,085,000) | - | - |
| - | - | - | - | - | 27,905 |
| 348,884 | - | - | - | - | - |
| <u>6,955,893</u> | <u>13,655</u> | <u>1,225,296</u> | <u>41,083,156</u> | <u>862,634</u> | <u>851,087</u> |
| <u>\$ 11,682,264</u> | <u>\$ 3,699,398</u> | <u>\$ (19,356,647)</u> | <u>\$ 26,744,601</u> | <u>\$ 3,306,111</u> | <u>\$ 1,836,872</u> |
| 6.6% | 6.4% | 6.5% | 6.9% | 5.3% | 5.5% |

PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections
Calendar Years Ended December 31, 2004 through 2013
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> |
|------------------------------|--|----------------------------------|----------------------|--------------------------------|------------------------------|-------------------------|
| 2013 | 2014 | 0.007094 | \$ 4,146,424,992 | \$ 137,588,204 | \$ 4,008,836,788 | \$ 30,457,762 |
| 2012 | 2013 | 0.007319 | \$ 4,153,830,545 | - | 4,153,830,545 | 30,401,886 |
| 2011 | 2012 | 0.007153 | 4,151,831,455 | - | 4,151,831,455 | 29,698,050 |
| 2010 | 2011 | 0.006706 | 4,475,415,735 | - | 4,475,415,735 | 30,012,138 |
| 2009 | 2010 | 0.006639 | 4,653,441,873 | - | 4,653,441,873 | 30,894,201 |
| 2008 | 2009 | 0.006214 | 4,977,309,060 | 161,198,488 | 4,816,110,572 | 29,550,810 |
| 2007 | 2008 | 0.005239 | 4,589,644,669 | - | 4,589,644,669 | 24,045,148 |
| 2006 | 2007 | 0.006147 | 3,883,034,322 | 108,478,837 | 3,774,555,485 | 23,195,574 |
| 2005 | 2006 | 0.006124 | 3,588,753,374 | - | 3,588,753,374 | 21,977,526 |
| 2004 | 2005 | 0.006234 | 3,575,601,094 | - | 3,575,601,094 | 22,289,112 |

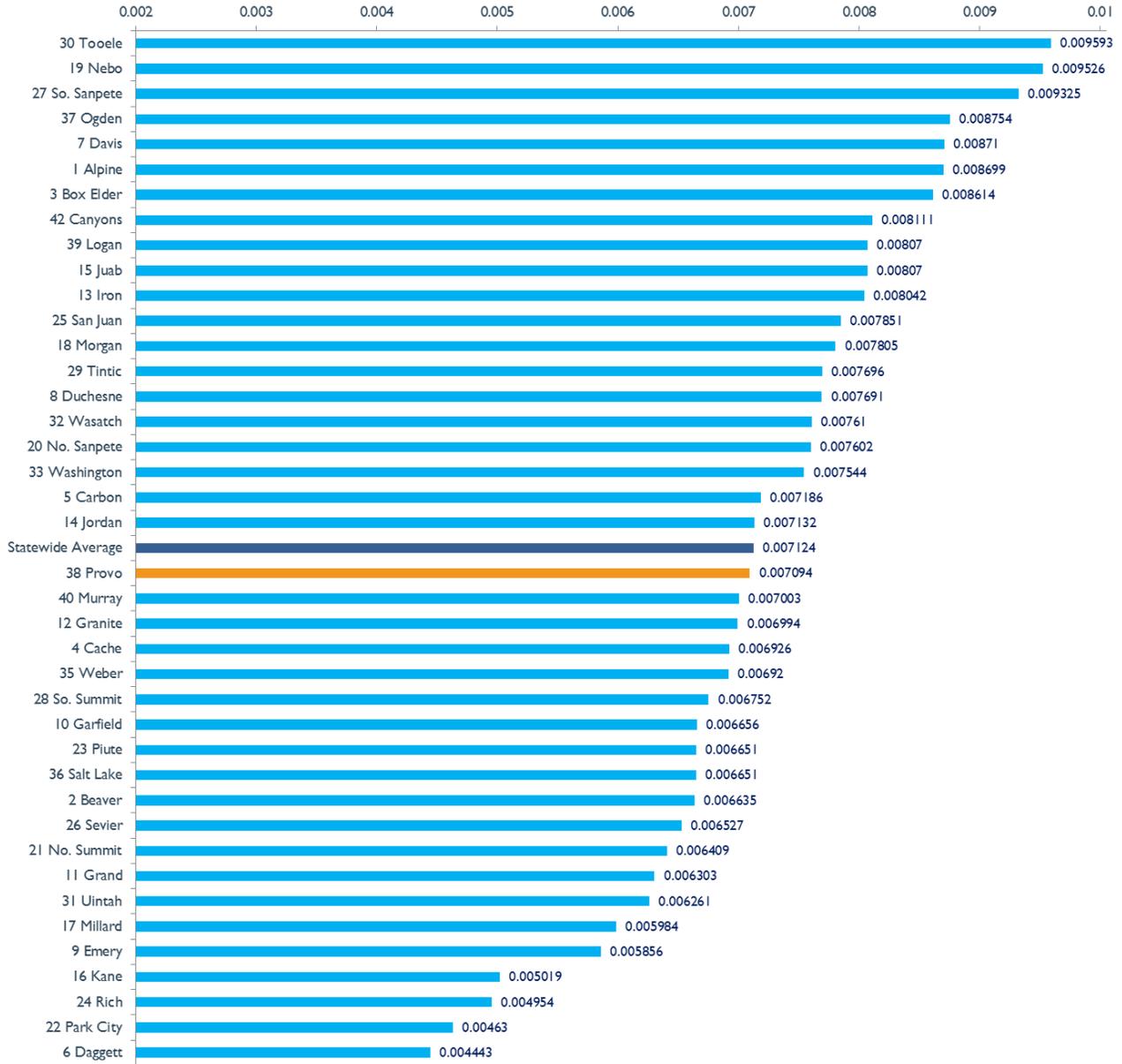
PROVO CITY SCHOOL DISTRICT
Property Tax Levies and Collections – Continued
Calendar Years Ended December 31, 2004 through 2013
Tax Rates (per \$1)

| Calendar Tax Year | Collected within the Calendar Year of the Levy | | | Collections in Subsequent Years | Total Collections | |
|----------------------|---|--------------------------------------|---------------------------------------|--|-------------------|------------------------------------|
| | Current | Percent of Current Collections | Fee-in-Lieu & Other Collections | Delinquent Collections | Amount | Percent of Annual Assessment |
| 2013 | \$ 28,375,468 | 93.16% | \$ 2,271,140 | \$ 2,360,582 | \$ 33,007,190 | 108.08% |
| 2012 | 28,163,850 | 92.64% | 2,333,134 | 2,036,439 | 32,533,423 | 99.34% |
| 2011 | 27,552,286 | 92.77% | 2,313,938 | 2,284,594 | 32,150,818 | 100.47% |
| 2010 | 26,646,431 | 88.79% | 2,463,553 | 2,173,810 | 31,283,794 | 96.03% |
| 2009 | 27,282,047 | 88.31% | 2,808,721 | 2,751,631 | 32,842,399 | 97.21% |
| 2008 | 26,920,710 | 91.10% | 3,140,469 | 2,018,204 | 32,079,383 | 96.70% |
| 2007 | 22,323,808 | 91.57% | 3,038,185 | 1,570,642 | 26,994,798 | 99.37% |
| 2006 | 21,316,863 | 91.90% | 2,917,225 | 1,834,979 | 26,069,067 | 99.78% |
| 2005 | 20,503,408 | 93.29% | 2,630,067 | 1,438,577 | 24,572,052 | 99.84% |
| 2004 | 20,387,851 | 91.47% | 2,664,542 | 2,024,523 | 25,076,916 | 100.55% |

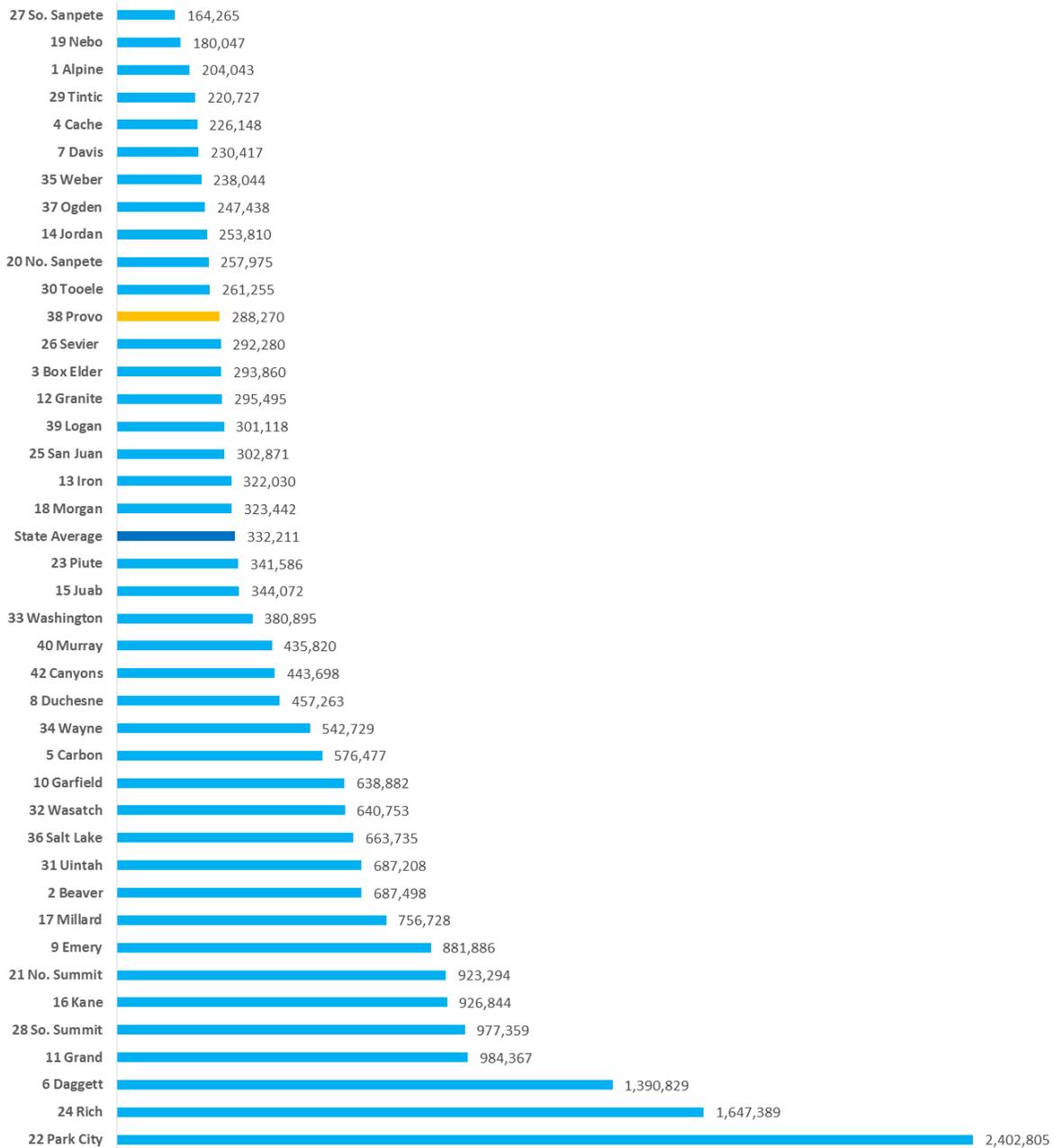
PROVO CITY SCHOOL DISTRICT
Assessed Property Value
Tax Years Ended 2004 through 2013

| Tax Year | Centrally Assessed | Residential | Industrial & Commercial | Agriculture | Personal | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Assessed Value as a Percentage of Actual Value |
|----------|--------------------|------------------|-------------------------|--------------|----------------|------------------------------|-----------------------|------------------------|--|
| 2013 | \$ 89,859,373 | \$ 2,518,526,525 | \$ 1,530,457,068 | \$ 1,471,444 | \$ 437,940,237 | \$ 4,578,254,647 | 0.007094 | | 69.01% |
| 2012 | 87,002,827 | 1,801,508,388 | 961,043,880 | 1,331,238 | 278,833,085 | 4,344,956,950 | 0.007319 | 6,310,719,080 | 68.85% |
| 2011 | 86,944,769 | | data not available | | 263,576,184 | 4,306,864,257 | 0.007153 | 6,447,129,327 | 66.80% |
| 2010 | 88,668,674 | | data not available | | 362,493,475 | 4,435,552,148 | 0.006706 | 6,573,948,214 | 67.47% |
| 2009 | 85,820,447 | 2,826,394,972 | 1,479,872,571 | 12,903,941 | 389,053,152 | 4,653,441,873 | 0.006639 | 6,966,327,000 | 66.80% |
| 2008 | 82,706,866 | 2,997,124,619 | 1,459,637,789 | 38,235,709 | 399,604,077 | 4,977,309,060 | 0.006214 | 7,956,509,000 | 62.56% |
| 2007 | 82,969,989 | 2,899,850,009 | 1,306,925,164 | 45,258,995 | 382,758,140 | 4,589,644,669 | 0.005239 | 7,336,569,000 | 62.56% |
| 2006 | 76,196,427 | 2,315,587,821 | 1,138,300,267 | 49,894,569 | 302,799,307 | 3,883,034,322 | 0.006147 | 5,736,082,000 | 67.69% |
| 2005 | 79,850,599 | 2,162,304,068 | 1,114,399,456 | 59,944,701 | 289,039,175 | 3,588,753,374 | 0.006124 | 5,443,760,000 | 65.92% |
| 2004 | 81,267,943 | 2,114,291,814 | 1,143,512,617 | 59,511,529 | 300,462,339 | 3,575,601,094 | 0.006234 | 5,353,912,000 | 66.78% |

PROVO CITY SCHOOL DISTRICT
Comparison of Utah School District Property Tax Rates
Tax Year 2013, Fiscal Year 2013-2014



PROVO CITY SCHOOL DISTRICT
Comparison of Assessed Property Tax Valuation, Per Student
Fiscal Year 2013-2014



(This page left blank intentionally)

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

| | Tax Rates for the year ended December 31, | | | | | | | | |
|-------------------------------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
| Direct Rates: | | | | | | | | | |
| Basic Program | 0.001535 | 0.001651 | 0.001591 | 0.001495 | 0.001433 | 0.001250 | 0.001311 | 0.001515 | 0.001720 |
| Voted Leeway | 0.001300 | 0.001455 | 0.001434 | 0.001340 | 0.001346 | 0.001275 | 0.000877 | 0.001034 | 0.000860 |
| Board Leeway (Class Size Reduction) | 0.001518 | 0.001904 | 0.000400 | 0.000392 | 0.000226 | 0.000214 | 0.000339 | 0.000400 | 0.000400 |
| Board Leeway (Reading Program) [2] | 0.000000 | 0.000000 | 0.000121 | 0.000121 | 0.000121 | 0.000121 | 0.000000 | 0.000000 | 0.000000 |
| Transportation | 0.000000 | 0.000000 | 0.000100 | 0.000000 | 0.000098 | 0.000093 | 0.000096 | 0.000113 | 0.000120 |
| Tort Liability | 0.000000 | 0.000000 | 0.000080 | 0.000000 | 0.000061 | 0.000058 | 0.000060 | 0.000071 | 0.000075 |
| 10% of Basic Operating [1] | 0.000000 | 0.000000 | 0.000602 | 0.000463 | 0.000492 | n/a | n/a | n/a | n/a |
| Recreation Levy | 0.000000 | 0.000000 | 0.000600 | 0.000132 | 0.000132 | 0.000249 | 0.000256 | 0.000302 | 0.000320 |
| Debt Service | 0.001380 | 0.001432 | 0.001399 | 0.001317 | 0.001307 | 0.001242 | 0.001018 | 0.001201 | 0.001003 |
| Capital Outlay Foundation | 0.001361 | 0.000877 | 0.000250 | 0.000982 | 0.000930 | 0.000828 | 0.000369 | 0.000435 | 0.000568 |
| 10% of Basic Capital | 0.000000 | 0.000000 | 0.000576 | 0.000464 | 0.000493 | 0.000884 | 0.000913 | 0.001076 | 0.001058 |
| Total direct rate | 0.007094 | 0.007319 | 0.007153 | 0.006706 | 0.006639 | 0.006214 | 0.005239 | 0.006147 | 0.006124 |
| Overlapping rates:* | | | | | | | | | |
| Provo City | 0.002956 | 0.003032 | 0.002843 | 0.002394 | 0.002307 | 0.002122 | 0.002236 | 0.002722 | 0.002787 |
| Utah County | 0.001006 | 0.001127 | 0.001342 | 0.001294 | 0.001203 | 0.001105 | 0.001000 | 0.000960 | 0.001900 |
| Central UT Water District | 0.000446 | 0.000455 | 0.000436 | 0.000421 | 0.000400 | 0.000286 | 0.000302 | 0.000357 | 0.000400 |

* source: www.taxrates.utah.gov

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

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

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

PROVO CITY SCHOOL DISTRICT
 History of the Weighted Pupil Unit (WPU)
 1975-2014

| Year | WPU Amount | Change | % Change |
|-------------|-------------------|---------------|-----------------|
| 1975-76 | \$ 621 | \$ | ---- |
| 1976-77 | \$ 683 | | 62 10.0% |
| 1977-78 | \$ 732 | | 49 7.2% |
| 1978-79 | \$ 795 | | 63 8.6% |
| 1979-80 | \$ 852 | | 57 7.2% |
| 1980-81 | \$ 946 | | 94 11.0% |
| 1981-82 | \$ 1,003 | | 57 6.0% |
| 1982-83 | \$ 1,103 | | 100 10.0% |
| 1983-84 | \$ 1,103 | | 0 0.0% |
| 1984-85 | \$ 1,124 | | 21 1.9% |
| 1985-86 | \$ 1,180 | | 56 5.0% |
| 1986-87 | \$ 1,204 | | 24 2.0% |
| 1987-88 | \$ 1,204 | | 0 0.0% |
| 1988-89 | \$ 1,204 | | 0 0.0% |
| 1989-90 | \$ 1,240 | | 36 3.0% |
| 1990-91 | \$ 1,346 | | 106 8.5% |
| 1991-92 | \$ 1,408 | | 62 4.6% |
| 1992-93 | \$ 1,490 | | 82 5.8% |
| 1993-94 | \$ 1,539 | | 49 3.3% |
| 1994-95 | \$ 1,608 | | 69 4.5% |
| 1995-96 | \$ 1,672 | | 64 4.0% |
| 1996-97 | \$ 1,739 | | 67 4.0% |
| 1997-98 | \$ 1,791 | | 52 3.0% |
| 1998-99 | \$ 1,854 | | 63 3.5% |
| 1999-00 | \$ 1,901 | | 47 2.5% |
| 2000-01 | \$ 2,006 | | 105 5.5% |
| 2001-02 | \$ 2,116 | | 110 5.5% |
| 2002-03 | \$ 2,132 | | 16 0.8% |
| 2003-04 | \$ 2,150 | | 18 0.8% |
| 2004-05 | \$ 2,182 | | 32 1.5% |
| 2005-06 | \$ 2,280 | | 98 4.5% |
| 2006-07 | \$ 2,417 | | 137 6.0% |
| 2007-08 | \$ 2,514 | | 97 4.0% |
| 2008-09 | \$ 2,577 | | 63 2.5% |
| 2009-10 | \$ 2,577 | | 0 0.0% |
| 2010-11 | \$ 2,577 | | 0 0.0% |
| 2011-12 | \$ 2,816 | | 239 9.3% |
| 2012-13 | \$ 2,842 | | 26 0.9% |
| 2013-14 | \$ 2,899 | | 57 2.0% |
| 2014-15 | \$ 2,971 | | 72 2.5% |

PROVO CITY SCHOOL DISTRICT
Changes in Fund Balances & Ratio of Annual Debt Service to
General Fund Expenditures
June 30, 2005 through 2014
(Modified accrual-based accounting)

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--|----------------------------|----------------------------|------------------------------|----------------------------|
| Revenues: | | | | |
| Property taxes | \$ 20,657,597 | \$ 19,574,339 | \$ 20,730,368 | \$ 18,126,128 |
| Other local sources | 4,241,205 | 3,673,465 | 3,777,236 | 3,804,292 |
| State of Utah | 59,502,309 | 55,110,921 | 51,556,199 | 51,001,740 |
| Federal government | 11,992,367 | 12,616,532 | 11,381,864 | 14,610,869 |
| Total revenues | <u>96,393,478</u> | <u>90,975,257</u> | <u>87,445,667</u> | <u>87,543,029</u> |
| Expenditures: | | | | |
| Instructional services | 67,739,515 | 65,776,955 | 64,984,092 | 64,604,710 |
| Supporting services: | | | | |
| Students | 3,804,067 | 3,542,614 | 3,852,848 | 3,675,095 |
| Instructional staff | 1,405,164 | 1,569,945 | 1,521,358 | 1,421,080 |
| District administration | 1,595,972 | 1,541,051 | 1,551,884 | 1,216,376 |
| School administration | 5,429,688 | 5,196,888 | 5,155,525 | 5,023,070 |
| Business | 4,984,781 | 2,803,584 | 3,004,179 | 2,888,383 |
| Operations and maintenance | 5,137,464 | 5,065,572 | 5,177,986 | 4,169,208 |
| Student transportation | 2,005,641 | 2,158,201 | 2,126,248 | 1,901,723 |
| Other | 21,617 | 1,011,101 | 1,176,456 | 1,106,071 |
| Community services | 2,372,925 | 2,992,710 | | - |
| Debt service: | | | | |
| Principal retirement | - | - | 14,461 | 33,671 |
| Interest and fees | - | - | 539 | 1,329 |
| Total expenditures | <u>94,496,834</u> | <u>91,658,621</u> | <u>88,565,576</u> | <u>86,040,715</u> |
| Excess (deficiency) of revenues over expenditures | 1,896,644 | (683,364) | (1,119,909) | 1,502,314 |
| Other financing sources (uses): | | | | |
| Sale of assets | 23,950 | 23,518 | 7,662 | 29,427 |
| Transfers In (Out) | | | | (106,331) |
| Insurance recoveries | | | | - |
| Proceeds from Capital lease obligation | - | 41,266 | | - |
| Total other financing sources (uses) | <u>23,950</u> | <u>64,784</u> | <u>7,662</u> | <u>(76,904)</u> |
| Net change in fund balance | <u>\$ 1,920,594</u> | <u>\$ (618,580)</u> | <u>\$ (1,112,247)</u> | <u>\$ 1,425,410</u> |
| Total debt service expenditures (all funds) (general obligations, capital leases, etc.) | \$ 6,920,236 | \$ 6,997,377 | \$ 6,436,121 | \$ 6,460,229 |
| Debt service as a percentage of total general fund expenditures | 7.3% | 7.6% | 7.3% | 7.5% |

Source: The District's governmental funds

PROVO CITY SCHOOL DISTRICT
Changes in Fund Balances & Ratio of Annual Debt Service to
General Fund Expenditures - Continued
June 30, 2005 through 2014
(Modified accrual-based accounting)

| <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|----------------------------|----------------------------|--------------------------|------------------------------|----------------------------|--------------------------|
| \$ 18,454,770 | \$ 15,574,726 | \$ 13,559,626 | \$ 13,473,520 | \$ 12,801,543 | \$ 12,540,548 |
| 2,413,107 | 2,308,600 | 2,946,310 | 2,832,141 | 2,089,693 | 2,295,796 |
| 51,756,518 | 55,099,893 | 56,943,212 | 50,474,352 | 46,639,740 | 46,131,313 |
| 14,486,136 | 13,499,469 | 8,173,955 | 8,810,031 | 8,379,546 | 6,415,614 |
| <u>87,110,531</u> | <u>86,482,688</u> | <u>81,623,103</u> | <u>75,590,044</u> | <u>69,910,522</u> | <u>67,383,271</u> |
| 61,744,803 | 62,639,826 | 64,216,611 | 58,771,233 | 52,670,674 | 50,233,015 |
| - | - | - | - | - | - |
| 3,681,968 | 3,681,831 | 3,299,652 | 3,452,851 | 3,023,616 | 3,111,115 |
| 2,060,247 | 2,074,908 | 1,519,541 | 2,053,435 | 2,014,345 | 1,897,748 |
| 1,160,972 | 778,689 | 1,236,565 | 1,489,474 | 1,478,589 | 855,576 |
| 4,851,866 | 5,030,421 | 4,705,273 | 4,485,853 | 4,045,607 | 4,311,056 |
| 2,905,870 | 2,823,844 | 2,574,485 | 1,094,542 | 1,113,650 | 2,510,104 |
| 3,605,897 | 1,887,139 | 1,460,910 | 1,335,633 | 1,008,309 | 1,767,533 |
| 1,952,076 | 2,053,738 | 2,400,231 | 2,203,890 | 1,859,437 | 1,747,676 |
| 61,739 | 91,078 | 392,584 | 1,762,840 | 854,544 | 37,172 |
| - | - | - | - | - | - |
| 310,211 | 277,972 | 726,335 | - | - | - |
| 16,789 | 22,028 | 21,010 | - | - | - |
| <u>82,352,438</u> | <u>81,361,475</u> | <u>82,553,195</u> | <u>76,649,751</u> | <u>68,068,771</u> | <u>66,470,995</u> |
| 4,758,093 | 5,121,212 | (930,092) | (1,059,707) | 1,841,751 | 912,276 |
| 60,773 | 11,564 | 76,952 | 3,955 | - | 2,500 |
| - | - | - | - | - | 21,171 |
| 81,721 | - | 1,148,344 | - | - | - |
| <u>142,494</u> | <u>11,564</u> | <u>1,225,296</u> | <u>3,955</u> | <u>-</u> | <u>23,671</u> |
| <u>\$ 4,900,587</u> | <u>\$ 5,132,777</u> | <u>\$ 295,204</u> | <u>\$ (1,055,752)</u> | <u>\$ 1,841,751</u> | <u>\$ 935,947</u> |
| \$ 6,760,264 | \$ 6,714,138 | \$ 6,805,593 | \$ 6,806,230 | \$ 4,503,721 | \$ 4,665,392 |
| 8.2% | 8.3% | 8.2% | 8.9% | 6.6% | 7.0% |

PROVO CITY SCHOOL DISTRICT
Schedule of Long-term Debt Service

| | | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-----------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General obligation bonds: | | | | | | |
| <i>Debt Service Fund</i> | | | | | | |
| Series 2012 Refunding | Principal | \$ 2,880,000 | \$ 3,725,000 | \$ 1,950,000 | \$ - | \$ - |
| | Interest | 93,083 | 66,875 | 25,155 | - | - |
| | | \$ 9,045,000 | | | | |
| Series 2007A Refunding | Principal | 726,000 | - | - | - | - |
| | Interest | 27,639 | - | - | - | - |
| | | \$ 8,220,000 | | | | |
| Series 2006 G.O. Bond | Principal | 425,000 | 450,000 | 475,000 | 475,000 | 500,000 |
| | Interest | 257,000 | 240,000 | 222,000 | 203,000 | 184,000 |
| | | \$ 9,400,000 | | | | |
| Series 2007B G.O. Bond | Principal | 1,150,000 | 1,200,000 | 1,225,000 | 1,275,000 | 1,350,000 |
| | Interest | 822,563 | 776,563 | 728,563 | 679,563 | 628,563 |
| | | \$ 25,600,000 | | | | |
| Total Principal - General Obligation Bonds | | <u>5,181,000</u> | <u>5,375,000</u> | <u>3,650,000</u> | <u>1,750,000</u> | <u>1,850,000</u> |
| Total Interest - General Obligation Bonds | | <u>1,268,451</u> | <u>1,145,946</u> | <u>1,032,568</u> | <u>933,755</u> | <u>858,097</u> |
| Total - General Obligation Bonds | | <u>6,449,451</u> | <u>6,520,946</u> | <u>4,682,568</u> | <u>2,683,755</u> | <u>2,708,097</u> |
| Lease revenue bonds: | | | | | | |
| <i>Debt Service Fund</i> | | | | | | |
| 2010 Lease Revenue Bonds | Principal | 460,000 | 460,000 | 460,000 | 460,000 | 460,000 |
| | Interest | 68,167 | 62,509 | 56,851 | 51,193 | 45,535 |
| | | \$ 6,462,000 | | | | |
| Total - Lease Revenue Bonds | | <u>528,167</u> | <u>522,509</u> | <u>516,851</u> | <u>511,193</u> | <u>505,535</u> |
| Total - Bonds payable | | <u>6,977,618</u> | <u>7,043,455</u> | <u>5,199,419</u> | <u>3,194,948</u> | <u>3,213,632</u> |
| Obligations under lease agreements: | | | | | | |
| <i>General Fund</i> | | | | | | |
| 2012 Capital Lease | Principal | 7,734 | 7,985 | 8,245 | 8,513 | 8,789 |
| | Interest | 1,541 | 1,090 | 830 | 562 | 286 |
| | | \$45,375 | | | | |
| Total Principal - lease obligations | | <u>7,734</u> | <u>7,985</u> | <u>8,245</u> | <u>8,513</u> | <u>8,789</u> |
| Total Interest - lease obligations | | <u>1,541</u> | <u>1,090</u> | <u>830</u> | <u>562</u> | <u>286</u> |
| Total lease obligations | | <u>9,275</u> | <u>9,075</u> | <u>9,075</u> | <u>9,075</u> | <u>9,075</u> |
| Note payable: | | | | | | |
| <i>Capital Projects Fund</i> | | | | | | |
| 2011 Energy Efficiency Chiller | Principal | 19,259 | 19,892 | 20,547 | 21,223 | 21,921 |
| | Interest | 7,468 | 6,835 | 6,180 | 5,504 | 4,806 |
| | | \$264,697 | | | | |
| Total note payable | | <u>26,727</u> | <u>26,727</u> | <u>26,727</u> | <u>26,727</u> | <u>26,727</u> |
| Total long-term debt obligations: | | | | | | |
| Total Principal - All Funds - All Long-Term Debt | | <u>5,667,993</u> | <u>5,862,877</u> | <u>4,138,792</u> | <u>2,239,736</u> | <u>2,340,710</u> |
| Total Interest - All Funds - All Long-Term Debt | | <u>1,345,627</u> | <u>1,216,380</u> | <u>1,096,429</u> | <u>991,014</u> | <u>908,724</u> |
| Total - All Funds - All Long-Term Debt | | <u>\$ 7,013,620</u> | <u>\$ 7,079,257</u> | <u>\$ 5,235,221</u> | <u>\$ 3,230,750</u> | <u>\$ 3,249,434</u> |

PROVO CITY SCHOOL DISTRICT
Schedule of Long-term Debt Service - Continued

| 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | Totals |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,555,000 |
| - | - | - | - | - | - | - | - | 185,113 |
| - | - | - | - | - | - | - | - | 726,000 |
| - | - | - | - | - | - | - | - | 27,639 |
| 525,000 | 550,000 | 575,000 | 575,000 | 600,000 | 625,000 | 650,000 | - | 6,425,000 |
| 164,000 | 143,000 | 121,000 | 98,000 | 75,000 | 51,000 | 26,000 | - | 1,784,000 |
| 1,425,000 | 1,475,000 | 1,525,000 | 1,600,000 | 1,675,000 | 1,725,000 | 1,800,000 | 1,875,000 | 19,300,000 |
| 567,813 | 503,688 | 437,313 | 368,688 | 300,688 | 229,500 | 156,188 | 79,688 | 6,279,375 |
| 1,950,000 | 2,025,000 | 2,100,000 | 2,175,000 | 2,275,000 | 2,350,000 | 2,450,000 | 1,875,000 | 35,006,000 |
| 771,689 | 680,906 | 586,873 | 489,590 | 392,932 | 292,087 | 241,799 | 79,688 | 8,276,127 |
| 2,721,689 | 2,705,906 | 2,686,873 | 2,664,590 | 2,667,932 | 2,642,087 | 2,691,799 | 1,954,688 | 43,780,381 |
| 460,000 | 460,000 | 460,000 | 460,000 | 460,000 | 460,000 | 482,000 | - | 5,542,000 |
| 39,877 | 34,219 | 28,561 | 22,903 | 17,245 | 11,587 | 59,612 | - | 498,255 |
| 499,877 | 494,219 | 488,561 | 482,903 | 477,245 | 471,587 | 541,612 | - | 6,040,255 |
| 3,221,566 | 3,200,125 | 3,175,434 | 3,147,493 | 3,145,177 | 3,113,673 | 3,233,411 | 1,954,688 | 49,820,636 |
| - | - | - | - | - | - | - | - | 41,266 |
| - | - | - | - | - | - | - | - | 4,309 |
| - | - | - | - | - | - | - | - | 41,266 |
| - | - | - | - | - | - | - | - | 4,309 |
| - | - | - | - | - | - | - | - | 45,575 |
| 22,460 | 23,199 | 23,962 | 24,750 | 25,564 | 13,202 | - | - | 235,979 |
| 4,267 | 3,528 | 2,765 | 1,977 | 1,162 | 161 | - | - | 44,653 |
| 26,727 | 26,727 | 26,727 | 26,727 | 26,726 | 13,363 | - | - | 280,632 |
| 2,432,460 | 2,508,199 | 2,583,962 | 2,659,750 | 2,760,564 | 2,823,202 | 2,932,000 | 1,875,000 | 40,825,245 |
| 815,833 | 718,653 | 618,199 | 514,470 | 411,339 | 303,834 | 301,411 | 79,688 | 9,321,598 |
| \$ 3,248,293 | \$ 3,226,852 | \$ 3,202,161 | \$ 3,174,220 | \$ 3,171,903 | \$ 3,127,036 | \$ 3,233,411 | \$ 1,954,688 | \$ 50,146,843 |

PROVO CITY SCHOOL DISTRICT
Ratios of Outstanding Debt
June 30, 2005 through 2014

| Fiscal Year Ended June 30, | Outstanding General Obligation Bonds | Net General Bonded Debt as Percentage of Taxable Value | Net General Obligation Bonded Debt Per Capita | Net General Obligation Bonded Debt Per Student | Outstanding Capital Lease and Lease Revenue Obligations | Total Debt | Total Debt as Percentage of Taxable Value | Total Debt Per Capita | Total Debt Per Student |
|-------------------------------|---|---|--|---|---|---------------|--|--------------------------|---------------------------|
| 2014 | \$ 35,006,000 | 0.84% | \$ 304 | \$ 2,479 | \$ 5,583,266 | \$ 40,589,266 | 0.98% | \$ 352 | \$ 2,874 |
| 2013 | 39,947,000 | 0.96% | 346 | 2,829 | 6,051,772 | 45,998,772 | 1.11% | 399 | 3,257 |
| 2012 | 43,843,000 | 0.67% | 374 | 2,921 | 6,470,506 | 50,313,506 | 0.78% | 436 | 3,406 |
| 2011 | 48,182,000 | 0.72% | 400 | 3,537 | 6,484,967 | 54,666,967 | 0.83% | 461 | 4,084 |
| 2010 | 52,368,000 | 0.74% | 434 | 3,887 | 6,518,638 | 58,886,638 | 0.85% | 497 | 4,456 |
| 2009 | 56,384,000 | 1.11% | 468 | 4,224 | 300,000 | 56,684,000 | 1.14% | 478 | 4,321 |
| 2008 | 60,234,000 | 1.29% | 520 | 4,518 | 604,810 | 60,838,810 | 1.33% | 534 | 4,638 |
| 2007 | 63,351,000 | 1.63% | 536 | 4,700 | 352,727 | 63,703,727 | 1.69% | 554 | 4,857 |
| 2006 | 31,035,000 | 0.83% | 284 | 2,597 | 2,269,177 | 33,304,177 | 0.93% | 317 | 2,903 |
| 2005 | 33,270,000 | 0.90% | 280 | 2,925 | 2,998,591 | 36,268,591 | 1.01% | 314 | 3,285 |

PROVO CITY SCHOOL DISTRICT
Overlapping and Underlying General Obligation Debt
Fiscal Year Ending June 30, 2013

| Taxing Entity | 2013 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 | \$ 201,400,395,337 | \$ 4,578,254,647 | 2.27% | \$ 2,910,580,000 | \$ 66,163,606 |
| CUWCD (1) | 25,081,511,193 | 4,578,254,647 | 18.25% | 580,297,000 | 105,924,536 |
| Utah County | 25,200,388,393 | 4,578,254,647 | 18.17% | 4,220,000 | 766,664 |
| Total Overlapping | | | | | <u>172,854,806</u> |
| Underlying: | | | | | |
| Provo City (2) | 4,578,254,647 | 4,578,254,647 | 100.00% | 41,491,200 | 41,491,200 |
| Total Underlying | | | | | <u>41,491,200</u> |
| Total Overlapping and Underlying General Obligation Debt | | | | | <u>\$ 214,346,006</u> |
| Total overlapping general obligation debt (excluding the State) (3) | | | | | 106,691,200 |
| Total direct general obligation bonded indebtedness | | | | | <u>35,006,000</u> |
| Total direct and overlapping general obligation debt (excluding the State) (3) | | | | | <u>\$ 141,697,200</u> |
| Total underlying general obligation debt | | | | | 41,491,200 |
| Total direct general obligation bonded indebtedness | | | | | <u>35,006,000</u> |
| Total direct and underlying general obligation debt | | | | | <u>\$ 76,497,200</u> |
| Total overlapping and underlying general obligation debt (excluding the State) (3) | | | | | 148,182,400 |
| Total direct general obligation bonded indebtedness | | | | | <u>35,006,000</u> |
| Total direct, overlapping, and underlying general obligation debt (excluding the State) (3) | | | | | <u>\$ 183,188,400</u> |

Taxable Value: Taxable values used in this table for non-district entities were derived from www.taxrates.utah.gov

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

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

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

PROVO CITY SCHOOL DISTRICT
Computation of Legal Debt Margin
Years Ended June 30, 2005 through 2014

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Estimated Fair Market Value | \$ 6,634,648,400 | \$ 6,310,719,080 | \$ 6,447,129,327 | \$ 6,573,948,214 | \$ 6,966,327,621 | \$ 7,956,509,341 | \$ 7,336,569,240 | \$ 5,736,082,850 | \$ 5,443,759,516 | \$ 5,353,912,000 |
| "Fair Market Value" X 4% (Debt Limit) | 252,428,763 | 252,428,763 | 257,885,173 | 262,957,929 | 278,653,105 | 318,260,374 | 293,462,770 | 229,443,314 | 217,750,381 | 214,156,480 |
| Less: General Obligation Debt | 35,006,000 | 39,947,000 | 43,843,000 | 48,182,000 | 52,368,000 | 56,384,000 | 60,234,000 | 63,351,000 | 31,035,000 | 33,270,000 |
| Legal Debt Margin* | <u>217,422,763</u> | <u>212,481,763</u> | <u>214,042,173</u> | <u>214,775,929</u> | <u>226,285,105</u> | <u>261,876,374</u> | <u>233,228,770</u> | <u>166,092,314</u> | <u>186,715,381</u> | <u>180,886,480</u> |
| Ratio Legal Debt Margin to Legal Debt Limit | 86.13% | 84.17% | 83.00% | 81.68% | 81.21% | 82.28% | 79.47% | 72.39% | 85.75% | 84.46% |

*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.

PROVO CITY SCHOOL DISTRICT
Selected Utah County Economic Statistics

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

PROVO CITY SCHOOL DISTRICT
Demographic Information – Population Data

Birth Rates 1995-2012

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

Historical Populations (Utah County & Provo City)

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

PROVO CITY SCHOOL DISTRICT
Largest Employers – Provo City and Utah County
2013 (Most recent data available)

LARGEST EMPLOYERS IN PROVO CITY
2013 (Most recent year available)

| <u>Company Name</u> | <u>Employees</u> | <u>Industry</u> |
|-------------------------------------|------------------|------------------------------|
| Brigham Young University | 15,000 - 19,999 | Higher Education |
| Utah Valley Regional Medical Center | 4,000 - 4,999 | Health Care |
| Vivint | 2,000 - 2,999 | Electrical Contractor |
| Provo School District | 1,000 - 1,999 | Public Education |
| Utah County | 1,000 - 1,999 | Local Government |
| Provo City | 1,000 - 1,999 | Local Government |
| Central Utah Medical Clinic | 1,000 - 1,999 | Health Care |
| Myfamily.com | 500 - 999 | Internet and Web Services |
| Nu Skin International | 500 - 999 | Wholesale Skin Care Products |
| Novell | 500 - 999 | Software Publishers |

www.jobs.utah.gov

LARGEST EMPLOYERS IN UTAH COUNTY
2013 (Most recent year available)

| <u>Company Name</u> | <u>Employees</u> | <u>Industry</u> |
|-------------------------------------|------------------|----------------------------------|
| Brigham Young University | 15,000 - 19,999 | Higher Education |
| Alpine School District | 5,000 - 6,999 | Public Education |
| Utah Valley University | 4,000 - 4,999 | Higher Education |
| Utah Valley Regional Medical Center | 4,000 - 4,999 | Health Care |
| Nebo School District | 3,000 - 3,999 | Public Education |
| State of Utah | 2,000 - 2,999 | State Governemtn |
| Vivint | 2,000 - 2,999 | Electrical Contractors |
| Wal-Mart | 2,000 - 2,999 | Warehouse Clubs and Supercenters |
| Bluefin Office Group | 2,000 - 2,999 | Office Supplies |
| Provo School District | 1,000 - 1,999 | Public Education |

www.jobs.utah.gov

PROVO CITY SCHOOL DISTRICT
Full-time Equivalent Positions, By Function
Fiscal Years Ended June 30, 2007 through 2014

| Function | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Instruction | 1117 | 1141 | 1148 | 1000 | 984 | 977 | 984 | 998 | 1005 |
| Students | 59 | 54 | 52 | 52 | 51 | 49 | 50 | 50 | 50 |
| Instructional Staff | 36 | 33 | 38 | 40 | 41 | 31 | 32 | 32 | 32 |
| General Administration | 24 | 24 | 20 | 16 | 15 | 16 | 17 | 17 | 17 |
| School Administration | 79 | 80 | 74 | 74 | 70 | 70 | 70 | 70 | 72 |
| Business and Central | 24 | 25 | 22 | 20 | 26 | 27 | 26 | 26 | 26 |
| Operation and Maintenance | 119 | 152 | 139 | 148 | 148 | 95 | 95 | 95 | 95 |
| Transportation | 47 | 50 | 60 | 44 | 46 | 44 | 46 | 46 | 46 |
| Other Support | | | 11 | 1 | 1 | 25 | 26 | 26 | 26 |
| Food Services | 83 | 91 | 90 | 92 | 82 | 92 | 92 | 80 | 84 |
| Community Services | 186 | 173 | 135 | 146 | 100 | 93 | 93 | 93 | 93 |
| Total FTEs | 1774 | 1823 | 1789 | 1633 | 1564 | 1519 | 1531 | 1533 | 1546 |

PROVO CITY SCHOOL DISTRICT
Student Average Daily Membership, By School
As reported in S-3 Report (Unaudited)
Fiscal Years Ended June 30, 2004 - 2013 (Most recent data available)

| School | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Amelia Earhart Elementary | 645 | 600 | 598 | 537 | 549 | 569 | 560 | 588 | 558 | 551 |
| Canyon Crest Elementary | 557 | 549 | 524 | 519 | 497 | 469 | 487 | 494 | 532 | 541 |
| Edgemont Elementary | 494 | 499 | 464 | 467 | 455 | 505 | 525 | 565 | 569 | 570 |
| Franklin Elementary | 532 | 528 | 509 | 575 | 571 | 544 | 521 | 517 | 516 | 494 |
| Lakeview Elementary ¹ | 525 | 480 | 432 | 694 | 684 | 693 | 680 | 685 | 673 | 724 |
| Provo Peaks Elementary ² | 425 | 422 | 433 | 468 | 439 | 412 | 366 | 462 | 506 | 484 |
| Provost Elementary | 442 | 435 | 420 | 421 | 428 | 434 | 438 | 457 | 440 | 436 |
| Rock Canyon Elementary | 583 | 613 | 602 | 600 | 635 | 580 | 600 | 625 | 623 | 642 |
| Spring Creek Elementary | 555 | 625 | 661 | 632 | 523 | 567 | 564 | 570 | 567 | 558 |
| Sunset View Elementary | 634 | 655 | 621 | 604 | 572 | 568 | 560 | 531 | 527 | 541 |
| Timpanogos Elementary | 529 | 608 | 541 | 588 | 601 | 621 | 629 | 630 | 672 | 663 |
| Wasatch Elementary | 587 | 615 | 621 | 635 | 644 | 704 | 774 | 864 | 861 | 906 |
| Westridge Elementary | 802 | 791 | 838 | 748 | 851 | 862 | 870 | 889 | 893 | 890 |
| Centennial Middle | 972 | 956 | 998 | 995 | 1,050 | 1,030 | 1,003 | 996 | 1,033 | 1,023 |
| Dixon Middle | 938 | 923 | 820 | 844 | 830 | 854 | 863 | 835 | 833 | 836 |
| Provo High | 1,936 | 1,935 | 1,858 | 1,716 | 1,745 | 1,696 | 1,705 | 1,683 | 1,777 | 1,825 |
| Timpview High | 1,715 | 1,715 | 1,800 | 1,732 | 1,826 | 1,822 | 1,900 | 1,938 | 1,953 | 1,967 |
| Independence High | 273 | 300 | 302 | 288 | 324 | 265 | 277 | 328 | 322 | 326 |
| Adult Education | 21 | 23 | 41 | 41 | 44 | 3 | 2 | - | 74 | 63 |
| Central Utah Enterprises | - | - | - | - | 20 | 24 | 47 | 51 | 51 | 47 |
| eSchool ³ | - | - | - | - | - | 19 | 14 | 90 | 270 | 737 |
| Total: | 13,165 | 13,272 | 13,083 | 13,104 | 13,288 | 13,241 | 13,019 | 13,798 | 14,250 | 14,824 |

¹Grandview Elementary prior to FY 2007-08

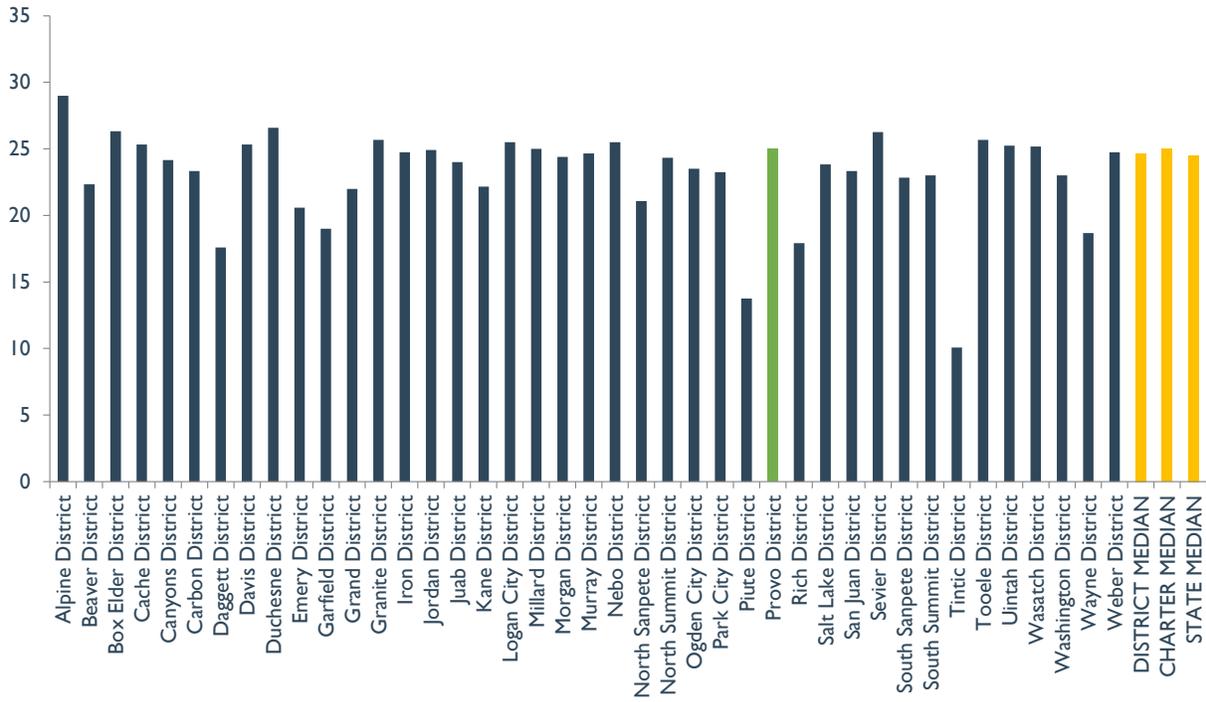
²Farrer Elementary prior to Fy 2011-12

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

PROVO CITY SCHOOL DISTRICT
Student Average Daily Membership, By School and Grade
As reported in S-3 Report (Unaudited)
Fiscal Year Ended June 30, 2014

Current Year Data Unavailable

PROVO CITY SCHOOL DISTRICT
Median Class Size by District
Fiscal Years Ended June 30, 2004 - 2013 (Most recent data available)



PROVO CITY SCHOOL DISTRICT
Average Expenditure By Function, per Pupil
Fiscal Year Ended June 30,2005 - 2014

| Function | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Instruction | 4,871 | 4,923 | 4,649 | 5,088 | 4,972 | 5,047 | 5,611 | 5,271 | 4,500 | 4,535 |
| Supporting Services | | | | | | | | | | |
| Student | 262 | 251 | 261 | 275 | 283 | 280 | 281 | 287 | 255 | 267 |
| Instructional Staff | 122 | 111 | 103 | 106 | 158 | 158 | 126 | 166 | 163 | 159 |
| District administration | 115 | 109 | 105 | 91 | 89 | 59 | 103 | 122 | 121 | 70 |
| School administration | 382 | 368 | 349 | 375 | 372 | 383 | 385 | 362 | 339 | 340 |
| Business | 279 | 199 | 203 | 216 | 223 | 215 | 221 | 97 | 98 | 214 |
| Operation and maintenance of facilities | 384 | 428 | 391 | 511 | 413 | 411 | 420 | 326 | 332 | 315 |
| Student transportation | 138 | 153 | 150 | 142 | 165 | 156 | 222 | 199 | 167 | 132 |
| Central | - | 72 | 80 | 83 | 5 | 7 | 32 | 163 | 86 | 3 |
| School food services | 397 | 387 | 364 | 389 | 377 | 386 | 365 | 348 | 315 | 316 |
| Community services | 445 | 435 | 239 | 251 | 265 | 358 | 338 | 319 | 252 | 306 |
| Facilities and construction | 398 | 696 | 774 | 936 | 442 | 528 | - | - | 120 | 100 |
| Interest on long-term liabilities | 105 | 125 | 141 | 167 | 187 | 197 | 232 | 151 | - | 167 |
| Total school district | 7,899 | 8,257 | 7,809 | 8,630 | 7,951 | 8,185 | 8,336 | 7,811 | 6,748 | 6,924 |
| Student average daily membership | 14,824 | 14,123 | 14,772 | 13,385 | 13,033 | 13,141 | 12,308 | 12,468 | 12,488 | 12,604 |

PROVO CITY SCHOOL DISTRICT
Buildings – Original Year of Construction / Square Footage
As of June 30, 2014

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

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

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| Total candidates | 400 | 400 | 404 | 408 | 438 | 448 | 570 | 569 | 556 | Data |
| Total exams taken | 622 | 623 | 601 | 690 | 706 | 689 | 918 | 948 | 974 | Not |
| Total exams passed | 479 | 468 | 418 | 480 | 322 | 318 | 379 | 422 | 665 | Available |
| Provo average passed | 77% | 75% | 70% | 70% | 72% | 65% | 65% | 69% | 68% | |

College Entrance Exams - Provo Students Taking
 ACT Examination

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

Educational Level of Teachers

| | |
|-----------|-----|
| Bachelors | 497 |
| Masters | 253 |
| Doctorate | 8 |
| | 758 |

Staff Assignments

| | |
|-----------------------|-----|
| Teachers | 758 |
| Classified Contracted | 151 |
| Administrators | 44 |

Teacher Years of Experience

| | |
|------------------|-----|
| 20 or more years | 164 |
| 6 - 19 years | 260 |
| 0 - 5 years | 334 |
| | 758 |

PROVO CITY SCHOOL DISTRICT
Service Efforts, Accomplishments and Miscellaneous Statistical Data - Continued

American College Test (ACT) Results

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

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

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

| | 2011-12 | | | 2012-13 | | | 2013-14 |
|-----------|---------|------|-------|---------|------|-------|--------------------|
| | Provo | Utah | Nat'l | Provo | Utah | Nat'l | |
| English | 20.3 | 20.0 | 20.5 | 19.8 | 19.9 | 20.2 | Data not available |
| Math | 20.7 | 20.3 | 21.1 | 20.2 | 20.2 | 20.9 | |
| Reading | 21.4 | 21.3 | 21.3 | 21.2 | 21.3 | 21.1 | |
| Science | 20.9 | 20.8 | 20.9 | 20.4 | 20.8 | 20.7 | |
| Composite | 20.9 | 20.7 | 21.1 | 20.5 | 20.7 | 20.9 | |

PROVO CITY SCHOOL DISTRICT
 Service Efforts, Accomplishments and Miscellaneous Statistical Data - Continued

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

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

A score of 50 is the average score of the ITBS/ITED for the nation. Any score above 50 is above the national average. The first year the IOWA test was State has discontinued the Iowa for 2 years beginning 2010-11

PROVO CITY SCHOOL DISTRICT
Service Efforts, Accomplishments and Miscellaneous Statistical Data - Continued

Elementary Criterion-Referenced Testing (CRT)

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

| | | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12 | | 2012-13 | |
|---------------|-----|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| Grade | | Average % Proficient | Number Tested |
| Language Arts | 1 | not tested | |
| | 2 | 79% | 1,064 | 81% | 1,027 | not tested | | not tested | | not tested | |
| | 3 | 83% | 1,035 | 81% | 1,061 | 83% | 1,018 | 86% | 1,126 | 86% | 1,114 |
| | 4 | 82% | 995 | 84% | 1,064 | 85% | 1,020 | 84% | 1,007 | 87% | 1,150 |
| | 5 | 79% | 1,020 | 80% | 996 | 86% | 1,034 | 88% | 1,041 | 84% | 1,018 |
| | 6 | 83% | 941 | 86% | 1,017 | 87% | 946 | 88% | 1,045 | 88% | 1,047 |
| Math | 1 | not tested | |
| | 2 | ** | ** | 77% | 1,027 | not tested | | not tested | | not tested | |
| | 3 | ** | ** | 75% | 1,061 | 80% | 1,018 | 84% | 1,126 | 85% | 1,117 |
| | 4 | ** | ** | 76% | 1,064 | 84% | 994 | 83% | 980 | 86% | 1,147 |
| | 5 | ** | ** | 77% | 1,021 | 82% | 1,031 | 83% | 1,045 | 85% | 1,017 |
| | 6 | ** | ** | 65% | 797 | 79% | 751 | 82% | 1,038 | 86% | 1,039 |
| Science | 1-3 | not tested | |
| | 4 | 66% | 1,002 | 65% | 1,064 | 67% | 1,021 | 69% | 1,007 | 77% | 1,147 |
| | 5 | 68% | 1,022 | 70% | 996 | 74% | 1,038 | 76% | 1,047 | 76% | 1,018 |
| | 6 | 71% | 943 | 76% | 1,017 | 79% | 946 | 79% | 1,048 | 81% | 1,050 |

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

PROVO CITY SCHOOL DISTRICT
Service Efforts, Accomplishments and Miscellaneous Statistical Data - Continued

Criterion-Referenced Testing (CRT)

| Course | 2003-2004 | | 2004-2005 | | 2005-06 | | 2006-07 | | 2007-08 | |
|----------------|----------------------|---------------|----------------------|---------------|------------------------------|---------------|----------------------|---------------|----------------------|---------------|
| | Average % Proficient | Number Tested | Average % Proficient | Number Tested | Average % Proficient | Number Tested | Average % Proficient | Number Tested | Average % Proficient | Number Tested |
| 7th Lang Arts | | | | | | | 84% | 889 | 77% | 928 |
| 8th Lang Arts | | | | | | | 81% | 911 | 85% | 869 |
| 9th Lang Arts | | | | | | | 79% | 1,008 | 78% | 926 |
| 10th Lang Arts | | | | | | | 81% | 1,005 | 82% | 976 |
| 11th Lang Arts | | | | | | | 81% | 872 | 84% | 924 |
| 7th grade Math | | | 69% | 403 | 60% | 423 | 70% | 453 | 73% | 496 |
| PreAlgebra | 83% | 1,201 | 79% | 1,391 | 81% | 1,243 | 78% | 1,197 | 79% | 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 |
| Science 8th | 68% | 900 | 67% | 978 | 68% | 942 | 64% | 898 | 67% | 858 |
| Earth Systems | 64% | 359 | 59% | 376 | 66% | 339 | 65% | 356 | 59% | 597 |
| Biology | 79% | 629 | 65% | 818 | 65% | 978 | 70% | 1,067 | 66% | 989 |
| Chemistry | | | | | | | 66% | 386 | 57% | 393 |
| Physics | | | | | | | 56% | 253 | 49% | 294 |

| Course | 2008-09 | | 2009-2010 | | 2010-11 | | 2011-12 | | 2012-13 | |
|---|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | Average % Proficient | Number Tested |
| 7th Lang Arts | 83% | 903 | 84% | 854 | 85% | 966 | 84% | 970 | 87% | 1046 |
| 8th Lang Arts | 81% | 916 | 83% | 926 | 90% | 900 | 91% | 1000 | 91% | 1018 |
| 9th Lang Arts | 78% | 895 | 76% | 959 | 87% | 952 | 86% | 966 | 85% | 1020 |
| 10th Lang Arts | 82% | 901 | 83% | 882 | 83% | 925 | 85% | 924 | 83% | 958 |
| 11th Lang Arts | 76% | 939 | 81% | 886 | 83% | 854 | 83% | 912 | 85% | 868 |
| 7th grade Math | ** | ** | 68% | 567 | 67% | 467 | 85% | 641 | 84% | 859 |
| Math 8 (replaces PreAlgebra) | | | | | | | | | 74% | 907 |
| PreAlgebra | ** | ** | 79% | 1099 | 79% | 1036 | 58% | 690 | 86% | 7 |
| Algebra | ** | ** | 63% | 1,016 | 66% | 1,103 | 52% | 1,551 | 17% | 184 |
| Geometry | ** | ** | 59% | 841 | 59% | 812 | 68% | 914 | 69% | 432 |
| <i>Alg I, Alg II and Geometry are being replaced by Secondary Math I, II & III next year. These courses did not have a CRT this year.</i> | | | | | | | | | | |
| Science 7th | 69% | 388 | 69% | 521 | 75% | 553 | 72% | 961 | 77% | 1,045 |
| Science 8th | 65% | 904 | 70% | 910 | 73% | 899 | 73% | 993 | 72% | 1006 |
| Earth Systems | 58% | 819 | 52% | 598 | 55% | 567 | 59% | 523 | 64% | 573 |
| Biology | 69% | 757 | 68% | 1,073 | 68% | 1,075 | 68% | 1,024 | 68% | 1,080 |
| Chemistry | 65% | 431 | 58% | 450 | 46% | 518 | 61% | 449 | 61% | 503 |
| Physics | 66% | 357 | 57% | 395 | 81% | 220 | 85% | 223 | 76% | 262 |

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

PROVO CITY SCHOOL DISTRICT
Service Efforts, Accomplishments and Miscellaneous Statistical Data - Continued

Food Service

| School Year | Lunches Served | Free Lunch Served | % of Free Lunches to Total Served | Breakfast Served | Reduced Cost Lunch Served | % of Reduced Cost | | Total Meals Served | Free/Reduced Meals Served | % F/R Lunch Out of Total Lunches Served |
|-------------|----------------|-------------------|-----------------------------------|------------------|---------------------------|-------------------------|--------------------|--------------------|---------------------------|---|
| | | | | | | Lunches to Total Served | Total Meals Served | | | |
| FY 2003 | 1,211,667 | 571,446 | 47.16% | 261,218 | 157,921 | 13.03% | 1,472,885 | 729,367 | 60.20% | |
| FY 2004 | 1,226,062 | 603,325 | 49.21% | 267,538 | 156,125 | 12.73% | 1,493,600 | 759,450 | 61.94% | |
| FY 2005 | 1,245,816 | 612,228 | 49.14% | 282,153 | 160,509 | 12.88% | 1,527,969 | 772,737 | 62.03% | |
| FY 2006 | 1,256,839 | 609,996 | 48.53% | 289,865 | 152,639 | 12.14% | 1,546,704 | 762,635 | 60.68% | |
| FY 2007 | 1,255,951 | 567,608 | 45.19% | 293,649 | 164,048 | 13.06% | 1,549,600 | 731,656 | 58.26% | |
| FY 2008 | 1,253,673 | 560,368 | 44.70% | 305,989 | 155,779 | 12.43% | 1,559,662 | 716,147 | 57.12% | |
| FY 2009 | 1,311,952 | 639,746 | 48.76% | 324,889 | 162,320 | 12.37% | 1,636,841 | 802,066 | 61.14% | |
| FY 2010 | 1,315,197 | 693,426 | 52.72% | 345,581 | 155,354 | 11.81% | 1,660,778 | 848,780 | 64.54% | |
| FY 2011 | 1,343,858 | 736,472 | 54.80% | 338,210 | 152,940 | 11.38% | 1,682,068 | 889,412 | 66.18% | |
| FY 2012 | 1,319,933 | 736,901 | 55.83% | 357,943 | 150,151 | 11.38% | 1,677,876 | 887,052 | 67.20% | |
| FY 2013 | 1,232,859 | 732,485 | 59.41% | 339,783 | 157,697 | 12.79% | 1,572,642 | 890,182 | 72.20% | |
| FY 2014 | 1,214,223 | 726,658 | 59.85% | 333,074 | 150,367 | 12.38% | 1,547,297 | 877,025 | 72.23% | |

Transportation

| Year | Miles traveled (to and from school, field trips, and activities) | Number of students transported daily | Driving hours per day | Route miles driven per day | Field and activity trip miles per day | Cost per student per year to bus | Number of buses |
|---------|--|--------------------------------------|-----------------------|----------------------------|---------------------------------------|----------------------------------|-----------------|
| 2001-02 | 575,100 | 9,828 | 228 | 2,703 | 492 | 141 | 40 |
| 2002-03 | 620,280 | 9,572 | 246 | 2,950 | 496 | 178 | 40 |
| 2003-04 | 636,750 | 7,382 | 264 | 3,098 | 440 | 253 | 40 |
| 2004-05 | 653,220 | 5,192 | 282 | 3,245 | 384 | 328 | 42 |
| 2005-06 | 650,520 | 4,771 | 251 | 2,997 | 617 | 426 | 43 |
| 2006-07 | 510,840 | 4,894 | 245 | 2,605 | 233 | 492 | 43 |
| 2007-08 | 542,700 | 5,169 | 271 | 2,747 | 268 | 501 | 48 |
| 2008-09 | 524,340 | 6,208 | 226 | 2,699 | 214 | 366 | 48 |
| 2009-10 | 514,980 | 6,332 | 204 | 2,650 | 211 | 315 | 48 |
| 2010-11 | 527,340 | 5,903 | 234 | 2,699 | 231 | 394 | 48 |
| 2011-12 | 543,832 | 5,939 | 214 | 2,741 | 260 | 370 | 45 |
| 2012-13 | 429,001 | 5,885 | 165 | 2,168 | 215 | 331 | 40 |
| 2013-14 | 384,987 | 6,472 | 179 | 1,896 | 243 | 304 | 41 |

PROVO CITY SCHOOL DISTRICT
Schedule of Insurance in Force
As of June 30, 2014 and 2013

| | <u>Expiration Date</u> | <u>Deductible</u> | <u>Limits</u> | <u>2014 Premium</u> | <u>2013 Premium</u> |
|--------------------------------|------------------------|-------------------|------------------------------------|-------------------------|-------------------------|
| *Property | Until canceled | \$ 1,000 | Replacement value | \$ 153,273 | \$ 157,398 |
| 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 | 81,504 | 86,354 |
| General Liability | Until canceled | No deductible | \$ 10,000,000 | | |
| Auto Liability | Until canceled | No deductible | \$ 10,000,000 | | |
| Personal Injury | Until canceled | No deductible | \$ 10,000,000 | | |
| Errors or Omissions | Until canceled | No deductible | \$ 10,000,000 | | |
| Malpractice Liability | Until canceled | No deductible | \$ 10,000,000 | | |
| No Fault | Until canceled | No deductible | \$ 10,000,000 | | |
| Uninsured Motorist | Until canceled | No deductible | \$ 10,000,000 | | |
| Garage Keepers | Until canceled | No deductible | \$ 10,000,000 | | |
| *Automobile Physical Damage | Until canceled | \$ 500 | Actual value | 9,000 | 9,150 |
| 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 | <u>381,693</u> | <u>396,044</u> |
| | | | | <u>\$ 625,470</u> | <u>\$ 648,946</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