

# **CANYONS SCHOOL DISTRICT**

**9361 South 300 East  
Sandy, Utah 84070  
[www.canyonsdistrict.org](http://www.canyonsdistrict.org)**

## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2016**

**Sherril Taylor, President of the Board  
James Briscoe, Ph.D., Superintendent  
Leon Wilcox, CPA, Business Administrator**

Prepared by  
**Leon Wilcox, CPA, Business Administrator  
and Gary Warwood, CPA, Director of Accounting**

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**Leon Wilcox, CPA, Business Administration, Business Administrator/  
Chief Financial Officer**

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November 22, 2016

To the Honorable Board of Education and Patrons of Canyons School District:

State of Utah law requires that school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants 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 of the United States. This report is published to fulfill that requirement for the fiscal year ended June 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. 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 from any material misstatements.

Squire & Company, PC, a firm of licensed certified public accountants, has issued an unmodified (“clean”) opinion on Canyons School District’s financial statements for the year ended June 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the District***

Residents of the District voted to separate from the Jordan School District on November 6, 2007, thus forming their own district. The District officially began operations on July 1, 2009. Located in the southeast corner of Salt Lake County, Utah, the District covers approximately 192 square miles and includes the cities of Midvale, Cottonwood Heights, Sandy, and Draper and the town of Alta.

The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education (the Board) consisting of seven members who are elected from among the District’s seven precincts. Board members serve four-year staggered terms with no more than four Board members elected every two years. The Board has the power to determine its own budget, incur bonded debt, levy taxes and also can sue or be sued without recourse to any other body of government.

The major purpose of the District is to provide public education. In its seventh year of operations, the District’s student population stood at 33,899. To accomplish its purpose the District operates 29 elementary schools, 8 middle schools, 5 accredited high schools, and 5 special program schools. In addition, the District offers an adult and community education program for non-traditional

students. The District is an equal opportunity employer and actively recruits teachers from universities throughout the nation.

Based on information from the U.S. Department of Education, National Center for Education Statistics, there are more than 17,000 school districts in the nation. Canyons School District is in the range of the 200<sup>th</sup> – 220<sup>th</sup> largest district in the nation based on student enrollment.

### ***Local Economy***

The economic condition of the District is largely dependent upon two major factors. First, the broader state economy that is increasingly tied to the national and global economies and second, the views of the governor's office and state legislature toward funding public education with the resources generated by the state. State funding for education is always a significant issue in Utah because children represent such a large percentage of the population. When compared to other states, there are two factors that put the state in a difficult situation when it comes to generating tax revenue to fund public education. First, Utah is near the middle in terms of household income. Second, Utah has larger households. The result is less income available per child. Utah is near the top when measuring the share of income devoted to education and yet is currently the state with the lowest per-pupil funding.

Utah has a highly diversified economy that includes many industries such as construction, tourism, exports, defense, energy and minerals, agriculture and others. The growth of the State's economy has led to recent increases in education funding. The Weighted Pupil Unit (WPU) is the State's primary funding source to equalize funding throughout all Utah school districts. The Legislature did increase the value of the WPU from \$2,972 to \$3,092 for the fiscal year ended June 30, 2016. The WPU will increase to \$3,184 (or 3.0%) for the fiscal year ending June 30, 2017. The economic outlook calls for continued expansion in 2017 with the hope for additional growth in 2018 and beyond. The unemployment rate for Salt Lake County was 3.3% at December 31, 2015 which is consistent with the prior year's rate. Assessed valuation increased by 6.6% during the past calendar year and a greater increase is anticipated for the upcoming year. This is welcomed news; however further increases in assessed valuation are needed in order to provide financial stability for future budgets.

There will be considerable political pressure on the Legislature to increase funding for public education as it deals with multiple issues statewide. Nonetheless, the resources available may make that difficult to accomplish. The District has grown accustomed to dealing with strained budgets; however, it will continue to maintain a balanced budget according to available resources.

### ***Major Initiatives***

The mission of the District is that all students will graduate from the Canyons School District college- and career- ready. The three major goals to achieve this mission are:

- Promote school and community engagement that supports students in becoming college- and career- ready.
- Implement a comprehensive educational system that aligns high quality curriculum, instruction, and assessment resulting in students becoming college- and career- ready.

- Recruit, develop, support, and retain quality educators and support staffs that are committed to preparing students for college and careers.

Examples of efforts made to achieve these initiatives during the most recent fiscal year include:

- 91% of high school seniors participated in the Utah College Application Week by completing at least one application. An increase over the 82% from the previous year.
- 22 students were Sterling Scholar finalists with three winning their respective category.
- Draper Park, Mount Jordan and Union Middle Schools were the only middle schools in the state to be designated as STEM schools due to their strong focus on science, technology, engineering and mathematics.
- Canyons was one of just five districts in Utah and 425 districts across the country to be named to the prestigious Advanced Placement Honor Roll.

Another high priority for the Board is the construction, renovation, and replacement of school buildings. The Board proposed a \$250 million bond election, which was approved by the citizens in June 2010. The latest completed project, the rebuild of Butler Elementary, was finished and opened to students in August 2016.

The 2010 bond funded thirteen scheduled projects, ten of which have been completed. The remaining bond projects include rebuilding Midvale Middle and Alta View Elementary (both to open fall 2017). Indian Hills Middle will be completely renovated and will open to students in the fall of 2018.

### ***Long-term financial planning***

Although the State's population is projected to grow from 2.8 million in 2010 to 3.7 million by 2020, the District's student population is expected to remain stable. A stable population is a benefit for the District as it will not be pressured to add new school buildings and incur related annual operational and facility expenses. However, the District has many aging schools. The average age of the 42 traditional school buildings is 36.3 years. The District conducts ongoing assessments of all buildings. Information from these assessments is analyzed to determine which buildings need to be replaced or renovated and if future bonding is necessary.

In an uncertain economic environment, other unforeseen events can have a dramatic impact on available resources. Nevertheless, the District has been able to strengthen its unassigned general fund balance from \$11.2 million in 2010 to \$20.6 million in 2016. The District has maintained resources set aside for economic stabilization at \$12.4 million (the 5% maximum allowed per State statute) and increased its assigned general fund balance from \$2.7 million in 2010 to \$16.3 million in 2016. Furthermore, when many governments nationwide are struggling to fund their retirement plans, the Board has committed general fund resources at 105% of the accrued actuarial liability from the most recent actuarial study to fund its retirement benefit plan.

### ***Relevant Financial Policies***

For accounting purposes, the District is not treated as a single entity. Instead, it is treated as a collection of smaller, separate accounting entities known as funds. Funds are created to segregate and keep track of specific activities or to attain certain objectives in accordance with

special regulations, restrictions, or limitations. Utah law requires the District to have a balanced budget for its funds and requires that all annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance commitment or assignment.

In the months preceding 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 is a final budget for the current year ending June 30. If the proposed budget does not include a tax increase, a public hearing is held before the beginning of the next fiscal year according to Utah law at which time the budget is legally adopted by the Board after obtaining taxpayer input. If the proposed budget does include a tax increase, the Board accepts a tentative budget to begin the year and within a few months holds a public hearing on the tax increase at which time the budget is legally adopted by the Board after obtaining taxpayer input. Once adopted, the budget acts as the financial operating plan for the entire year. The Board, upon recommendation of the Superintendent, can reduce the budget during the year. To increase the budget, however, the Board must conduct another public hearing prior to approving the increase.

The level at which expenditures may not exceed appropriations has been interpreted by the State Superintendent of Public Instruction to be the total budgeted expenditures of a given fund. Therefore, as a matter of practicality, the budget of the District is usually amended only once each year when the Board also takes action on the new fiscal year budget.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Canyons School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. This was the sixth year the District submitted for and received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. Such reports must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 fiscal year ended June 30, 2015. This was the sixth year the District submitted for and received this award. This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended by the Association of School Business Officials International. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials and is also valid for a period of one year.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the accounting department. We would like to express

appreciation to all employees who assisted in the timely closing of the District's financial records and the preparation of this report.

We would also like to thank President Sherril Taylor and the members of the Board of Education for their interest and support in conducting the financial affairs of the District.

Respectfully submitted,



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James Briscoe, Ph.D.  
Superintendent of Schools



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Leon Wilcox, CPA  
Business Administrator

**CANYONS SCHOOL DISTRICT**  
**List of Elected and Appointed Officials**  
**June 30, 2016**

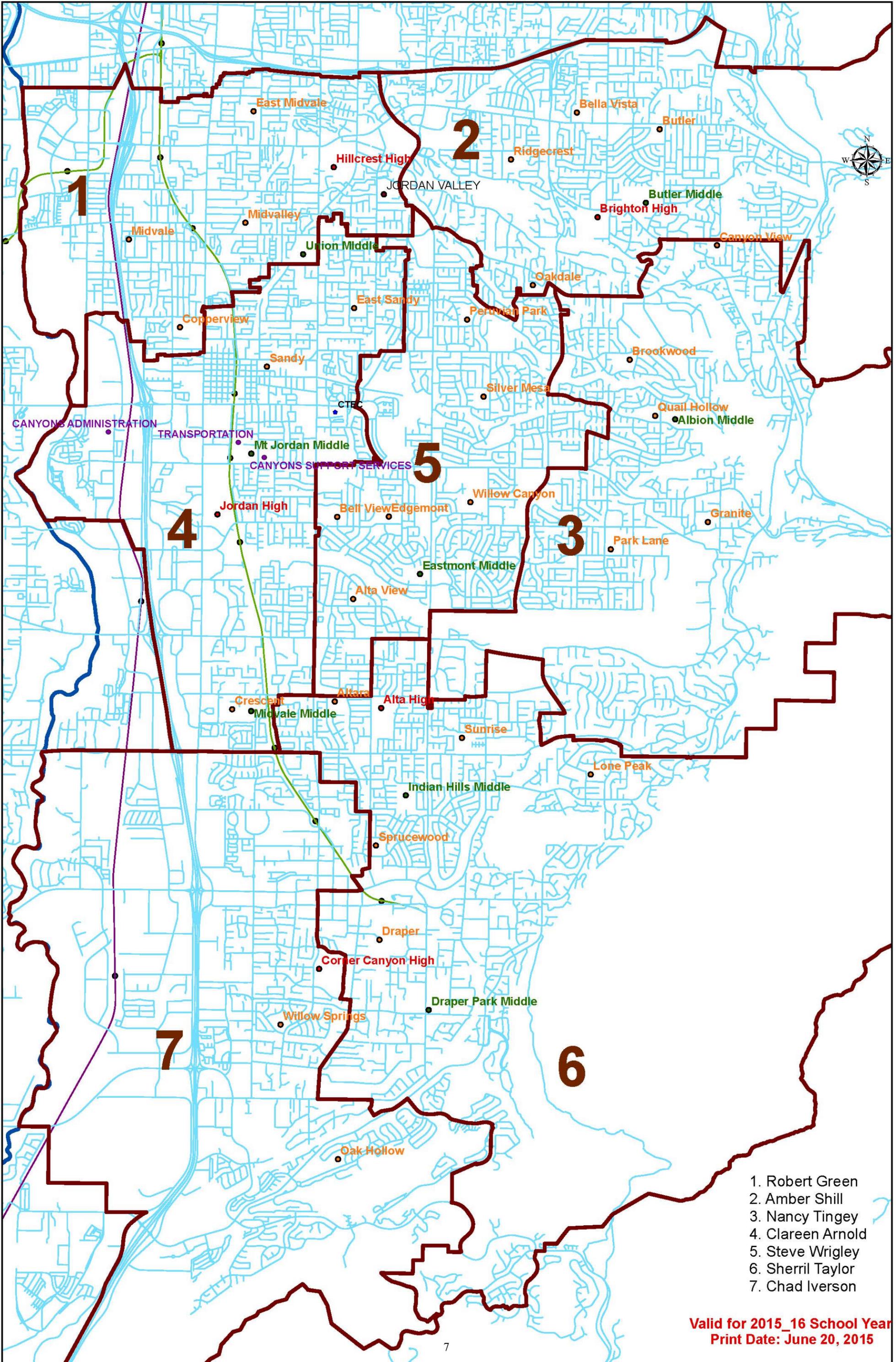
**Elected Officials**

	Initial Appointment	Present Term Began	Present Term Expires
Sherril Taylor, President Precinct VI	January, 2005	January, 2015	December, 2018
Steve Wrigley, First Vice-President Precinct V	January, 2011	January, 2015	December, 2018
Nancy Tingey, Second Vice-President Precinct III	January, 2013	January, 2013	December, 2016
Robert Green, Member Precinct I	January, 2013	January, 2013	December, 2016
Amber Shill, Member Precinct II	January, 2015	January, 2015	December, 2018
Clareen Arnold Precinct IV	January, 2015	January, 2015	December, 2018
Chad Iverson Precinct VII	January, 2013	January, 2013	December, 2016

**Appointed Officials**

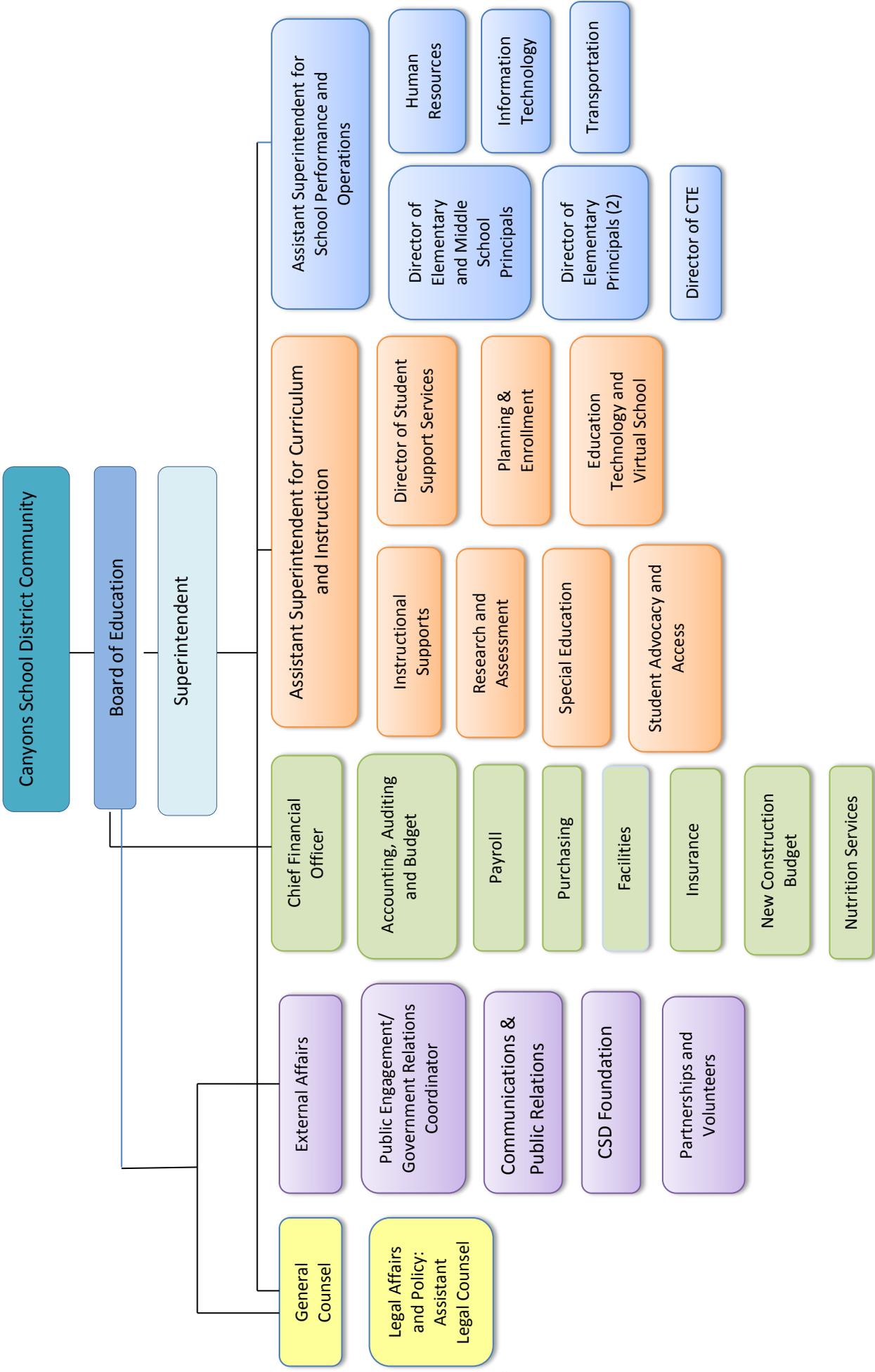
	Initial Appointment	Present Term Began	Present Term Expires
Dr. James Briscoe, Superintendent	July, 2014	July, 2016	June, 2018
Leon Wilcox, Business Administrator	September, 2013	July, 2016	June, 2018

# CANYONS SCHOOL BOARD BOUNDARIES



1. Robert Green
2. Amber Shill
3. Nancy Tingey
4. Clareen Arnold
5. Steve Wrigley
6. Sherril Taylor
7. Chad Iverson

Valid for 2015\_16 School Year  
Print Date: June 20, 2015



\*This organizational chart is established with a clear understanding that communication will take place both vertically and horizontally. Board members have the right and authority to contact any administrator holding a position on this chart.



Government Finance Officers Association

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

Presented to

**Canyons School District  
Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**



Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Canyons School District**

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

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director



## Independent Auditor's Report

Board of Education  
Canyons School District

### **Report on the Basic Financial Statements**

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

#### ***Management's Responsibility for the Basic Financial Statements***

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.

#### ***Auditor's 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 auditor's 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 basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Canyons School District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof 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, the schedule of funding progress – District retirement benefits, the schedules of the District's proportionate share of the net pension liability (asset) – Utah Retirement Systems, the schedules of District contributions – Utah Retirement Systems, and the related notes to the required supplementary information 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 required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and 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 combining and individual fund statements and schedules and the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate 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 combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016, on our consideration of the 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.

*Agnis & Company, PC*

Orem, Utah  
November 22, 2016

## Management's Discussion and Analysis

As management of the Canyons School District (the District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

### FINANCIAL HIGHLIGHTS

- Canyons School District (located in southeast Salt Lake County, Utah) was formed by the will of the people in Cottonwood Heights, Sandy, Draper, Midvale, and Alta in a November 2007 referendum vote and began operations on July 1, 2009. The fiscal year ended June 30, 2016 was the District's seventh fiscal year. The District has 33,899 students and operates 42 traditional schools and 5 special program schools.
- The District retired \$16.0 million of general obligation school building bonds during 2016.
- As of the close of the current year, the District's governmental funds reported combined ending fund balances of \$188.5 million, a decrease of \$22.6 million. The entire decrease is in the Capital Outlay Fund due to disbursements for planned construction projects. The construction projects are the rebuild of Midvale Middle School, the rebuild of Butler Elementary, and the rebuild of Alta View Elementary.
- At the end of the current year, unassigned fund balance for the General Fund was \$20.6 million or 8.6% of General Fund expenditures.
- Actual revenues were \$1.5 million more than budgeted for the General Fund and actual expenditures were \$3.0 million less than the amount budgeted for the fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**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 the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as, uncollected taxes and unpaid compensated absences).

The government-wide financial statements include not only the District itself (known as *the primary government*), but also the legally separate Canyons Education Foundation for which the District is financially accountable. The Foundation functions for all practical purposes as a department of the District, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 26 and 27 of this report.

**Fund financial statements** – A *fund* is a group of related accounts that is used to maintain control over resources that are 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 grouped into two categories: governmental funds and proprietary 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 eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund, and the Capital Outlay Fund, each of which are considered to be major funds. Individual fund data for all major funds is provided in the form of *individual fund statements and schedules* found on pages 62 through 67 of this report. Data from the other five governmental funds (the special revenue funds) are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining and individual fund statements and schedules* can be found on pages 70 through 79 of this report.

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

The basic governmental fund financial statements can be found on pages 28 through 32 of this report.

- **Proprietary fund.** The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District’s various functions. The District uses one internal service fund (the Self-Insurance Fund) to account for employee health and accident benefit services provided to all the other funds of the District. This internal service fund is included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 33 through 35 of this report.

**Notes to the basic financial statements** – The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 36 through 56 of this report.

**Additional information** – In addition to the basic financial statements and related notes, this report also presents *required supplementary information* concerning the District’s progress in funding its obligation to provide benefits to its retirees and the District’s proportionate share of the net pension liability. Required supplementary information can be found on pages 57-59 of this report.

The combining statements and individual fund statements and schedules referred to earlier in connection with governmental and proprietary funds are presented on pages 62 to 83 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$283.6 million at the close of the most recent fiscal year, which is an increase of \$19.7 million from the prior year.

### Canyons School District's Net Position June 30, 2016 and 2015 (in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-2015
Current and other assets	\$ 389.0	\$ 410.9	\$ (21.9)
Capital assets	477.3	455.4	21.9
Total assets	<u>866.3</u>	<u>866.3</u>	<u>0.0</u>
Total deferred outflows of resources	49.2	18.9	30.3
Other liabilities	39.7	40.4	(0.7)
Long-term liabilities outstanding	438.4	432.4	6.0
Total liabilities	<u>478.2</u>	<u>472.8</u>	<u>5.4</u>
Total deferred inflows of resources	153.7	148.5	5.2
Net position:			
Net investment in capital assets	175.1	169.3	5.8
Restricted	99.4	91.1	8.3
Unrestricted	9.1	3.5	5.6
Total net position	<u>\$ 283.6</u>	<u>\$ 263.9</u>	<u>\$ 19.7</u>

The largest portion of the District's net position (61.7%) reflects its investment in capital assets (e.g., sites, construction in progress, site improvements, buildings, equipment, and vehicles, net of accumulated depreciation), less any related debt (general obligation bonds payable less unspent bond proceeds) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this 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 (35.1%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital outlay. The remaining net position balance is unrestricted (3.2%) and may be used to meet the District's ongoing obligations to students, employees, creditors, and to honor next year's budget.

At the end of the fiscal year, the District is able to report positive balances in all three categories of net position.

Net investment in capital assets increased by \$5.8 million during the year ended June 30, 2016, due to the construction of Midvale Middle and Butler Elementary.

Restricted net position increased by \$8.3 million during the year ended June 30, 2016. The increase is due to more of the Capital Outlay Fund balance being required for future construction costs as only \$6.7 million remains of the \$250.0 million bond proceeds.

The remaining net position is unrestricted. This balance includes the District's proportionate share of the unfunded obligation of the defined benefit pension plans administered by URS. Unrestricted net position increased by \$5.6 million during the year ended June 30, 2016. The majority of this increase was the result of the changes to the District's proportionate share to the pension amounts held by the URS.

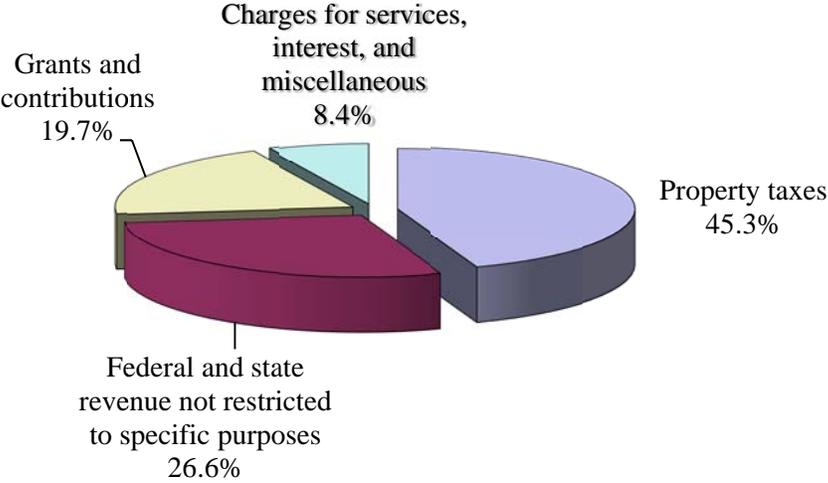
**Governmental activities** – The key elements of the increase of the District's net position for the year ended June 30, 2016 are as follows:

- Revenues totaled \$331.0 million for the fiscal year ended June 30, 2016. Also, total expenses were \$311.3 million during the same period. The increase in the District's net position for the year ended June 30, 2016 was \$19.7 million.
- Property taxes comprise 45.3% of the District's revenue. The District's tax rate for the 2016 calendar year of 0.007859 was applied to taxable value of property totaling \$18.4 billion.
- Revenues from the state of Utah comprise 39.6% of the District's revenue. State revenue 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. Certain students with special needs receive a WPU greater than one. The state guarantees that if local taxes do not provide revenue equal to the amount generated by the WPU, the state will make up the difference with additional state funding. The value of one WPU was \$3,092 for 2016. Student enrollment based on the October 1, 2015 count was 33,899.
- Revenues from federal awards comprise 6.6% of the District's revenue. Federal awards are primarily restricted for instruction and other purposes, such as, special education, disadvantaged (Title I), and child nutrition.
- Instruction services represent 58.3% of District expenses for the year.

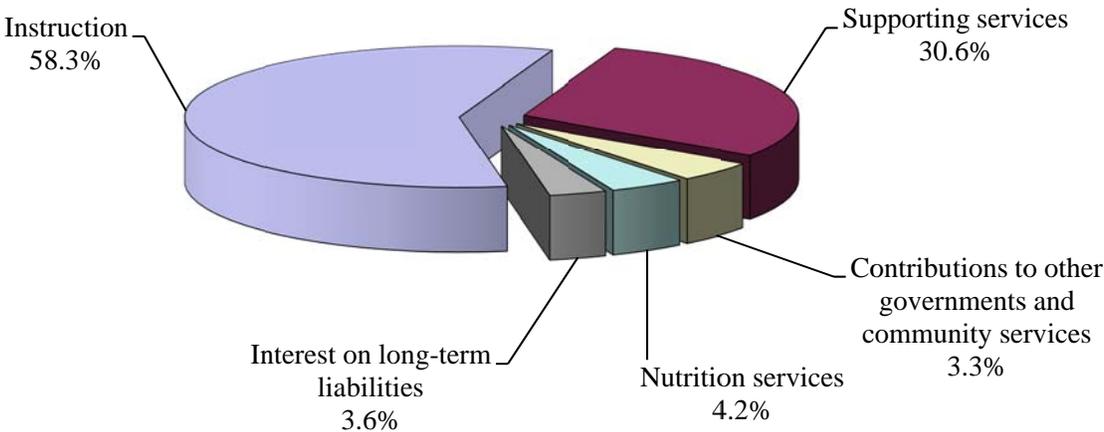
**Canyons School District's Changes in Net Position**  
**Fiscal Years Ended June 30, 2016 and 2015**  
(in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-2015
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 18.8	\$ 16.5	\$ 2.3
Operating grants and contributions	65.2	62.2	3.0
Capital grants and contributions	-	0.1	(0.1)
General revenues:			
Property taxes	150.0	139.4	10.6
Federal and state revenue not restricted to specific purposes	88.1	89.7	(1.6)
Interest	2.6	2.5	0.1
Miscellaneous	3.5	2.6	0.9
Special item-gain on sale of land	2.6	-	2.6
Total revenues	<u>331.0</u>	<u>313.0</u>	<u>18.0</u>
<b>Expenses:</b>			
Instruction	181.4	170.7	10.7
Supporting services:			
Students	11.0	10.0	1.0
Instructional staff	16.2	11.5	4.7
General district administration	2.5	2.8	(0.3)
School administration	18.5	16.6	1.9
Central	13.4	12.3	1.1
Operation and maintenance of school buildings	24.5	23.4	1.1
Student transportation	9.0	8.7	0.3
Nutrition services	13.3	12.9	0.4
Contributions to other governments	10.0	8.8	1.2
Community services	0.3	5.3	(5.0)
Interest on long-term liabilities	11.2	10.1	1.1
Total expenses	<u>311.3</u>	<u>293.1</u>	<u>18.2</u>
<b>Increase in net position</b>	19.7	19.9	(0.2)
<b>Net position - beginning</b>	<u>263.9</u>	<u>244.0</u>	<u>19.9</u>
<b>Net position - ending</b>	<u>\$ 283.6</u>	<u>\$ 263.9</u>	<u>\$ 19.7</u>

**Canyons School District  
Revenues by Source - Governmental Activities  
Year Ended June 30, 2016**



**Canyons School District  
Expenses by Function - Governmental Activities  
Year Ended June 30, 2016**



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

**Governmental funds** – The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Education.

At June 30, 2016, the District's governmental funds reported a combined fund balance of \$188.5 million, or \$22.6 million less than the previous year. About \$20.6 million or 11.0% of the combined fund balance amount constitutes *unassigned* fund balance which is available for spending at the District's discretion. The remainder of the fund balance is either nonspendable, restricted, committed, or assigned to indicate that it is 1) not spendable in form (\$1.8 million or 1.0%), 2) legally required to be maintained intact (\$106.9 million or 56.6%), 3) committed by the District's Board of Education for particular purposes (\$42.9 million or 22.8%), or 4) assigned by the District's management for particular purposes (\$16.3 million or 8.6%).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$20.6 million, while there was no change in the total fund balance which is \$75.0 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 8.6% of total General Fund expenditures, while total fund balance represents approximately 31.4% of that same amount.

The following expenditures or balances in the General Fund for 2016 should be noted:

- Expenditures for the General Fund totaled \$239.4 million, an increase of \$17.0 million from the prior fiscal year. Instruction represents \$146.3 million or 61.1% of General Fund expenditures. The Non-K-12 fund was combined into the General Fund which accounted for much of the increase. The remaining increase is due to employee wages and benefits and a large purchase of elementary math textbooks.
- General Fund salaries totaled \$143.6 million while the associated fringe benefits of retirement, social security, unemployment, industrial insurance, and health and accident insurance added \$61.4 million to arrive at 85.6% of total General Fund expenditures.
- The District has committed to economic stabilization \$12.4 million of fund balance or 5.0% of 2017 General Fund budgeted expenditures. As allowed by state law, the District has established an undistributed reserve within the General Fund; this amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's excellent bond ratings of Aaa and AAA given Moody's Investor Service and Fitch Ratings, respectively.
- The District's Board of Education has committed \$23.0 million of fund balance to fund other post-employment benefits for retirees. This amount represents 105.0% of the accrued actuarial liability.

The Debt Service Fund, a major fund, had a \$1.6 million ending fund balance which is \$0.4 million less than previous year. The fund balance was intentionally reduced so the ending fund balance was sufficiently less than the 1/12 of the annual fund expenditures which follows past practice. Due to a large increase in assessed

valuation, the fund balance is budgeted to increase in 2017. Furthermore, the increase in assessed valuation will allow the debt service tax rate to decrease by 3.3%.

The Capital Outlay Fund, the remaining major governmental fund, had an decrease of \$22.5 million in fund balance during the current fiscal year which put the overall fund balance at \$102.7 million. The decrease was caused by the continued construction of new buildings. This decrease in fund balance will continue for the next few years until all the major capital projects are completed. When the final construction project is completed in the fall of 2018, the estimated fund balance is expected to be \$30 million. Capital Outlay Fund expenditures totaled \$56.0 million with \$42.1 million being spent on new construction and other building improvements. The remainder was spent on purchases for land improvements, equipment, and vehicles.

## GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** During 2016, the Board revised the District’s budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$1.9 million or 0.8% in total General Fund revenues and an increase of \$1.8 million or 0.7% in total General Fund budgeted expenditures. The increase in revenues was due to a higher collection rate of property taxes, while the expenditure increase was due to an adoption of elementary math textbooks.

**Final budget compared to actual results.** Even with these adjustments, actual expenditures were \$3.0 million or 1.2% less than final budgeted amounts. The most significant variance was \$3.1 million in instruction due to employee benefit costs being less than anticipated as well as schools not spending their full budgeted amounts for supplies and textbooks. Actual revenues were \$1.5 million or 0.6% more than final budgeted amounts. Variances in state and federal revenues primarily result from expenditure-driven grants that are included in the budgets at their full amounts. Such grants are recognized when the qualifying expenditures are incurred and all other grant requirements are met; unspent grant amounts are carried forward and included in the succeeding year’s budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The District’s investment in capital assets for its governmental activities as of June 30, 2016 amounts to \$477.3 million (net of accumulated depreciation). This investment in capital assets includes sites, construction in progress, site improvements and buildings, equipment, and vehicles. The total increase in capital assets for the current year was \$21.9 million or 4.8%.

### Canyons School District's Capital Assets

June 30, 2016 and 2015

(net of accumulated depreciation, in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-2015
Sites and improvements	\$ 66.6	\$ 67.2	\$ (0.6)
Construction in progress	39.8	43.0	(3.2)
Buildings	362.8	336.4	26.4
Equipment	0.7	0.8	(0.1)
Vehicles	7.3	8.0	(0.7)
Total capital assets	\$ 477.3	\$ 455.4	\$ 21.9

The cost of various construction projects underway at June 30, 2016 are projected at a total cost of \$71.3 million. The largest projects are the rebuilds of Midvale Middle, Butler Elementary and Alta View Elementary Schools with an estimated cost of \$43.0 million, \$18.5 million, and \$19.4 million respectively. Butler Elementary opened to students in August 2016. Midvale Middle and Alta View are scheduled to open in the fall of 2017. Planning for the renovation of Indian Hills Middle began in 2016. Construction will begin in spring 2017 and the school will re-open in the fall of 2018.

Additional information on the District’s capital assets can be found in Note 3 to the basic financial statements.

**Long-term debt.** At the end of the current fiscal year, the District had total bonded debt outstanding of \$312.4 million (net of unamortized amounts for bond issuance premiums). Payment of the debt is backed by the full faith and credit of the District as well as the state of Utah under provisions of The Guaranty Act. The District’s total debt decreased by \$18.3 million, or about 5.5%, during the current year. The decrease was the result of paying down the general obligation bonds principal by \$16.0 million and amortizing \$2.3 million of bond issuance premiums.

**Canyons School District's Outstanding General Obligation Debt**  
**June 30, 2016 and 2015**  
(in millions of dollars)

	Governmental Activities		
	2016	2015	Change 2016-2015
General obligation bonds	\$ 290.9	\$ 306.9	\$ (16.0)
Unamortized bond issuance premiums	21.6	23.9	(2.3)
Net bonds payable	\$ 312.4	\$ 330.8	\$ (18.3)

In June 2010, voters approved a \$250 million bond for new school construction, renovation of existing school facilities, and related equipment and seismic improvements that will allow the District to meet its future capital and academic plans. General obligation bonds were subsequently issued in accordance with the debt authorization as follows:

- April 2011 issued \$68.0 million
- August 2012 issued \$80.0 million
- October 2013 issued \$60.0 million
- April 2015 issued \$42.0 million

The general obligation bonded debt of the District is limited by state law to 4.0% of the fair market value of the total taxable property in the District. The District’s legal debt limit at June 30, 2016 is estimated at \$1,094.3 million. Net general obligation debt at June 30, 2016 is \$312.4 million resulting in an estimated additional debt-incurring capacity of \$781.9 million.

All debt was issued on a 20-year (or shorter) repayment timetable and the District is scheduled to retire all of its general obligation bonds by 2033.

The bonds issuances received an underlying rating of “Aaa” from Moody’s Investors Service and a “AAA” from Fitch Ratings, respectively. All issuances payments will be financed by tax revenues from the Debt Service Fund.

General obligation bonds issued by the former Jordan School District prior to the creation of the District have an underlying rating of “Aaa” from Moody’s Investors Service and “AAA” from Fitch Ratings. The districts collaborated together to refund these bonds in 2014 with Canyons being responsible for 58% of the refunded amount. The refunding will save the District \$4.5 million in debt service payments from 2015 to 2022, when the bonds will be retired.

Additional information on the District’s long-term debt can be found in Note 4 to the basic financial statements.

**OTHER INFORMATION**

The District anticipates moderate growth in student enrollment. The following enrollment information is based on the annual October 1 count:

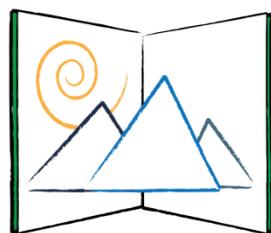
**Canyons School District's Enrollment  
October 1 Count**

School Year	Enrollment	Change
2016-17	34,017	0.3%
2015-16	33,899	0.7%
2014-15	33,676	0.0%
2013-14	33,677	0.4%
2012-13	33,528	0.1%
2011-12	33,490	0.1%
2010-11	33,469	0.9%
2009-10	33,184	

Enrollment is affected by migration into the District and charter schools.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Canyons School District’s finances for all those with an interest in the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator, Canyons School District, 9361 South 300 East, Sandy, Utah 84070, or call 801.826.5000.



# CANYONS

School District

*"Celebrating the Highest  
Standards of Educational Excellence"*

# Basic Financial Statements

**CANYONS SCHOOL DISTRICT**

**Statement of Net Position**

June 30, 2016

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 227,774,567
Accounts receivable:	
Property taxes	143,825,739
Local	334,349
State	1,493,340
Federal	3,771,193
Inventories	1,849,091
Net retirement/OPEB asset - District retirement plans	9,933,156
Net pension asset - state retirement plans	7,779
Capital assets:	
Sites and construction in progress	66,435,889
Buildings and other capital assets, net of accumulated depreciation	410,878,061
Total assets	866,303,164
<b>Deferred outflows of resources:</b>	
Related to pensions	45,610,787
Deferred charges on refunding	3,561,351
Total deferred outflows of resources	49,172,138
<b>Liabilities:</b>	
Accounts and contracts payable	9,907,435
Accrued payroll and related benefits	22,946,107
Accrued interest	470,406
Unearned revenue:	
Local	526,421
State	4,889,980
Federal	988,452
Long-term liabilities:	
Portion due or payable within one year	21,434,934
Portion due or payable after one year	417,013,602
Total liabilities	478,177,337
<b>Deferred inflows of resources:</b>	
Related to pensions	12,021,614
Property taxes levied for future year	141,664,361
Total deferred inflows of resources	153,685,975
<b>Net position:</b>	
Net investment in capital assets	175,108,822
Restricted for:	
Debt service	1,535,261
Capital outlay	96,455,165
Nutrition services	1,440,599
Unrestricted	9,072,143
Total net position	\$ 283,611,990

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Activities**  
Fiscal Year Ended June 30, 2016

Activities and Functions	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Total Governmental Activities
<b>Governmental activities:</b>				
Instruction	\$ 181,436,410	\$ 14,281,537	\$ 43,914,917	\$ (123,239,956)
Supporting services:				
Students	11,008,439	-	3,207,610	(7,800,829)
Instructional staff	16,248,963	-	3,691,873	(12,557,090)
District administration	2,466,002	-	-	(2,466,002)
School administration	18,506,081	-	1,451,189	(17,054,892)
Central	13,414,345	-	493,543	(12,920,802)
Operation and maintenance of school buildings	24,470,385	89,805	1,202	(24,379,378)
Student transportation	9,047,092	439,243	4,019,159	(4,588,690)
Nutrition services	13,251,932	4,032,291	8,467,013	(752,628)
Contributions to other governments	9,978,475	-	-	(9,978,475)
Community services	291,441	-	-	(291,441)
Interest on long-term liabilities	11,158,159	-	-	(11,158,159)
<b>Total school district</b>	<b>\$ 311,277,724</b>	<b>\$ 18,842,876</b>	<b>\$ 65,246,506</b>	<b>\$ (227,188,342)</b>

**General revenues:**

Property taxes levied for:	
Basic state supported program	25,397,820
Voted local program	28,637,430
School board local program	28,888,008
Debt service of general obligation bonds	28,977,500
Capital local for buildings and other capital needs	28,118,377
Incremental taxes	9,978,475
<b>Total property tax revenue</b>	<b>149,997,610</b>
Federal and state revenue not restricted to specific purposes	88,139,944
Interest earnings	2,584,940
Miscellaneous	3,546,411
<b>Total general revenues</b>	<b>244,268,905</b>
<b>Special item - gain on sale of property</b>	<b>2,649,802</b>
Change in net position	19,730,365
<b>Net position - beginning</b>	<b>263,881,625</b>
<b>Net position - ending</b>	<b>\$ 283,611,990</b>

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

**CANYONS SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2016

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	Capital Outlay		
<b>Assets:</b>					
Cash and investments	\$ 99,592,987	\$ 1,628,055	\$ 109,789,745	\$ 9,440,274	\$ 220,451,061
Accounts receivable:					
Property taxes	81,755,771	29,262,741	20,722,047	12,085,180	143,825,739
Local	322,288	-	5,139	-	327,427
State	664,184	-	-	829,156	1,493,340
Federal	3,675,462	-	-	95,731	3,771,193
Inventories	1,448,952	-	-	400,139	1,849,091
Total assets	<u>\$ 187,459,644</u>	<u>\$ 30,890,796</u>	<u>\$ 130,516,931</u>	<u>\$ 22,850,480</u>	<u>\$ 371,717,851</u>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 1,843,336	\$ -	\$ 7,156,437	\$ 907,662	\$ 9,907,435
Accrued payroll and related benefits	22,710,514	-	-	235,593	22,946,107
Unearned revenue:					
Local	-	-	-	526,421	526,421
State	4,889,980	-	-	-	4,889,980
Federal	988,452	-	-	-	988,452
Total liabilities	<u>30,432,282</u>	<u>-</u>	<u>7,156,437</u>	<u>1,669,676</u>	<u>39,258,395</u>
<b>Deferred inflows of resources:</b>					
Unavailable property tax revenue	1,281,625	504,567	327,258	195,655	2,309,105
Property taxes levied for future year	80,672,284	28,815,945	20,286,607	11,889,525	141,664,361
Total deferred inflows of resources	<u>81,953,909</u>	<u>29,320,512</u>	<u>20,613,865</u>	<u>12,085,180</u>	<u>143,973,466</u>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Inventories	1,448,952	-	-	400,139	1,849,091
<b>Restricted for:</b>					
Debt service	-	1,570,284	-	-	1,570,284
Capital outlay	-	-	102,746,629	-	102,746,629
Nutrition services	-	-	-	2,548,173	2,548,173
<b>Committed to:</b>					
Economic stabilization	12,367,581	-	-	-	12,367,581
Employee benefit obligations	24,076,086	-	-	-	24,076,086
Contractual obligations	289,758	-	-	-	289,758
Schools	-	-	-	5,668,050	5,668,050
Foundation	-	-	-	479,262	479,262
<b>Assigned to:</b>					
Schools and programs	7,250,113	-	-	-	7,250,113
Self-insurance	9,000,000	-	-	-	9,000,000
Unassigned	20,640,963	-	-	-	20,640,963
Total fund balances	<u>75,073,453</u>	<u>1,570,284</u>	<u>102,746,629</u>	<u>9,095,624</u>	<u>188,485,990</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 187,459,644</u>	<u>\$ 30,890,796</u>	<u>\$ 130,516,931</u>	<u>\$ 22,850,480</u>	<u>\$ 371,717,851</u>

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

**CANYONS SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Position**  
June 30, 2016

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**Total fund balances for governmental funds** \$ 188,485,990

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$789,318,481 and accumulated depreciation is \$312,004,531 (see Note 3). 477,313,950

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 unavailable revenue in the funds. 2,309,105

Long-term liabilities, including bonds payable and the net pension liability, are not due and payable in the current period and therefore are not reported in the governmental funds. These and related balances at year end are:

General obligation bonds payable	\$ (290,886,000)	
Deferred amounts for bond premiums	(21,555,693)	
Accrued interest	(470,406)	
Deferred charges on refunding	3,561,351	
Net pension liability	(120,742,802)	
Deferred outflows of resources related to pensions	45,610,787	
Deferred inflows of resources related to pensions	(12,021,614)	
Compensated absence obligation	(1,087,661)	(397,592,038)

The net pension asset is not an available resource and therefore is not reported in the governmental funds. 7,779

An internal service fund is used by management to charge the costs of health and life insurance benefits to individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 3,154,048

Certain retirement benefit payments in excess of actuarially required amounts are recognized as expenditures in governmental funds. 9,933,156

**Total net position of governmental activities** \$ 283,611,990

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Fiscal Year Ended June 30, 2016

	<b>Major Funds</b>			<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Outlay</b>		
<b>Revenues:</b>					
Property taxes	\$ 85,804,556	\$ 28,354,560	\$ 26,103,201	\$ 9,978,475	\$ 150,240,792
Interest earnings	1,380,037	108,403	1,029,917	20,336	2,538,693
Other local	7,947,454	-	1,563,939	14,240,897	23,752,290
State	128,843,478	-	59,680	2,115,732	131,018,890
Federal	15,677,608	-	-	6,351,281	22,028,889
Total revenues	<u>239,653,133</u>	<u>28,462,963</u>	<u>28,756,737</u>	<u>32,706,721</u>	<u>329,579,554</u>
<b>Expenditures:</b>					
Current:					
Instruction	146,258,365	-	-	10,175,424	156,433,789
Supporting services:					
Students	10,931,039	-	-	-	10,931,039
Instructional staff	16,254,028	-	-	-	16,254,028
District administration	2,408,396	-	-	-	2,408,396
School administration	18,313,983	-	-	-	18,313,983
Central	13,510,173	-	-	-	13,510,173
Operation and maintenance of school buildings	23,770,303	-	-	-	23,770,303
Student transportation	7,702,864	-	-	-	7,702,864
Nutrition services	-	-	-	12,339,288	12,339,288
Community services	288,934	-	-	-	288,934
Contributions to other governments	-	-	-	9,978,475	9,978,475
Capital outlay	-	-	55,981,848	-	55,981,848
Debt service:					
Bond principal	-	15,998,000	-	-	15,998,000
Bond interest and fees	-	12,919,441	-	-	12,919,441
Total expenditures	<u>239,438,085</u>	<u>28,917,441</u>	<u>55,981,848</u>	<u>32,493,187</u>	<u>356,830,561</u>
Excess (deficiency) of revenues over (under) expenditures	215,048	(454,478)	(27,225,111)	213,534	(27,251,007)
<b>Other financing sources (uses):</b>					
Transfers in (out)	(177,676)	-	-	177,676	-
<b>Special item - proceeds from sale of property</b>					
	-	-	4,700,000	-	4,700,000
Net change in fund balances	37,372	(454,478)	(22,525,111)	391,210	(22,551,007)
<b>Fund balances - beginning</b>	<u>75,036,081</u>	<u>2,024,762</u>	<u>125,271,740</u>	<u>8,704,414</u>	<u>211,036,997</u>
<b>Fund balances - ending</b>	<u>\$ 75,073,453</u>	<u>\$ 1,570,284</u>	<u>\$ 102,746,629</u>	<u>\$ 9,095,624</u>	<u>\$ 188,485,990</u>

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

**CANYONS SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
Fiscal Year Ended June 30, 2016

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**Net change in fund balances for governmental funds** \$ (22,551,007)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. The net effect of transactions involving capital assets increased net position in the current period.

	Capital outlays	\$ 40,811,576	
	Proceeds from the sale of property	(4,700,000)	
	Gain on sale of property	2,649,802	
	Depreciation expense	<u>(16,835,894)</u>	21,925,484

Property tax revenue is recognized when levied (when a claim to resources is established) rather than when available. The portion not available soon enough to pay for the current period's expenditures is deferred in the funds. (243,182)

The issuance of bonds provides current financial resource to governmental funds, while the repayment of the principal of bonds consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	Repayment of bond principal	15,998,000	
	Bond interest expense	27,876	
	Amortization of bond premiums	2,326,964	
	Amortization of deferred charges on refunding	<u>(593,558)</u>	17,759,282

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds; long-term employee benefit obligations are reported as expenditures in the governmental funds when paid.

	Retirement expense	1,524,585	
	Pension expense	2,953,288	
	Compensated absences expense	<u>151,911</u>	4,629,784

An internal service fund is used by the District to charge the costs of health and life insurance benefits to individual funds. The change in net position of the internal service fund is reported with governmental activities. (1,789,996)

**Change in net position of governmental activities** \$ 19,730,365

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 83,431,734	\$ 85,424,169	\$ 85,804,556	\$ 380,387
Interest earnings	1,000,000	1,100,000	1,380,037	280,037
Other local	6,645,000	7,536,978	7,947,454	410,476
State	130,196,588	129,854,883	128,843,478	(1,011,405)
Federal	14,983,519	14,246,452	15,677,608	1,431,156
Total revenues	<u>236,256,841</u>	<u>238,162,482</u>	<u>239,653,133</u>	<u>1,490,651</u>
<b>Expenditures:</b>				
Current:				
Instruction	147,387,299	149,328,963	146,258,365	3,070,598
Supporting services:				
Students	11,051,878	10,532,596	10,931,039	(398,443)
Instructional staff	15,648,200	15,909,954	16,254,028	(344,074)
District administration	2,645,065	2,592,446	2,408,396	184,050
School administration	18,121,333	18,553,926	18,313,983	239,943
Central	13,395,204	13,665,719	13,510,173	155,546
Operation and maintenance of school buildings	24,201,341	23,567,010	23,770,303	(203,293)
Student transportation	7,887,612	7,948,136	7,702,864	245,272
Community services	330,860	339,434	288,934	50,500
Total expenditures	<u>240,668,792</u>	<u>242,438,184</u>	<u>239,438,085</u>	<u>3,000,099</u>
Excess (deficiency) of revenues over (under) expenditures	(4,411,951)	(4,275,702)	215,048	4,490,750
<b>Other financing sources (uses):</b>				
Transfer out	<u>(187,075)</u>	<u>(190,155)</u>	<u>(177,676)</u>	<u>12,479</u>
Total other financing sources (uses)	<u>(187,075)</u>	<u>(190,155)</u>	<u>(177,676)</u>	<u>12,479</u>
Net change in fund balances	(4,599,026)	(4,465,857)	37,372	4,503,229
<b>Fund balances - beginning</b>	<u>70,403,492</u>	<u>75,036,081</u>	<u>75,036,081</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 65,804,466</u>	<u>\$ 70,570,224</u>	<u>\$ 75,073,453</u>	<u>\$ 4,503,229</u>

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
June 30, 2016

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	<u><b>Governmental Activities - Internal Service Fund Self-Insurance</b></u>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 7,323,506
Accounts receivable, local	<u>6,922</u>
	<u>7,330,428</u>
<b>Liabilities:</b>	
Current liabilities:	
Claims payable	<u>4,176,380</u>
<b>Net position:</b>	
Unrestricted	<u><u>\$ 3,154,048</u></u>

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
Fiscal Year Ended June 30, 2016

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	<u><b>Governmental Activities - Internal Service Fund Self-Insurance</b></u>
<b>Operating revenues:</b>	
Insurance premiums charged to other funds	<u>\$ 25,407,743</u>
<b>Operating expenses:</b>	
Medical claims	18,533,500
Prescription claims	5,400,841
Industrial insurance claims	541,902
Administration and other	<u>2,767,743</u>
Total operating expenses	<u>27,243,986</u>
Operating loss	(1,836,243)
<b>Nonoperating income:</b>	
Interest earnings	<u>46,247</u>
Change in net position	(1,789,996)
<b>Net position - beginning</b>	<u>4,944,044</u>
<b>Net position - ending</b>	<u><u>\$ 3,154,048</u></u>

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

**CANYONS SCHOOL DISTRICT**  
**Statement of Fund Cash Flows**  
**Proprietary Fund**  
Fiscal Year Ended June 30, 2016

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	<b>Governmental Activities - Internal Service Fund</b>
	<b>Self-Insurance</b>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 25,477,184
Payments to suppliers	(2,767,743)
Payments for medical fees and insurance claims	(24,858,012)
Net cash used by operating activities	(2,148,571)
<b>Cash flows from investing activities:</b>	
Interest received	46,247
Net decrease in cash and cash equivalents	(2,102,324)
<b>Cash and cash equivalents - beginning</b>	9,425,830
<b>Cash and cash equivalents - ending</b>	\$ 7,323,506
(Displayed on statements of fund net position as Cash and investments)	
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	\$ (1,836,243)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease in accounts receivable	69,441
Decrease in claims payable	(381,769)
Net cash used by operating activities	\$ (2,148,571)
Noncash investing, capital, and financing activities	none

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

# CANYONS SCHOOL DISTRICT

## Notes to the Basic Financial Statements

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**The Reporting Entity** – The Board of Education (the Board), comprised of seven elected officials, 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 independent of any other unit of local government.

As required by GAAP, these financial statements present the activities of the District and its component unit, Canyons School District Education Foundation, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is in substance part of the District's operations.

- **Blended Component Unit.** The Canyons School District Education Foundation (the Foundation) is a nonprofit organization incorporated in the state of Utah and has received exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and is classified as a public charity under section 170(b)(1)(A)(vi) of the Code. The Foundation acts as a conduit for charitable contributions to the District. The Foundation's board is approved by the Board of Education. The Foundation exclusively serves the District. The District makes all personnel decisions for the Foundation and pays for all operating costs of the Foundation. The Foundation is presented as a special revenue fund of the District. Financial information specific to the Foundation may be obtained by writing the Foundation at 9361 South 300 East, Sandy, Utah 84070.

**Government-wide and Fund Financial Statements** – The *government-wide financial statements* (the statement of net position and the statement of activities) report on all of the activities of the primary government (the District) and its blended component unit. The effect of interfund activity is eliminated from the government-wide financial statements.

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 are 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 the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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.

## CANYONS SCHOOL DISTRICT

### Notes to the Basic Financial Statements

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**Fund Financial Statements** – The *fund financial statements* provide information about the District’s funds, including its blended component unit. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds

Proprietary fund operating revenues, such as insurance premiums, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as interest, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund’s principal services.

The District reports the following major governmental funds:

- The *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.
- The *Debt Service Fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of school building bonds.
- The *Capital Outlay Fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund type:

- The *Self-Insurance Fund (a proprietary fund)* is the only internal service fund used by the District and accounts for the risk management services associated with the District’s self-insurance plan covering employee health and accident claims. Premiums are charged to the District’s other funds to cover anticipated costs.

**Measurement Focus and Basis of Accounting** – The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pension benefits, other postemployment benefits, retirement benefits, and compensated

## CANYONS SCHOOL DISTRICT

### Notes to the Basic Financial Statements

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absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as an other financing source.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The proprietary (internal service) funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

**Budgetary information** – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds of the District. The budget for the Self-Insurance Fund is not legally required for budgetary control; this budget is for management purposes. These financial reports reflect the following budgetary standards:

- For the fiscal year beginning July 1, the business administrator prepares a proposed budget for all funds which is presented to the Board of Education by the superintendent on or before June 1.
- After a public hearing is held, the Board of Education, by resolution, legally adopts the final budget no later than June 22.
- Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the superintendent; however, increases in appropriations at the overall fund level require a public hearing prior to amending the budget. In accordance with Utah State law and with Board policy, administration may make interim adjustments from one appropriation (at the program, function, or object level) to another within any given fund without seeking the immediate approval of the Board. The Board approves these changes later in the year.
- The total budgeted expenditures of a given fund may not exceed the expected revenues for the fiscal year plus the fund balance. Control of the budget is exercised at the overall fund level.
- Interim adjustments in estimated revenue and appropriations during the fiscal year ended June 30, 2016 are 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.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is used to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the fund balance. Budgets generally assume the expenditure of all available resources. Therefore,

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is reported as unearned revenue. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

**Deposits and Investments** – The cash balances of substantially all funds are pooled and invested by the District. Earnings on pooled funds are allocated to the funds based on the average balance of each participating fund.

Investments for the District and Foundation are reported at fair value. Changes in the fair value of investments are recorded as interest earnings.

**Inventories** – Inventories are accounted for under the consumption method, wherein inventories are recorded as assets when acquired and expenditures are recorded when the inventories are transferred to the schools for consumption. Inventories recorded in the governmental funds are stated at cost or, if donated, at acquisition value when received, using a weighted moving average method. Inventories reported in the governmental funds are equally offset by an unspendable portion of fund balance, indicating that they are not expected to be converted to cash.

**Capital Assets** – Capital assets are recorded as expenditures in the governmental fund financial statements at the time of purchase or construction. All purchased equipment or vehicles costing more than \$10,000 and constructed capital assets or improvements costing more than \$250,000 or which meet other criteria are capitalized and reported at cost or estimated historical cost in the government-wide financial statements. The cost of normal maintenance and repairs that do not add to the value of the asset or significantly extend assets' lives are not capitalized in the government-wide financial statements. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Interest incurred during the construction of capital assets is not capitalized. The District does not purchase nor construct infrastructure (public domain) assets. Depreciation is provided on capital assets in the government-wide financial statements using the straight-line method over their estimated useful lives as follows:

Site improvements .....	40 years
Buildings.....	40 years
Equipment.....	5 years
Vehicles .....	10 years

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

**Long-term Obligations** – In the government-wide financial statements and the Self-Insurance Fund (internal service fund), long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums are deferred and amortized over the life of the related bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums.

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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In the governmental fund financial statements, the face amount of debt issued as well as premiums received on debt issuances are recognized during the current period as other financing sources.

**Deferred Outflows of Resources** – In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has two items that qualify for reporting in this category; these items are reported in the statement of net position:

- Deferred charge on refunding – results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows of resources related to pensions – includes a) net difference between projected and actual earnings on pension plan investments, b) changes in proportion and differences between contributions and proportional share of contributions, and c) District contributions subsequent to the measurement date of December 31, 2015.

**Deferred Inflows of Resources** – In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The following item arises only under a modified accrual basis of accounting and is reported in the governmental funds balance sheet; this item is deferred and recognized as an inflow of resources in the period that the amounts become available:

- Unavailable property tax revenue – consists of uncollected, delinquent property taxes.

The following source is reported in both the statement of net position and the governmental funds balance sheet:

- Property taxes levied for future year – property taxes levied on January 1, 2016 for the following school year.

The following source is reported in the statement of net position:

- Deferred inflows of resources related to pensions – includes a) differences between expected and actual experience and b) changes of assumptions in the measurement of the net pension liability/asset.

**Net Position/Fund Balances** – The residual of all other elements presented in a statement of net position is *net position* on the government-wide and proprietary fund financial statements and the residual of all other elements presented in a balance sheet on the governmental fund financial statements is *fund balance*.

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as

## CANYONS SCHOOL DISTRICT

### Notes to the Basic Financial Statements

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restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the District is bound to honor them. The District first determines and reports nonspendable balances, then restricted, then committed, and so forth.

Fund balance classifications are summarized as follows:

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories are classified as nonspendable.
  
- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:
  - a) Unspent tax revenues for specific purposes (capital outlays and debt service).
  - b) Remaining fund balances in the Nutrition Services Fund.
  
- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the District's Board of Education. Fund balance commitments can only be removed or changed by the same type of action (e.g. resolution) of the Board. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board has approved to commit fund balance amounts to the following purposes:
  - a) Economic stabilization (\$12,367,581). As defined in Utah law as an "undistributed reserve," the District maintains for economic stabilization up to 5% of 2017 General Fund budgeted expenditures. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. Additionally, the commitment is necessary to maintain liquidity (i.e., reducing any disparity between when financial resources are available to make payments and the maturity of related liabilities). Also defined by state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees." Furthermore, the law states that the reserve cannot be used until the Board provides the State Board of Education with an adopted, written resolution setting forth the reasons for using the funds.
  - b) Employee benefit obligations for other post-employment benefits representing the accrued actuarially liability plus an additional 5% contingency (\$22,988,425) and for unpaid compensated absences (\$1,087,661).
  - c) Unfulfilled non-construction contractual obligations (\$289,758) at June 30, 2016 that are expected to be completed in 2017.
  - d) Resources held by the schools and the Foundation.

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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- **Assigned.** This category includes General Fund balance amounts that the District intends to be used for a specific purpose but are neither restricted nor committed. The Board, by policy, has given the business administrator authority to assign General Fund balances. The District has assigned General Fund resources that are to be used for textbooks, supplies and other materials at the school level. The District has also assigned \$9,000,000 to cover unforeseen costs in its Self-Insurance Fund.
- **Unassigned.** Residual balances in the General Fund are classified as unassigned.

**Net Position Flow Assumption** – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted tax revenue or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s fund balance policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**Fund Balance Flow Assumption** – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s fund balance policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**2. DEPOSITS AND INVESTMENTS**

A reconciliation of cash and investments at June 30, 2016, as shown on the financial statements is as follows:

Carrying amount of deposits	\$	11,238,930
Carrying amount of investments		216,535,637
Total cash and investments	\$	227,774,567
Governmental funds cash and investments	\$	220,451,061
Internal service fund cash and investments		7,323,506
Total cash and investments	\$	227,774,567

The District complies with the State Money Management Act (*Utah Code* Section 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) 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, banker’s acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah.

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

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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depository shall remain in effect. The District considers the rules of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow the Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

**Deposits** – At June 30, 2016, the District and the Foundation have the following deposits with financial institutions:

	Carrying Amount	Bank Balance	Amount Insured
Canyons School District	\$ 11,051,513	\$ 10,584,248	\$ 5,478,377
Canyons School District Education Foundation	187,417	187,317	187,317
Total deposits	<u>\$ 11,238,930</u>	<u>\$ 10,771,565</u>	<u>\$ 5,665,694</u>

- **Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government’s deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. At June 30, 2016, \$5,105,871 of the District’s bank deposits was uninsured and uncollateralized. No deposits are collateralized nor are they required to be by state statute.

**Investments** – The District’s investments are with the PTIF and in corporate bonds through a broker. The Foundation has accounts separate from the District and invests some private funds through a broker.

The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which primarily consists of money market securities held by the Utah State Treasurer, including corporate notes (81.8%), money market mutual funds (9.2%), top-rated commercial paper (8.6%), and certificates of deposit (0.4%). The portfolio has a weighted average maturity of 53 days. The PTIF is not rated. The reported value of the pool is the same as the fair value of the pool shares.

At June 30, 2016, the District had purchased 23 investment-grade corporate bonds through a broker. Twenty-two of the bonds are rated A or higher and one is rated BBB+ by Moody’s Investor Services or by Standard & Poor’s or Fitch or Egan-Jones. The weighted average to maturity is 17 months, with 32.1% of investments maturing within one year and all corporate notes maturing within three years. These investments are held in a safekeeping account and are reviewed regularly by the Council for compliance with the Act.

Also at June 30, 2016, the Foundation invested in mutual funds. The mutual funds are not rated.

- **Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does have a formal investment policy which complies with the Act for interest rate risk and manages its exposure to interest rate risk by complying with its policy and the Act, which requires that the remaining term to maturity of

## CANYONS SCHOOL DISTRICT

### Notes to the Basic Financial Statements

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investments not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and banker's acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding three years. The Foundation can invest private funds in fixed-income securities with a dollar-weighted average maturity not to exceed ten years.

- **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does have a formal investment policy which complies with the Act for credit risk and manages its exposure to credit risk by complying with its policy and the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service or by Standard & Poor's at the time of purchase.
  
- **Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does have a formal investment policy for concentration of credit risk which complies with the Act and manages this risk by complying with its policy and the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5.0% of the District's total portfolio with a single issuer. The Foundation can invest private funds in certain equity and fixed-income securities provided no more than 5.0% of all funds are invested in any one issuer and no more than 25.0% of all funds are invested in a particular industry. Also, for the Foundation's investments in private funds, no more than 75.0% may be invested in equity securities and no more than 5.0% in collateralized mortgage obligations.
  
- **Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District does have a formal investment policy for custodial credit risk and manages this risk by complying with its policy and the Act and related rules. The Foundation's investments are held in a brokerage account which is covered by Securities Investor Protection Corporation up to \$500,000.

### 3. FAIR VALUE MEASUREMENTS

In 2016, the District adopted Government Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*.

The new standard provides guidance for determining a fair value measurement for financial reporting purposes. The standard also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District's financial statements are not affected by this new standard.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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The District has the following recurring fair value measurements as of June 30, 2016:

- Public Treasurers' Investment Fund of \$78,001,778 is valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).
- Investment-grade corporate bonds of \$138,239,464 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$294,395 are valued at quoted market prices (Level 1 inputs).

**4. CAPITAL ASSETS**

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

	June 30, 2015			June 30, 2016
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Sites	\$ 26,647,840	\$ -	\$ -	\$ 26,647,840
Construction in progress	42,990,838	39,782,474	(42,985,263)	39,788,049
	<u>69,638,678</u>	<u>39,782,474</u>	<u>(42,985,263)</u>	<u>66,435,889</u>
Capital assets, being depreciated:				
Site improvements	55,744,689	698,054	-	56,442,743
Buildings	547,303,799	42,287,209	(6,924,436)	582,666,572
Equipment	61,752,196	307,697	-	62,059,893
Vehicles	22,336,934	721,405	(1,344,955)	21,713,384
	<u>687,137,618</u>	<u>44,014,365</u>	<u>(8,269,391)</u>	<u>722,882,592</u>
Accumulated depreciation for:				
Site improvements	(15,069,710)	(1,392,934)	-	(16,462,644)
Buildings	(210,952,396)	(13,747,512)	4,877,692	(219,822,216)
Equipment	(61,074,643)	(279,380)	-	(61,354,023)
Vehicles	(14,291,081)	(1,416,068)	1,341,501	(14,365,648)
	<u>(301,387,830)</u>	<u>(16,835,894)</u>	<u>6,219,193</u>	<u>(312,004,531)</u>
	<u>385,749,788</u>	<u>27,178,471</u>	<u>(2,050,198)</u>	<u>410,878,061</u>
Governmental activity capital assets, net	<u>\$ 455,388,466</u>	<u>\$ 66,960,945</u>	<u>\$ (45,035,461)</u>	<u>\$ 477,313,950</u>

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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

<b>Governmental activities:</b>	
Instruction	\$ 12,159,159
Supporting services:	
Students	142,940
Instructional staff	141,611
General district administration	79,318
School administration	336,534
Central	483,645
Operation and maintenance of school buildings	1,237,783
Student transportation	1,347,825
Nutrition services	<u>907,079</u>
Total depreciation expense, governmental activities	<u>\$ 16,835,894</u>

The District is obligated at June 30, 2016 under construction commitments with remaining costs to complete totaling \$71,301,397 that will be financed from the Capital Outlay Fund as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Alta View Elementary rebuild	\$ 19,375,000	\$ 2,280,469	\$ 17,094,531
Butler Elementary rebuild	18,500,000	15,824,300	2,675,700
Midvale Middle rebuild	43,000,000	17,900,636	25,099,364
Indian Hills rebuild	24,100,000	184,878	23,915,122
Other projects	<u>6,114,446</u>	<u>3,597,766</u>	<u>2,516,680</u>
Total	<u>\$ 111,089,446</u>	<u>\$ 39,788,049</u>	<u>\$ 71,301,397</u>

**5. LONG-TERM LIABILITIES**

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

	June 30, 2015 Balance	Additions	Reductions	June 30, 2016 Balance	Portion Due or Payable Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 306,884,000	\$ -	\$ (15,998,000)	\$ 290,886,000	\$ 16,896,000
Deferred amounts for bond premiums	<u>23,882,657</u>	<u>-</u>	<u>(2,326,964)</u>	<u>21,555,693</u>	<u>-</u>
Total bonds payable, net	<u>330,766,657</u>	<u>-</u>	<u>(18,324,964)</u>	<u>312,441,693</u>	<u>16,896,000</u>
Net URS pension liability	95,857,436	51,935,355	(27,049,989)	120,742,802	-
Compensated absences	1,239,572	1,904,962	(2,056,873)	1,087,661	362,554
Claims payable, insurance	<u>4,558,149</u>	<u>27,243,986</u>	<u>(27,625,755)</u>	<u>4,176,380</u>	<u>4,176,380</u>
Total governmental activity long-term liabilities	<u>\$ 432,421,814</u>	<u>\$ 81,084,303</u>	<u>\$ (75,057,581)</u>	<u>\$ 438,448,536</u>	<u>\$ 21,434,934</u>

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

**General Obligation Bonds Payable** – Bonds payable at June 30, 2016 are comprised of the following general obligation issues and are serviced by property tax revenues received by the Debt Service Fund:

Series	Purpose	Original Amount	Remaining Interest Rate Range	Final Maturity Date	Current Outstanding Balance
<b>Canyons School District portion of former Jordan School District bonded debt: *</b>					
2007	School building	\$ 113,680,000	4.00% to 4.25%	June 15, 2017	\$ 7,946,000
2014	Refunding	59,970,000	5.00%	June 15, 2022	54,835,000
District's portion of total former Jordan School District general obligation bonds payable as of June 30, 2016					62,781,000
<b>Canyons School District bonded debt:</b>					
2011	School building	68,000,000	2.50% to 4.50%	June 15, 2031	55,355,000
2012	School building	80,000,000	1.50% to 4.00%	June 15, 2032	73,575,000
2013	School building	60,000,000	3.00% to 5.00%	June 15, 2033	57,225,000
2015	School building	42,000,000	3.50% to 5.00%	June 15, 2033	41,950,000
District's bonded debt as of June 30, 2016					228,105,000
Total general obligation bonds payable as of June 30, 2016					<u>\$ 290,886,000</u>

\* On July 1, 2009, general obligation bonds were allocated to the newly formed Canyons School District from Jordan School District. The current outstanding balance represents the District's share of the outstanding balances on the bonds.

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

Year Ending June 30,	Principal	Interest	Total
2017	\$ 16,896,000	\$ 11,972,256	\$ 28,868,256
2018	17,565,000	11,304,126	28,869,126
2019	17,720,000	10,546,701	28,266,701
2020	17,765,000	9,785,476	27,550,476
2021	17,160,000	8,943,326	26,103,326
2022-2026	80,865,000	33,655,980	114,520,980
2027-2031	94,640,000	16,493,930	111,133,930
2032-2033	28,275,000	1,501,939	29,776,939
Total	<u>\$ 290,886,000</u>	<u>\$ 104,203,734</u>	<u>\$ 395,089,734</u>

**Bond Election** – On June 22, 2010, a bond election was held and \$250.0 million in general obligation school building bonds were authorized. The bonds are to finance the building and renovation of schools, the purchase of building sites, and to equip schools. At June 30, 2016, the full \$250.0 million of the bonds have been issued under this authorization.

**Compensated Absences** – The District accrues vacation for twelve-month or full-year contract employees. Employees accrue between ten and twenty days each year depending upon length of service with the District, generally limited to a maximum number of days earned for one year. The District is liable to the employee for days earned but not taken. If an employee terminates, then payment is made; otherwise, scheduled vacation time off is allowed. These obligations will be paid by the General Fund.

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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**Claims Payable** – The Self-Insurance Fund (an internal service fund) was established to pay self-insurance claims for health and accident coverage for participating District employees. The District carries commercial insurance, which covers catastrophic claims in excess of \$225,000. Additionally, all District employees are covered for worker’s compensation with resources accumulated within this fund. The fund collects premiums, as established by the District and the plan administrator, from other District funds. The District has recorded an estimate of claims liability (including claims incurred but not reported) of \$4,176,380 at June 30, 2016. This liability is based on experience and information provided by the plan administrator and includes costs to process the claims. The following table shows the activity of accrued claims payable for the years ended June 30, 2016 and 2015.

	2016	2015
Claims payable (beginning of year)	\$ 4,558,149	\$ 4,362,822
Claims (including incurred but not reported)	27,243,986	26,951,966
Payments of claims	(27,625,755)	(26,756,639)
Claims payable (end of year)	\$ 4,176,380	\$ 4,558,149

**6. PROPERTY TAXES**

**District property tax revenue** –The budgeting and accounting for property taxes are handled in the governmental funds on a modified accrual basis, with appropriate recognition of property taxes receivable at year-end. The District has recorded a property tax receivable for the delinquent property taxes due and for the taxes assessed January 1. 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 Salt Lake County Treasurer as an agent for the District.

Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1 and complete the tax rolls by May 22. By July 22, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may petition the County Board of Equalization within 30 days of receipt of the tax notice for a revision of the assessed value. The County Auditor makes approved changes in assessed values by November 1. On this same date the Auditor is to deliver the completed assessment rolls to the County Treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2.5% penalty of the property tax due, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 31 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.

The District’s property tax revenue is allocated to the funds based on the purpose of each tax levy and in proportion to each tax rate, except for the capital outlay equalization levy. The capital outlay equalization levy is allocated by the County to the District based on student enrollment and enrollment growth compared to other school districts within Salt Lake County; the District records property tax revenue from this levy in the Capital Outlay Fund.

**Incremental taxes** – In addition to property taxes the District levies for its own purposes, the District levies property taxes for redevelopment agencies (located within the boundaries of the District) in accordance with the Community Development and Renewal Agencies Act (*Utah Code 17C-1*).

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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These taxes are forwarded directly by the County to the redevelopment agencies as these taxes are collected by the County.

Property tax revenue (or incremental taxes) from increased assessed values within project areas are earmarked to finance urban renewal, economic development, and community development projects managed by the redevelopment agencies for the duration of the projects.

During the year ended June 30, 2016, incremental taxes levied by the District for the redevelopment agencies totaling \$9,978,475 were recorded as revenue with an equivalent amount of expenditure for contributions to other governments in the other governmental funds (in the Pass-through Taxes Fund).

As part of a mitigation agreement between the redevelopment agencies and the District, the redevelopment agencies paid the District \$2,858,220 during the year ended June 30, 2016, recorded as local revenue in the General Fund.

**7. STATE RETIREMENT PLANS**

**Description of plans** – Eligible employees of the District are provided with the following plans through the Utah Retirement Systems (the URS) administered by the URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)
- 457 Plan and other individual plans

Title 49 of the *Utah Code* grants the authority to establish and amend the benefit terms to the Utah State Retirement Board, whose members are appointed by the Governor. The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at [www.urs.org](http://www.urs.org).

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

**Benefits provided** – The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans. Retirement benefits are determined from 1.25% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 require contributions and associated earnings are

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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vested during the first four years of employment. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

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

For the year ended June 30, 2016, District required contribution rates for the plans were as follows:

	<b>Defined Benefit Plans Rates</b>			<b>District Rates for 401(k) Plan</b>
	<b>District Contribution</b>	<b>Employee Paid</b>	<b>Paid by District for Employee</b>	
Tier 1 Noncontributory System	22.19%	-	-	1.50%
Tier 2 Contributory System *	8.22%	-	-	1.78%
Tier 2 Defined Contribution Plan *	-	-	-	10.00%

\* The District is also required to contribute 9.94% of covered employee payroll of the Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans. The District is also required to contribute 0.08% of covered employee payroll of the Tier 2 plans for death benefits.

Employees can make additional contributions to defined contribution plans subject to limitations.

For the year ended June 30, 2016, District and employee contributions to the plans were as follows:

	<b>District Contributions</b>	<b>Employee Contributions</b>
Tier 1 Noncontributory System	\$ 21,486,340	\$ -
Tier 2 Contributory System *	4,934,200	-
401(k) Plan	3,528,242	2,710,337
457 Plan and other individual plans	-	327,131

\* Tier 2 plan contributions include required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans and for death benefits.

**Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions** – At June 30, 2016, the District reported a net pension asset of \$7,779 and a net pension liability of \$120,742,802 for the following plans:

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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	<b>Proportionate Share</b>	<b>Net Pension Asset</b>	<b>Net Pension Liability</b>
Tier 1 Noncontributory System	3.8437375%	\$ -	\$ 120,742,802
Tier 2 Contributory System	3.5632870%	7,779	-
Total		\$ 7,779	\$ 120,742,802

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

For the year ended June 30, 2016, the District recognized pension expense of \$24,096,701 for the defined benefit pension plans and pension expense of \$3,528,242 for the defined contribution plans. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 9,605,262
Changes of assumptions	-	2,416,352
Net difference between projected and actual earnings on pension plan investments	31,453,652	-
Changes in proportion and differences between contributions and proportionate share of contributions	542,796	-
District contributions subsequent to the measurement date	13,614,339	-
Total	\$ 45,610,787	\$ 12,021,614

The \$13,614,339 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date of December 31, 2015 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

**CANYONS SCHOOL DISTRICT**  
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<b>Year Ending June 30,</b>	<b>Deferred Outflows (Inflows) of Resources</b>
2017	\$ 4,302,982
2018	4,302,982
2019	4,628,230
2020	6,863,293
2021	(22,374)
Thereafter	(100,279)

**Actuarial assumptions** – The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 10.50%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2013. The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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**Notes to the Basic Financial Statements**

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Total	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75% and a real return of 4.75% that is net of investment expense.

**Discount rate** – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate was not changed from the prior measurement date.

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate** – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 218,539,912	\$ 120,742,802	\$ 38,739,795
Tier 2 Contributory System	1,426,465	(7,779)	(1,094,801)
Total	\$ 219,966,377	\$ 120,735,023	\$ 37,644,994

**Pension plan fiduciary net position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued URS financial report.

**CANYONS SCHOOL DISTRICT**  
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**Payables to the pension plans** – At June 30, 2016, the District reported payables of \$2,965,700 for contributions to defined benefit pension plans and \$332,760 for contributions to defined contribution plans.

**8. DISTRICT RETIREMENT PLANS**

**Plan Descriptions** – Under the authority of the Board of Education, the District adopted the retirement plans and policies that were in effect under the former Jordan School District. The District self-administers the single-employer retirement plans described below.

The District offers a) retirement or cash stipends and b) post-employment health-care benefits to employees retiring under the guidelines of the Utah Retirement Systems. These benefits are based on the tenure and salary of the employees as of June 30, 2006, effectively eliminating the benefit over a period of time and “freezing” the total future liability of the District. The accounting for these benefits began in fiscal year ending June 30, 2007 under the former Jordan School District as new benefits and continued under the District, effective July 1, 2010, when the District assumed the obligation to provide these benefits for eligible employees and retirees. The plan does not issue its own financial report.

**Funding Policy** – The District pays for these benefits on a pay-as-you-go basis from the General Fund. Retirees are permitted to participate with the active employees in the health-care plan but retirees must pay all premiums assigned to them as described herein. Those employees retiring after June 30, 2006 may purchase health insurance at percentages of the total District premium as follows: first eighteen months at 102.0%, next six months at 110.0%, and to age 65 at a floating percentage to cover retiree health care costs as its own insured group. The number of participants who received post-employment health-care benefits was 20 in the month of June 2016.

**Annual Retirement/OPEB Cost and Net Retirement/OPEB Obligation (Asset)** – The District’s annual retirement/other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the District (ARC), an amount actuarially determined in accordance with governmental accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the District’s annual retirement/OPEB cost for the year, the amount actually contributed to the plans, and changes in the District’s net retirement/OPEB obligation (asset).

	<u>Cash Stipends</u>	<u>Health-Care</u>
Annual required contribution (ARC)	\$ 1,302,968	\$ 322,209
Interest on net OPEB obligation (retirement asset)	(334,930)	(1,413)
Adjustment to ARC	<u>515,374</u>	<u>2,174</u>
Annual retirement/OPEB cost	1,483,412	322,970
Contributions made	<u>(2,934,311)</u>	<u>(396,656)</u>
Change in net OPEB obligation (retirement asset)	(1,450,899)	(73,686)
Net OPEB obligation (retirement asset) - beginning of year	<u>(8,373,256)</u>	<u>(35,315)</u>
Net OPEB obligation (retirement asset) - end of year	<u>\$ (9,824,155)</u>	<u>\$ (109,001)</u>

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net retirement/OPEB obligation (asset) for the fiscal years ended June 30, 2016, 2015, and 2014, based on the September 1, 2014 and 2012 actuarial studies, are summarized below.

Fiscal Year Ended June 30,	Annual Retirement/OPEB Costs		Contributions as a Percentage of Annual Retirement/OPEB Costs		Net OPEB Obligation (Retirement Asset)	
	Cash Stipends	Health-Care	Cash Stipends	Health-Care	Cash Stipends	Health-Care
	2016	\$ 1,483,412	\$ 322,970	197.8%	122.8%	\$ (9,824,155)
2015	1,539,950	324,123	182.0%	143.9%	(8,373,256)	(35,315)
2014	1,630,365	231,355	192.7%	133.0%	(7,109,793)	106,949

**Funded Status** – As of September 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability (AAL) for the cash stipends was \$18,588,250 and for the health-care benefits was \$3,305,488 which is also the unfunded actuarial accrued liability (UAAL). The District has committed \$22,988,425, which is 5.0% more than the actuarial accrued liability (to cover any potential actuarial understatements) of General Fund resources to help cover future obligations of these benefits; however, this commitment does not qualify as “funding.” The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the accrued liabilities and assets. The funded status of these benefits as of June 30, 2016, based on the September 1, 2014 actuarial study, is summarized below.

	<u>Cash Stipends</u>	<u>Health-Care</u>
Actuarial accrued liability (AAL)	\$ 18,588,250	\$ 3,305,488
Actuarial value of plan assets	-	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 18,588,250</u>	<u>\$ 3,305,488</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%	0.0%
Covered payroll	\$ 97,644,495	\$ 122,967,213
UAAL as a percentage of covered payroll	19.0%	2.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions** – Projections of benefits for financial reporting purposes are based on the nature of benefits provided under the plans at the time of the actuarial valuation and the pattern of cost sharing between the District and retirees to that point. Actuarial calculations are long-term in nature, and techniques are used to reduce the short-term volatility of actuarial accrued liabilities and the actuarial valuations of assets. In the September 1, 2014 actuarial valuation, the projected unit credit using full accrual at full eligibility age method and the level dollar closed amortization (30 years) was used. An interest rate assumption of 4.0% was used. The valuation assumes a health-care cost trend increase of 5.8% for fiscal year 2014-15, 5.5% for fiscal year 2015-

**CANYONS SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**

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16, 5.6% for fiscal year 2016-17 at which point it gradually grades down to a 4.6% increase for fiscal year 2090 and beyond with inflation at 2.5%. Cost of health-care was estimated using the District's past experience, level of coverage, and premiums with gender and age adjustments. Demographic and other assumptions include: 1) mortality rates, 2) public education retirement rates, and 3) termination rates by age, gender, and years employed.

**9. RISK MANAGEMENT**

The District maintains insurance coverage for general, automobile, personal injury, errors and omission, employee dishonesty, and malpractice liability up to \$1.5 million per occurrence through policies administered by the Utah State Risk Management Fund (the Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$500 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. Settled claims have not exceeded the District's insurance coverage for the past three years. The Fund is a public entity risk pool operated by the state for the benefit of state and local governments. The District pays annual premiums to the Fund; the Fund obtains independent coverage for insured events, up to \$25 million per location.

**10. GRANTS**

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement 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 external auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund; District administration believes such disallowance, if any, would be insignificant.

**11. TRANSFERS**

During the year ended June 30, 2016, the District transferred \$177,676 from the General Fund to the Canyons School District Education Foundation Special Revenue Fund to cover the administration expenditures of the Foundation.

**12. LITIGATION AND COMPLIANCE**

At certain times, claims or lawsuits are pending in which the District is involved. The District's counsel and insurance carriers estimate that the District's potential obligations resulting from such claims or litigation would not significantly affect the financial statements of the District.

**CANYONS SCHOOL DISTRICT**  
**Required Supplementary Information**  
June 30, 2016

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**Schedule of Funding Progress**  
**District Retirement Benefits**

**Cash Stipends**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
9/1/2014	\$ -	\$ 18,588,250	\$ 18,588,250	0.0%	\$ 97,644,495	19.0%
9/1/2012	-	20,740,297	20,740,297	0.0%	95,398,639	21.7%
9/1/2010	-	19,650,483	19,650,483	0.0%	81,378,942	24.1%

**Health-Care**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
9/1/2014	\$ -	\$ 3,305,488	\$ 3,305,488	0.0%	\$ 122,967,213	2.7%
9/1/2012	-	2,455,757	2,455,757	0.0%	118,968,560	2.1%
9/1/2010	-	2,603,663	2,603,663	0.0%	100,608,156	2.6%

The September 1, 2010 actuarial study was the first to study these current benefits.  
The next actuarial study will be September 1, 2016.

Current accounting rules and regulations only allow funds set aside in irrevocable trust funds to be included in the above schedule. The District has elected to not contribute resources to such irrevocable trust funds but rather commits a portion of the fund balance in the General Fund to help cover these obligations.

Effective July, 1 2010, the District assumed these retirement benefit obligations and an allocation of resources from Jordan School District (see Note 8 to the basic financial statements). These allocations have been committed for employee benefit obligations.

**CANYONS SCHOOL DISTRICT**  
**Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)**  
**Utah Retirement Systems**  
**Last Two Plan Years**

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	<b>2015</b>	<b>2014</b>
<b>Tier 1 Noncontributory System:</b>		
District's proportion of the net pension liability (asset)	3.8437375%	3.8151778%
District's proportionate share of the net pension liability (asset)	\$ 120,742,802	\$ 95,857,436
District's covered-employee payroll	\$ 100,452,639	\$ 103,043,921
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	120.2%	93.0%
Plan fiduciary net position as a percentage of the total pension liability	84.5%	87.2%
 <b>Tier 2 Contributory System:</b>		
District's proportion of the net pension liability (asset)	3.5632870%	4.0072976%
District's proportionate share of the net pension liability (asset)	\$ (7,779)	\$ (121,439)
District's covered-employee payroll	\$ 23,009,058	\$ 19,591,580
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.0%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	100.2%	103.5%

These schedules only present information for the 2014 and subsequent measurement periods of the plans; prior-year information is not available.

**CANYONS SCHOOL DISTRICT**  
**Schedules of District Contributions**  
**Utah Retirement Systems**  
Last Two Fiscal Years

	<u>2016</u>	<u>2015</u>
<b>Tier 1 Noncontributory System:</b>		
Contractually required contribution	\$ 21,486,340	\$ 21,235,307
Contributions in relation to the contractually required contribution	<u>(21,486,340)</u>	<u>(21,235,307)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 99,838,971	\$ 100,849,744
Contributions as a percentage of covered-employee payroll	21.5%	21.1%
<b>Tier 2 Contributory System:</b>		
Contractually required contribution	\$ 4,934,200	\$ 3,869,496
Contributions in relation to the contractually required contribution	<u>(4,934,200)</u>	<u>(3,869,496)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 27,040,824	\$ 21,601,010
Contributions as a percentage of covered-employee payroll	18.2%	17.9%

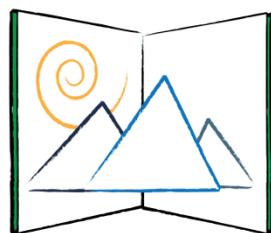
These schedules only present information for the District's 2015 and subsequent reporting periods; prior-year information is not available. Contributions as a percentage of covered-employee payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. Tier 2 plan contributions include required contributions to finance the unfunded actuarial accrued liability of the Tier 1 plans and for death benefits.

**CANYONS SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information**

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**Changes in assumptions-Utah Retirement Systems** – Amounts reported in plan year 2015 reflect the following assumption changes adopted from the January 1, 2015 valuation:

- The wage inflation assumption for all employee groups was decreased from 3.75% to 3.50%.
- The rate of salary increases assumption for most groups was modified.
- The payroll growth assumption was decreased from 3.50% to 3.25%.
- The post retirement mortality assumption for female educators showed an improvement.
- Minor adjustments to the preretirement mortality assumption were made.
- Certain demographic assumptions were changed that generally resulted in a) an increase in members anticipated to terminate employment prior to retirement, b) a slight decrease in members expected to become disabled, and 3) a slight increase in the expected age of retirement.



# CANYONS

School District

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# Combining and Individual Fund Financial Statements and Schedules

# Major Governmental Funds

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## General Fund

**General Fund** - This fund serves as the chief operating fund of the District. The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

## Debt Service Fund

**Debt Service Fund** - The purpose of this fund is to account for the accumulation of resources for, and payment of, principal, interest, and related costs of general obligation bonds.

## Capital Outlay Fund

**Capital Outlay Fund** - The purpose of this fund is to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing quality education programs for all students within the District.

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**General Fund**  
**A Major Governmental Fund**  
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Assets:</b>		
Cash and investments	\$ 99,592,987	\$ 101,168,190
Accounts receivable:		
Property taxes	81,755,771	79,813,939
Local	322,288	252,416
State	664,184	310,166
Federal	3,675,462	3,372,724
Due from other funds	-	222,322
Inventories	1,448,952	1,956,774
Total assets	<u>\$ 187,459,644</u>	<u>\$ 187,096,531</u>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>		
<b>Liabilities:</b>		
Accounts and contracts payable	\$ 1,843,336	\$ 3,152,215
Accrued payroll and related benefits	22,710,514	21,371,818
Unearned revenue:		
State	4,889,980	6,355,341
Federal	988,452	1,411,939
Total liabilities	<u>30,432,282</u>	<u>32,291,313</u>
Deferred inflows of resources:		
Unavailable property tax revenue	1,281,625	1,563,069
Property taxes levied for future year	80,672,284	78,206,068
Total deferred inflows of resources	<u>81,953,909</u>	<u>79,769,137</u>
<b>Fund balances:</b>		
Nonspendable:		
Inventories	1,448,952	1,956,774
Restricted for:		
Reading achievement	-	970,026
Committed to:		
Economic stabilization	12,367,581	12,000,000
Employee benefit obligations	24,076,086	24,227,997
Contractual obligations	289,758	861,391
Assigned to:		
Schools and programs	7,250,113	6,739,542
Self insurance	9,000,000	8,000,000
Unassigned	20,640,963	20,280,351
Total fund balances	<u>75,073,453</u>	<u>75,036,081</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 187,459,644</u>	<u>\$ 187,096,531</u>

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**A Major Governmental Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	<b>2016</b>			<b>2015</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Property taxes	\$ 85,424,169	\$ 85,804,556	\$ 380,387	\$ 77,396,259
Interest earnings	1,100,000	1,380,037	280,037	1,319,006
Other local	7,536,978	7,947,454	410,476	5,688,883
State	129,854,883	128,843,478	(1,011,405)	124,341,340
Federal	14,246,452	15,677,608	1,431,156	14,345,265
Total revenues	<u>238,162,482</u>	<u>239,653,133</u>	<u>1,490,651</u>	<u>223,090,753</u>
<b>Expenditures:</b>				
Current:				
Salaries	142,341,705	143,610,109	(1,268,404)	133,046,171
Employee benefits	62,319,781	61,421,708	898,073	57,545,590
Purchased professional services	4,253,868	4,613,073	(359,205)	4,149,612
Purchased property services	6,628,854	6,483,305	145,549	5,396,022
Other purchased services	662,065	526,604	135,461	427,937
Supplies	22,605,150	19,608,876	2,996,274	19,280,153
Property	3,235,085	2,855,132	379,953	2,374,673
Other	391,676	319,278	72,398	240,406
Total expenditures	<u>242,438,184</u>	<u>239,438,085</u>	<u>3,000,099</u>	<u>222,460,564</u>
Excess (deficiency) of revenues over (under) expenditures	(4,275,702)	215,048	4,490,750	630,189
<b>Other financing sources (uses):</b>				
Transfer out	(190,155)	(177,676)	12,479	(387,054)
Net change in fund balances	(4,465,857)	37,372	4,503,229	243,135
<b>Fund balances - beginning</b>	<u>75,036,081</u>	<u>75,036,081</u>	<u>-</u>	<u>74,792,946</u>
<b>Fund balances - ending</b>	<u>\$ 70,570,224</u>	<u>\$ 75,073,453</u>	<u>\$ 4,503,229</u>	<u>\$ 75,036,081</u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**Debt Service Fund**  
**A Major Governmental Fund**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and investments	\$ 1,628,055	\$ 2,005,906
Accounts receivable:		
Property taxes	29,262,741	27,796,842
Total assets	\$ 30,890,796	\$ 29,802,748
 <b>Deferred inflows of resources and fund balances:</b>		
Deferred inflows of resources:		
Unavailable property tax revenue	\$ 504,567	\$ 525,786
Property taxes levied for future year	28,815,945	27,252,200
Total deferred inflows of resources	29,320,512	27,777,986
Fund balances:		
Restricted for:		
Debt service	1,570,284	2,024,762
Total deferred inflows of resources and fund balances	\$ 30,890,796	\$ 29,802,748

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**  
**A Major Governmental Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

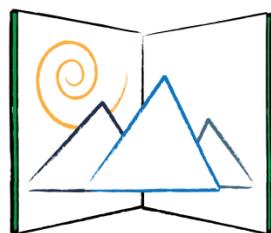
	<u>2016</u>			<u>2015</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
<b>Revenues:</b>				
Property taxes	\$ 28,553,765	\$ 28,354,560	\$ (199,205)	\$ 26,583,217
Interest earnings	88,000	108,403	20,403	52,464
Total revenues	<u>28,641,765</u>	<u>28,462,963</u>	<u>(178,802)</u>	<u>26,635,681</u>
<b>Expenditures:</b>				
Debt service:				
Bond principal	15,998,000	15,998,000	-	15,727,300
Bond interest	12,916,768	12,916,768	-	11,652,834
Paying agent fees and other	9,000	2,673	6,327	3,582
Total expenditures	<u>28,923,768</u>	<u>28,917,441</u>	<u>6,327</u>	<u>27,383,716</u>
Excess (deficiency) of revenues over (under) expenditures	(282,003)	(454,478)	(172,475)	(748,035)
<b>Other financing sources (uses):</b>				
Transfer in	-	-	-	400,000
Net change in fund balances	(282,003)	(454,478)	(172,475)	(348,035)
<b>Fund balances - beginning</b>	<u>2,024,762</u>	<u>2,024,762</u>	<u>-</u>	<u>2,372,797</u>
<b>Fund balances - ending</b>	<u><u>\$ 1,742,759</u></u>	<u><u>\$ 1,570,284</u></u>	<u><u>\$ (172,475)</u></u>	<u><u>\$ 2,024,762</u></u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**Capital Outlay Fund**  
**A Major Governmental Fund**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and investments	\$ 109,789,745	\$ 130,527,538
Accounts receivable:		
Property taxes	20,722,047	23,846,468
Local	5,139	103,611
Federal	-	125,000
Total assets	\$ 130,516,931	\$ 154,602,617
<b>Liabilities, deferred inflows of resources, and fund balances:</b>		
<b>Liabilities:</b>		
Accounts and contracts payable	\$ 7,156,437	\$ 5,659,698
<b>Deferred inflows of resources:</b>		
Unavailable property tax revenue	327,258	463,432
Property taxes levied for future year	20,286,607	23,207,747
Total deferred inflows of resources	20,613,865	23,671,179
<b>Fund balances:</b>		
<b>Restricted for:</b>		
Debt service	-	1,500,000
Capital outlay	102,746,629	123,771,740
Total fund balances	102,746,629	125,271,740
Total liabilities, deferred inflows of resources, and fund balances	\$ 130,516,931	\$ 154,602,617

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Capital Outlay Fund**  
**A Major Governmental Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 26,014,235	\$ 26,103,201	\$ 88,966	\$ 27,100,048
Interest earnings	650,000	1,029,917	379,917	1,002,405
Other	1,500,000	1,563,939	63,939	20,000
Total local	28,164,235	28,697,057	532,822	28,122,453
State:				
State enrollment growth	59,680	59,680	-	-
State energy grant	-	-	-	18,349
Total state	59,680	59,680	-	18,349
Federal:				
Federal energy grant	-	-	-	125,000
Total revenues	28,223,915	28,756,737	532,822	28,265,802
<b>Expenditures:</b>				
Capital outlay:				
Sites and improvements	2,253,190	2,745,408	(492,218)	4,686,119
Buildings and improvements	48,024,863	42,120,103	5,904,760	39,899,584
Equipment and vehicles	9,116,589	5,688,624	3,427,965	7,577,805
Other capital outlay	5,009,513	5,427,713	(418,200)	8,340,902
Total expenditures	64,404,155	55,981,848	8,422,307	60,504,410
Excess (deficiency) of revenues over (under) expenditures	(36,180,240)	(27,225,111)	8,955,129	(32,238,608)
<b>Other financing sources (uses):</b>				
General obligation bonds issued	-	-	-	42,000,000
Premiums on bonds issued	-	-	-	6,220,563
Transfer out	-	-	-	(400,000)
Total other financing sources (uses)	-	-	-	47,820,563
<b>Special item - proceeds from sale of property</b>	4,700,000	4,700,000	-	-
Net change in fund balances	(31,480,240)	(22,525,111)	8,955,129	15,581,955
<b>Fund balances - beginning</b>	125,271,740	125,271,740	-	109,689,785
<b>Fund balances - ending</b>	\$ 93,791,500	\$ 102,746,629	\$ 8,955,129	\$ 125,271,740



**CANYONS**  
School District

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# Nonmajor Governmental Funds

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## Special Revenue Funds

**Nutrition Services Fund** - The purpose of this fund is to account for the food services activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Department of Agriculture.

**Student Activities Fund** - The purpose of this fund is to account for the co-curricular and extra-curricular activities in the schools. This fund includes all monies that flow through the individual school checking accounts including athletic programs, class fees, vending receipts, etc. The monies in this fund are owned by the District.

**Pass-Through Taxes Fund** - Beginning in 2015 the district was required to report on the property taxes levied for community and redevelopment agencies. The purpose of this fund is to account for the property taxes that are collected under the District's taxing authority, but are sent directly to these agencies. The intention of these taxes is to assist the municipalities in growing the infrastructure and thereby attract businesses, which in turn, will increase the District's tax base in future years. The fund balance will always be zero as the District does not possess these funds.

**Canyons School District Education Foundation Fund** - The purpose of this fund to is account for donations received from the private sector which are used to enhance public education programs within the District.

**CANYONS SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2016

	Special Revenue				Total Nonmajor Governmental Funds
	Nutrition Services	Student Activities	Pass-Through Taxes	Education Foundation	
<b>Assets:</b>					
Cash and investments	\$ 2,209,012	\$ 6,749,450	\$ -	\$ 481,812	\$ 9,440,274
Accounts receivable:					
Property taxes	-	-	12,085,180	-	12,085,180
Local	-	-	-	-	-
State of Utah	829,156	-	-	-	829,156
Federal government	95,731	-	-	-	95,731
Inventories	400,139	-	-	-	400,139
Total assets	<u>\$ 3,534,038</u>	<u>\$ 6,749,450</u>	<u>\$ 12,085,180</u>	<u>\$ 481,812</u>	<u>\$ 22,850,480</u>
<b>Liabilities, and fund balances:</b>					
<b>Liabilities:</b>					
Accounts and contracts payable	\$ 32,873	\$ 872,239	\$ -	\$ 2,550	\$ 907,662
Accrued payroll and related benefits	235,593	-	-	-	235,593
Due to other funds	-	-	-	-	-
Unearned revenue:					
Local	317,260	209,161	-	-	526,421
State of Utah	-	-	-	-	-
Total liabilities	<u>585,726</u>	<u>1,081,400</u>	<u>-</u>	<u>2,550</u>	<u>1,669,676</u>
Deferred inflows of resources:					
Unavailable property tax revenue	-	-	195,655	-	195,655
Property taxes levied for future year	-	-	11,889,525	-	11,889,525
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>12,085,180</u>	<u>-</u>	<u>12,085,180</u>
<b>Fund balances:</b>					
Nonspendable:					
Inventories	400,139	-	-	-	400,139
Restricted for:					
Nutrition services	2,548,173	-	-	-	2,548,173
Committed to:					
Schools	-	5,668,050	-	-	5,668,050
Foundation	-	-	-	479,262	479,262
Total fund balances	<u>2,948,312</u>	<u>5,668,050</u>	<u>-</u>	<u>479,262</u>	<u>9,095,624</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,534,038</u>	<u>\$ 6,749,450</u>	<u>\$ 12,085,180</u>	<u>\$ 481,812</u>	<u>\$ 22,850,480</u>

**CANYONS SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
Fiscal Year Ended June 30, 2016

	<b>Special Revenue</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>Nutrition Services</b>	<b>Student Activities</b>	<b>Pass-Through Taxes</b>	<b>Education Foundation</b>	
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ 9,978,475	\$ -	\$ 9,978,475
Tuitions, fees, and admissions	-	4,356,827	-	-	4,356,827
Lunch sales	3,950,715	-	-	-	3,950,715
Interest earnings	31,410	5,713	-	(16,787)	20,336
Other local	81,576	5,513,108	-	338,671	5,933,355
State	2,115,732	-	-	-	2,115,732
Federal	6,351,281	-	-	-	6,351,281
Total revenues	<u>12,530,714</u>	<u>9,875,648</u>	<u>9,978,475</u>	<u>321,884</u>	<u>32,706,721</u>
<b>Expenditures:</b>					
Current:					
Instruction	-	9,672,542	-	502,882	10,175,424
Nutrition services	12,339,288	-	-	-	12,339,288
Community services	-	-	-	-	-
Contributions to other governments	-	-	9,978,475	-	9,978,475
Total expenditures	<u>12,339,288</u>	<u>9,672,542</u>	<u>9,978,475</u>	<u>502,882</u>	<u>32,493,187</u>
Excess (deficiency) of revenues over (under) expenditures	191,426	203,106	-	(180,998)	213,534
<b>Other financing sources:</b>					
Transfer in	-	-	-	177,676	177,676
Net change in fund balances	191,426	203,106	-	(3,322)	391,210
<b>Fund balances - beginning</b>	<u>2,756,886</u>	<u>5,464,944</u>	<u>-</u>	<u>482,584</u>	<u>8,704,414</u>
<b>Fund balances - ending</b>	<u>\$ 2,948,312</u>	<u>\$ 5,668,050</u>	<u>\$ -</u>	<u>\$ 479,262</u>	<u>\$ 9,095,624</u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**Nutrition Services Fund**  
**A Nonmajor Special Revenue Fund**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and investments	\$ 2,209,012	\$ 2,312,833
Accounts receivable:		
Local	-	840
State	829,156	556,923
Federal	95,731	148,772
Inventories	400,139	246,344
Total assets	\$ 3,534,038	\$ 3,265,712
<b>Liabilities and fund balances:</b>		
<b>Liabilities:</b>		
Accounts and contracts payable	\$ 32,873	\$ 18,013
Accrued payroll and related benefits	235,593	228,641
Unearned revenue, local	317,260	262,172
Total liabilities	585,726	508,826
<b>Fund balances:</b>		
<b>Nonspendable:</b>		
Inventories	400,139	246,344
<b>Restricted for:</b>		
Nutrition services	2,548,173	2,510,542
Total fund balances	2,948,312	2,756,886
Total liabilities and fund balances	\$ 3,534,038	\$ 3,265,712

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Nutrition Services Fund**  
**A Nonmajor Special Revenue Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	<u>2016</u>			<u>2015</u>
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Actual Amounts</u>
<b>Revenues:</b>				
Local:				
Lunch sales - students	\$ 3,963,500	\$ 3,817,372	\$ (146,128)	\$ 3,878,889
Lunch sales - adult	135,000	133,343	(1,657)	142,688
Interest earnings	25,000	31,410	6,410	20,439
Other	71,000	81,576	10,576	61,628
Total local	<u>4,194,500</u>	<u>4,063,701</u>	<u>(130,799)</u>	<u>4,103,644</u>
State:				
State lunch program	<u>2,050,000</u>	<u>2,115,732</u>	<u>65,732</u>	<u>1,986,870</u>
Federal:				
Lunch program	975,000	1,013,535	38,535	989,522
Free and reduced meals reimbursement	3,330,000	3,340,740	10,740	3,332,490
Breakfast program	850,000	988,029	138,029	695,769
Other food programs	20,350	53,719	33,369	38,245
Commodity program	965,000	955,258	(9,742)	1,026,903
Total federal	<u>6,140,350</u>	<u>6,351,281</u>	<u>210,931</u>	<u>6,082,929</u>
Total revenues	<u>12,384,850</u>	<u>12,530,714</u>	<u>145,864</u>	<u>12,173,443</u>
<b>Expenditures:</b>				
Current:				
Salaries	4,306,795	4,211,077	95,718	4,085,656
Employee benefits	1,549,949	1,508,502	41,447	1,523,845
Purchased services	99,100	91,240	7,860	88,599
Supplies	177,800	155,248	22,552	173,267
Food	5,600,000	5,307,855	292,145	5,290,198
Property	100,000	39,796	60,204	198,587
Other	1,060,000	1,025,570	34,430	882,357
Total expenditures	<u>12,893,644</u>	<u>12,339,288</u>	<u>554,356</u>	<u>12,242,509</u>
Net change in fund balances	(508,794)	191,426	700,220	(69,066)
<b>Fund balances - beginning</b>	<u>2,756,886</u>	<u>2,756,886</u>	-	<u>2,825,952</u>
<b>Fund balances - ending</b>	<u>\$ 2,248,092</u>	<u>\$ 2,948,312</u>	<u>\$ 700,220</u>	<u>\$ 2,756,886</u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**Student Activities Fund**  
**A Nonmajor Special Revenue Fund**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and investments	\$ 6,749,450	\$ 6,401,675
<b>Liabilities and fund balances:</b>		
<b>Liabilities:</b>		
Accounts and contracts payable	\$ 872,239	\$ 749,401
Unearned revenue, local	209,161	187,330
Total liabilities	1,081,400	936,731
<b>Fund balances:</b>		
<b>Committed to:</b>		
Schools	5,668,050	5,464,944
Total liabilities and fund balances	\$ 6,749,450	\$ 6,401,675

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Student Activities Fund**  
**A Nonmajor Special Revenue Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	<b>2016</b>			<b>2015</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Student fees	\$ 3,929,115	4,356,827	\$ 427,712	\$ 3,637,640
Other	140,725	30,663	(110,062)	91,967
Fundraisers and donations	7,244,250	5,482,445	(1,761,805)	6,270,455
Interest earnings	12,000	5,713	(6,287)	22,836
Total revenues	<u>11,326,090</u>	<u>9,875,648</u>	<u>(1,450,442)</u>	<u>10,022,898</u>
<b>Expenditures:</b>				
Current:				
Purchased services	5,216,458	672,451	4,544,007	3,687,465
Supplies	5,026,923	4,621,349	405,574	4,532,514
Property	253,528	244,128	9,400	364,515
Other	794,235	4,134,614	(3,340,379)	926,338
Total expenditures	<u>11,291,144</u>	<u>9,672,542</u>	<u>1,618,602</u>	<u>9,510,832</u>
Net change in fund balances	34,946	203,106	168,160	512,066
<b>Fund balances - beginning</b>	<u>5,464,944</u>	<u>5,464,944</u>	<u>-</u>	<u>4,952,878</u>
<b>Fund balances - ending</b>	<u>\$ 5,499,890</u>	<u>\$ 5,668,050</u>	<u>\$ 168,160</u>	<u>\$ 5,464,944</u>

**CANYONS SCHOOL DISTRICT**  
**Balance Sheet**  
**Pass-Through Taxes Fund**  
**A Nonmajor Special Revenue Fund**  
June 30, 2016 and 2015

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	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Accounts receivable:		
Property taxes	\$ 12,085,180	\$ 10,704,331
 <b>Deferred inflows of resources and fund balances:</b>		
Deferred inflows of resources:		
Unavailable property tax revenue	195,655	194,358
Property taxes levied for future year	11,889,525	10,509,973
Total deferred inflows of resources	12,085,180	10,704,331
Fund balances:		
Assigned to:		
Other governments	-	-
Total deferred inflows of resources and fund balances	\$ 12,085,180	\$ 10,704,331

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Pass-through Taxes Fund**  
**A Nonmajor Special Revenue Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	2016			2015
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	Actual Amounts
<b>Revenues:</b>				
Local:				
Property taxes	\$ 10,178,478	\$ 9,978,475	\$ (200,003)	\$ 8,764,277
Total revenues	10,178,478	9,978,475	(200,003)	8,764,277
<b>Expenditures:</b>				
Current:				
Contributions to other governments	10,178,478	9,978,475	200,003	8,764,277
Total expenditures	10,178,478	9,978,475	200,003	8,764,277
Net change in fund balances	-	-	-	-
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	\$ -	\$ -	\$ -	\$ -

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
**Canyons School District Education Foundation Fund**  
**A Nonmajor Special Revenue Fund**  
June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Cash and investments	\$ 481,812	\$ 529,058
Accounts receivable, local	-	500
Total assets	\$ 481,812	\$ 529,558
 <b>Liabilities and fund balances:</b>		
Liabilities:		
Accounts and contracts payable	\$ 2,550	\$ 46,974
 Fund balances:		
Committed to:		
Foundation	479,262	482,584
Total liabilities and fund balances	\$ 481,812	\$ 529,558

**CANYONS SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Canyons School District Education Foundation**  
**A Nonmajor Special Revenue Fund**  
Fiscal Year Ended June 30, 2016 with Comparative Totals for 2015

	<b>2016</b>			<b>2015</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>Actual Amounts</b>
<b>Revenues:</b>				
Local:				
Contributions	\$ 345,000	\$ 338,671	\$ (6,329)	\$ 358,914
Interest earnings	25,000	(16,787)	(41,787)	(2,726)
Total revenues	<u>370,000</u>	<u>321,884</u>	<u>(48,116)</u>	<u>356,188</u>
<b>Expenditures:</b>				
Current:				
Salaries	113,621	111,594	2,027	129,191
Employee benefits	40,585	48,132	(7,547)	59,410
Purchased services	11,650	5,412	6,238	14,913
Supplies donated to schools	363,800	337,744	26,056	476,923
Total expenditures	<u>529,656</u>	<u>502,882</u>	<u>26,774</u>	<u>680,437</u>
Excess (deficiency) of revenues over (under) expenditures	(159,656)	(180,998)	(21,342)	(324,249)
<b>Other financing sources:</b>				
Transfer in	190,155	177,676	(12,479)	212,573
Net change in fund balance	30,499	(3,322)	(33,821)	(111,676)
<b>Fund balances - beginning</b>	<u>482,584</u>	<u>482,584</u>	<u>-</u>	<u>594,260</u>
<b>Fund balances - ending</b>	<u>\$ 513,083</u>	<u>\$ 479,262</u>	<u>\$ (33,821)</u>	<u>\$ 482,584</u>

# Proprietary Fund

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## Internal Service Fund

**Self-Insurance Fund** - The purpose of this fund is to account for the costs of the District's self-insured plans for medical insurance and industrial insurance. Annual premiums are charged to the other funds based upon total projected expenditures. Benefit payments plus an administrative charge are made to third-party administrators who approve and process all claims.

**CANYONS SCHOOL DISTRICT**  
**Comparative Statements of Fund Net Position**  
**Self-Insurance Fund**  
**An Internal Service Fund**  
June 30, 2016 and 2015

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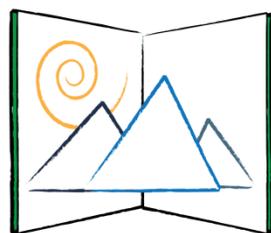
	<b>2016</b>	<b>2015</b>
<b>Assets:</b>		
Current assets:		
Cash and investments	\$ 7,323,506	\$ 9,425,830
Accounts receivable, local	6,922	76,363
Total assets	7,330,428	9,502,193
<b>Liabilities:</b>		
Current liabilities:		
Claims payable	4,176,380	4,558,149
<b>Net position:</b>		
Unrestricted	\$ 3,154,048	\$ 4,944,044

**CANYONS SCHOOL DISTRICT**  
**Comparative Statements of Revenues, Expenses, and Changes in Fund Net Position**  
**Self-Insurance Fund**  
**An Internal Service Fund**  
Fiscal Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Operating revenues:</b>		
Insurance premiums charged to other funds	\$ 25,407,743	\$ 24,713,832
<b>Operating expenses:</b>		
Medical claims	18,533,500	18,805,151
Prescription claims	5,400,841	5,156,340
Industrial insurance claims	541,902	357,015
Administration and other	2,767,743	2,633,460
Total operating expenses	<u>27,243,986</u>	<u>26,951,966</u>
Operating loss	(1,836,243)	(2,238,134)
<b>Nonoperating income:</b>		
Interest earnings	46,247	35,573
Change in net position	(1,789,996)	(2,202,561)
<b>Net position - beginning</b>	<u>4,944,044</u>	<u>7,146,605</u>
<b>Net position - ending</b>	<u>\$ 3,154,048</u>	<u>\$ 4,944,044</u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Statements of Fund Cash Flows**  
**Self-Insurance Fund**  
**An Internal Service Fund**  
Fiscal Years Ended June 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>		
Receipts from interfund services provided	\$ 25,477,184	\$ 24,658,348
Payments to suppliers	(2,767,743)	(2,633,460)
Payments for medical fees and insurance claims	(24,858,012)	(24,123,179)
Net cash used by operating activities	(2,148,571)	(2,098,291)
<b>Cash flows from investing activities:</b>		
Interest received	46,247	35,572
Net decrease in cash and cash equivalents	(2,102,324)	(2,062,719)
<b>Cash and cash equivalents - beginning</b>	9,425,830	11,488,549
<b>Cash and cash equivalents - ending</b>	\$ 7,323,506	\$ 9,425,830
(Displayed on statements of fund net position as Cash and investments)		
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (1,836,243)	\$ (2,238,134)
Adjustments to reconcile operating loss to net cash used by operating activities:		
(Increase) decrease in accounts receivable	69,441	(55,484)
Increase (decrease) in claims payable	(381,769)	195,327
Net cash used by operating activities	\$ (2,148,571)	\$ (2,098,291)
Noncash investing, capital, and financing activities	none	none



# CANYONS

School District

*"Celebrating the Highest  
Standards of Educational Excellence"*

**CANYONS SCHOOL DISTRICT**  
**Statistical Section**  
**Table of Contents**

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b>Pages</b>
Financial Trends..... These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	88-94
Revenue Capacity..... These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	95-99
Debt Capacity..... These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	100-104
Demographic and Economic Information..... These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	105-106
Operating Information..... These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	107-117

Sources:

Unless otherwise noted, the information in these schedules is derived from the District's comprehensive annual financial reports. Since 2010 was the District's first year of operations, most schedules will show only data for seven years. However, some schedules do show data for the former Jordan School District prior to the creation of Canyons School District on July 1, 2009, wherein the data was deemed relevant for comparative purposes.

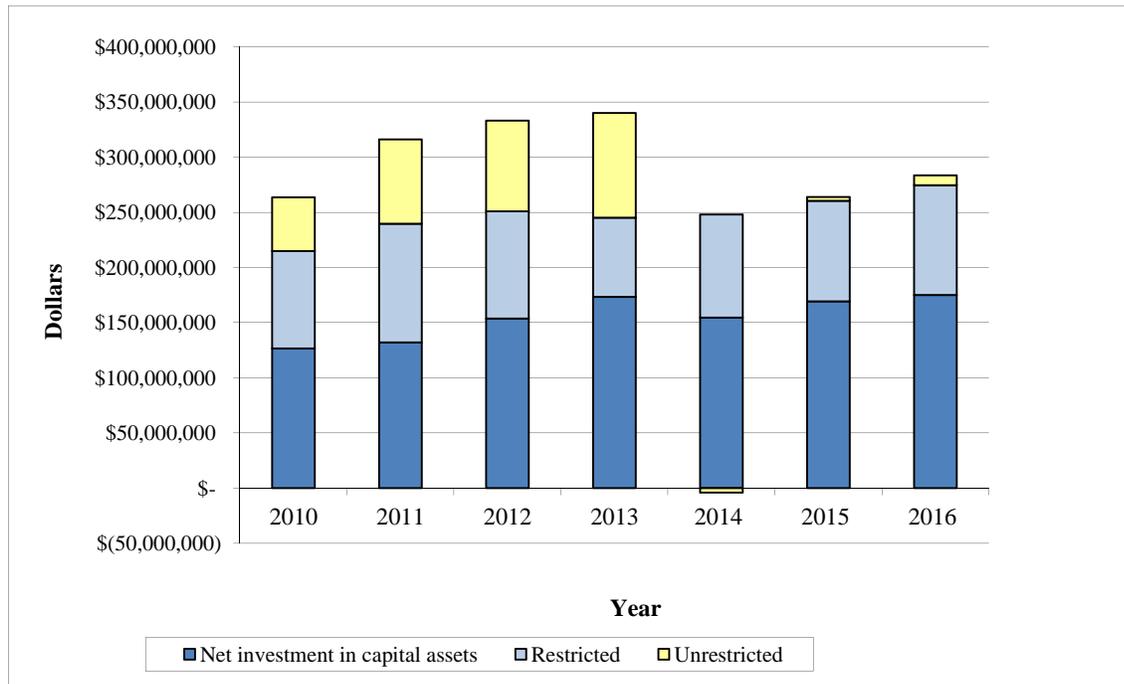
**CANYONS SCHOOL DISTRICT**  
**Comparative Statements of Net Position**  
Last Seven Fiscal Years  
(Accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>	<u>2016</u>
<b>Assets:</b>							
Cash and investments	\$ 163,563,149	\$ 279,091,765	\$ 224,769,239	\$ 206,981,706	\$ 237,365,773	\$ 252,371,030	\$ 227,774,567
Accounts receivable:							
Property taxes	108,420,842	104,838,718	115,384,776	116,107,137	117,687,370	142,161,580	143,825,739
Local	2,456,810	394,746	148,813	428,156	994,755	436,458	334,349
State	301,764	1,292,365	987,420	1,310,975	1,592,564	1,383,664	1,493,340
Federal	10,230,693	7,743,628	4,945,685	3,755,600	3,894,983	3,811,301	3,771,193
Inventories	2,276,203	1,908,650	1,899,895	1,484,609	1,904,801	2,203,118	1,849,091
Prepaid expenses	354,440	400,000	400,000	-	-	-	-
Net retirement/OPEB asset - District retirement plans	-	3,333,946	4,657,138	5,598,718	7,109,793	8,408,571	9,933,156
Net pension asset - state retirement plans	-	-	-	-	-	121,439	7,779
Capital assets:							
Sites and construction in progress	16,233,014	22,531,653	102,267,489	165,200,417	36,229,224	69,638,678	66,435,889
Buildings and other capital assets, net of accumulated depreciation	263,568,577	250,732,635	237,443,565	258,524,816	390,677,195	385,749,788	410,878,061
Total assets	<u>567,405,492</u>	<u>672,268,106</u>	<u>692,904,020</u>	<u>759,392,134</u>	<u>797,456,458</u>	<u>866,285,627</u>	<u>866,303,164</u>
<b>Deferred outflows of resources:</b>							
Related to pensions	-	-	-	-	12,148,079	14,755,533	45,610,787
Deferred charges on refunding	1,297,766	929,639	561,509	374,341	4,748,467	4,154,909	3,561,351
Total deferred outflows of resources	<u>1,297,766</u>	<u>929,639</u>	<u>561,509</u>	<u>374,341</u>	<u>16,896,546</u>	<u>18,910,442</u>	<u>49,172,138</u>
<b>Liabilities:</b>							
Accounts and contracts payable	3,704,011	5,893,637	19,212,526	16,696,539	7,294,924	9,633,835	9,907,435
Accrued payroll and related benefits	19,213,874	19,652,875	20,239,012	21,745,992	22,071,478	21,966,727	22,946,107
Accrued interest	267,574	336,304	303,122	363,514	439,029	498,282	470,406
Unearned revenue:							
Local	499,463	226,534	324,947	418,229	271,974	449,502	526,421
State	13,103,802	12,359,529	11,074,133	9,371,194	7,506,696	6,443,325	4,889,980
Federal	749,756	2,976,016	2,763,187	2,253,302	1,694,778	1,411,939	988,452
Long-term liabilities:							
Portion due or payable within one year	21,487,049	24,374,559	22,719,554	20,733,583	20,430,724	20,969,340	21,434,934
Portion due or payable after one year	141,368,804	190,758,206	173,259,013	235,258,982	395,791,677	411,452,474	417,013,602
Total liabilities	<u>200,394,333</u>	<u>256,577,660</u>	<u>249,895,494</u>	<u>306,841,335</u>	<u>455,501,280</u>	<u>472,825,424</u>	<u>478,177,337</u>
<b>Deferred inflows of resources:</b>							
Related to pensions	-	-	-	-	-	9,118,674	12,021,614
Property taxes levied for future year	104,800,669	100,503,383	110,297,237	112,955,158	114,861,119	139,370,346	141,664,361
Total deferred inflows of resources	<u>104,800,669</u>	<u>100,503,383</u>	<u>110,297,237</u>	<u>112,955,158</u>	<u>114,861,119</u>	<u>148,489,020</u>	<u>153,685,975</u>
<b>Net Position:</b>							
Net investment in capital assets	126,643,707	132,027,618	153,690,609	173,411,972	154,701,005	169,255,695	175,108,822
Restricted for:							
Debt service	2,276,557	2,908,778	28,696,562	23,788,889	6,004,885	3,552,266	1,535,261
Capital outlay	81,667,998	99,991,989	60,672,010	43,863,787	83,304,777	83,756,195	96,455,165
Nutrition services	2,220,921	2,390,861	2,770,367	2,950,219	2,825,951	2,756,886	1,440,599
Other purposes	2,010,980	2,237,663	5,121,562	1,267,955	1,271,649	1,009,322	-
Unrestricted	48,688,093	76,559,793	82,321,688	94,687,160	(4,117,662)	3,551,261	9,072,143
Total net position	<u>\$ 263,508,256</u>	<u>\$ 316,116,702</u>	<u>\$ 333,272,798</u>	<u>\$ 339,969,982</u>	<u>\$ 243,990,605</u>	<u>\$ 263,881,625</u>	<u>\$ 283,611,990</u>

\* GASB Statements No. 68 and 71 were implemented in 2015 to report the District's proportionate share of the net pension liability and related deferred outflows and deferred inflows; balances at June 30, 2014 were restated.

**CANYONS SCHOOL DISTRICT**  
**Net Position by Component**  
 Last Seven Fiscal Years  
 (Accrual basis of accounting)

<u>Year</u>	<u>Net investment in capital assets</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total net position</u>
2010	\$ 126,643,707	\$ 88,176,456	\$ 48,688,093	\$ 263,508,256
2011	132,027,618	107,529,291	76,559,793	316,116,702
2012	153,690,609	97,260,501	82,321,688	333,272,798
2013	173,411,972	71,870,850	94,687,160	339,969,982
2014	154,701,005	93,407,262	(4,117,662)	243,990,605 *
2015	169,255,695	91,074,669	3,551,261	263,881,625
2016	175,108,822	99,431,025	9,072,143	283,611,990



\* Net position was restated to reflect the effects of implementing GASB Statements No. 68 and 71.

**CANYONS SCHOOL DISTRICT**  
**Changes in Net Position**  
Last Seven Fiscal Years  
(Accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015*</u>	<u>2016</u>
<b>Expenses:</b>							
Instruction	\$ 148,539,711	\$ 156,986,377	\$ 160,383,775	\$ 175,359,995	\$ 176,722,124	\$ 170,720,170	\$ 181,436,410
Supporting services:							
Students	7,390,809	7,723,388	8,433,794	9,089,873	9,744,940	9,986,468	11,008,439
Instructional staff	11,709,415	12,969,300	12,187,116	10,984,333	12,170,323	11,499,804	16,248,963
District administration	2,334,128	2,254,582	2,119,628	2,799,252	2,386,958	2,760,688	2,466,002
School administration	13,773,164	13,944,188	14,976,976	15,769,736	16,888,958	16,610,365	18,506,081
Central	11,304,689	11,154,831	12,124,999	12,378,486	12,102,194	12,325,943	13,414,345
Operation and maintenance of school buildings	20,325,380	21,586,479	21,957,201	23,332,856	24,709,276	23,415,762	24,470,385
Student transportation	7,138,925	7,475,764	8,139,130	8,725,403	9,062,643	8,673,079	9,047,092
Nutrition services	12,408,460	12,204,115	12,563,572	12,678,765	12,923,579	12,910,906	13,251,932
Contributions to other governments	-	-	-	-	-	8,764,277	9,978,475
Community services	-	-	-	-	-	-	291,441
Non K-12 programs	6,301,400	6,652,431	6,905,505	6,785,693	7,155,707	5,296,554	-
Interest on long-term liabilities	7,757,267	7,000,592	9,640,880	9,227,299	10,573,788	10,091,030	11,158,159
Total expenses	<u>248,983,348</u>	<u>259,952,047</u>	<u>269,432,576</u>	<u>287,131,691</u>	<u>294,440,490</u>	<u>293,055,046</u>	<u>311,277,724</u>
<b>Program revenues:</b>							
Charges for services:							
Instruction	6,991,020	8,843,122	8,514,991	9,226,951	11,864,978	11,614,454	14,281,537
Supporting services	697,772	627,137	706,723	1,022,888	525,474	581,181	529,048
Nutrition services	5,194,035	4,678,684	4,635,740	4,161,767	4,178,587	4,083,205	4,032,291
Non K-12 programs	393,013	419,126	410,402	357,137	365,577	236,260	-
Operating grants and contributions	54,165,131	57,062,966	59,416,824	61,078,139	62,333,595	62,072,642	65,246,506
Capital grants and contributions	100,000	555,363	415,632	235,687	480,557	125,000	-
Total program revenues	<u>67,540,971</u>	<u>72,186,398</u>	<u>74,100,312</u>	<u>76,082,569</u>	<u>79,748,768</u>	<u>78,712,742</u>	<u>84,089,382</u>
<b>Net (expense) revenue and changes in net position</b>	<u>(181,442,377)</u>	<u>(187,765,649)</u>	<u>(195,332,264)</u>	<u>(211,049,122)</u>	<u>(214,691,722)</u>	<u>(214,342,304)</u>	<u>(227,188,342)</u>
<b>General revenues and other changes in net position:</b>							
Property taxes	115,559,235	124,427,561	123,481,339	123,860,737	123,943,153	139,394,855	149,997,610
Federal and state revenue not restricted to specific purposes	88,910,292	90,654,095	82,029,925	83,525,034	86,126,086	89,739,018	88,139,944
Interest earnings	1,077,243	1,296,822	3,027,413	3,033,938	2,528,912	2,452,722	2,584,940
Miscellaneous	1,457,306	5,284,661	3,949,683	7,326,597	4,205,349	2,646,729	3,546,411
Total general revenue and other changes in net position	<u>207,004,076</u>	<u>221,663,139</u>	<u>212,488,360</u>	<u>217,746,306</u>	<u>216,803,500</u>	<u>234,233,324</u>	<u>244,268,905</u>
<b>Special item - gain on sale of property</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,649,802</u>
Change in net position	25,561,699	33,897,490	17,156,096	6,697,184	2,111,778	19,891,020	19,730,365
<b>Net position - beginning</b>	-	263,508,256	316,116,702	333,272,798	339,969,982	243,990,605	263,881,625
Allocation from Jordan School District	237,946,557	18,710,956	-	-	-	-	-
Net effect of prior period restatement	-	-	-	-	(98,091,155)	-	-
<b>Net position - ending, as restated</b>	<u>\$ 263,508,256</u>	<u>\$ 316,116,702</u>	<u>\$ 333,272,798</u>	<u>\$ 339,969,982</u>	<u>\$ 243,990,605</u>	<u>\$ 263,881,625</u>	<u>\$ 283,611,990</u>

\* GASB Statements No. 68 and 71 were implemented in 2015; net position at June 30, 2014 was restated.

**CANYONS SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
 Last Seven Fiscal Years  
 (Modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General fund balances:</b>							
Nonspendable	\$ 2,052,440	\$ 1,892,362	\$ 2,021,452	\$ 1,139,299	\$ 1,611,467	\$ 1,956,774	\$ 1,448,952
Restricted	1,625,392	1,719,855	3,813,674	1,190,375	1,225,228	970,026	-
Committed	21,833,913	35,915,238	35,894,919	36,824,301	37,962,608	37,089,388	36,733,425
Assigned	2,781,172	5,444,933	8,965,251	16,440,756	14,888,194	14,739,542	16,250,113
Unassigned	11,248,910	19,443,454	18,952,496	19,250,522	19,105,449	20,280,351	20,640,963
Total	<u>39,541,827</u>	<u>64,415,842</u>	<u>69,647,792</u>	<u>74,845,253</u>	<u>74,792,946</u>	<u>75,036,081</u>	<u>75,073,453</u>
<b>Debt service fund balances:</b>							
Restricted	<u>1,821,174</u>	<u>2,391,824</u>	<u>3,007,969</u>	<u>2,980,734</u>	<u>2,372,797</u>	<u>2,024,762</u>	<u>1,570,284</u>
<b>Capital outlay fund balances:</b>							
Restricted	<u>80,813,430</u>	<u>163,628,715</u>	<u>84,650,892</u>	<u>63,688,385</u>	<u>109,689,785</u>	<u>125,271,740</u>	<u>102,746,629</u>
<b>All other governmental fund balances:</b>							
Nonspendable	578,203	416,288	278,443	345,310	293,334	246,344	400,139
Restricted	1,993,287	2,135,584	3,799,812	2,604,909	2,532,617	2,510,542	2,548,173
Committed	3,615,107	4,424,522	4,462,827	5,972,791	5,547,138	5,947,528	6,147,312
Total	<u>6,186,597</u>	<u>6,976,394</u>	<u>8,541,082</u>	<u>8,923,010</u>	<u>8,373,089</u>	<u>8,704,414</u>	<u>9,095,624</u>
<b>Total governmental fund balances</b>	<u>\$ 128,363,028</u>	<u>\$ 237,412,775</u>	<u>\$ 165,847,735</u>	<u>\$ 150,437,382</u>	<u>\$ 195,228,617</u>	<u>\$ 211,036,997</u>	<u>\$ 188,485,990</u>

Notes:

*Nonspendable* includes inventories and prepaid expenditures that are not expected to be converted to cash.

*Restricted* includes net fund resources of the District that are subject to external constraints due to state or federal laws, or externally imposed conditions by grantors or creditors.

*Committed* balances reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.

*Assigned* balances in the General Fund are those that do not meet the requirements or restricted or committed but that are intended to be used for specific purposes.

*Unassigned* balances in the General Fund are all other available net fund resources.

**CANYONS SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
 Last Seven Fiscal Years  
 (Modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues:</b>							
Property taxes	\$ 116,066,380	\$ 123,657,127	\$ 122,628,089	\$ 125,652,186	\$ 124,306,901	\$ 139,843,801	\$ 150,240,792
Interest earnings	1,031,376	1,252,868	2,961,498	2,969,885	2,499,065	2,417,150	2,538,693
Other local	15,794,825	17,675,427	18,177,048	19,634,842	22,118,274	20,383,106	23,752,290
State	120,194,081	122,270,861	121,831,384	122,906,323	127,912,802	130,272,185	131,018,890
Federal	22,907,479	25,882,586	20,030,997	21,932,537	21,027,436	21,664,475	22,028,889
Total revenues	<u>275,994,141</u>	<u>290,738,869</u>	<u>285,629,016</u>	<u>293,095,773</u>	<u>297,864,478</u>	<u>314,580,717</u>	<u>329,579,554</u>
<b>Expenditures:</b>							
Current:							
Instruction	125,196,555	131,257,175	135,608,993	142,488,474	147,138,350	148,589,400	156,433,789
Supporting services:							
Students	7,336,484	7,575,667	8,347,281	8,925,363	9,510,956	10,099,532	10,931,039
Instructional staff	11,483,579	12,649,687	11,908,506	10,710,531	11,977,361	11,536,564	16,254,028
District administration	2,272,323	2,086,863	1,999,219	2,013,203	1,862,037	2,377,553	2,408,396
School administration	13,618,836	13,615,074	14,754,707	15,361,909	16,408,467	16,654,114	18,313,983
Central	10,503,447	10,146,693	11,210,661	11,564,452	12,069,592	12,693,640	13,510,173
Operation and maintenance of school buildings	19,819,997	20,911,730	21,550,141	22,305,809	23,711,132	23,180,718	23,770,303
Student transportation	6,027,206	6,175,797	6,768,574	7,243,946	7,506,685	7,520,312	7,702,864
Nutrition services	11,822,097	11,440,473	11,882,888	11,712,329	11,833,616	12,242,509	12,339,288
Non K-12 programs	6,243,956	6,503,320	6,817,804	6,746,259	7,112,915	5,446,155	-
Community services	-	-	-	-	-	8,764,277	288,934
Contributions to other governments	-	-	-	-	-	-	9,978,475
Capital outlay	11,972,731	24,280,558	97,012,971	124,559,760	38,578,065	60,504,410	55,981,848
Debt service:							
Bond principal	17,953,900	16,837,400	19,544,700	19,745,300	17,802,100	15,727,300	15,998,000
Bond interest and fees	7,065,886	6,338,203	9,787,611	9,454,647	11,227,788	11,656,416	12,919,441
Total expenditures	<u>251,316,997</u>	<u>269,818,640</u>	<u>357,194,056</u>	<u>392,831,982</u>	<u>316,739,064</u>	<u>346,992,900</u>	<u>356,830,561</u>
Excess (deficiency) of revenues over (under) expenditures	24,677,144	20,920,229	(71,565,040)	(99,736,209)	(18,874,586)	(32,412,183)	(27,251,007)
<b>Other financing sources (uses):</b>							
General obligation bonds issued	-	68,000,000	-	80,000,000	60,000,000	42,000,000	-
Premiums on bonds issued	-	1,418,562	-	4,325,856	3,370,164	6,220,563	-
Refunding bonds issued	-	-	-	-	59,970,000	-	-
Payment to refunded bond escrow agent	-	-	-	-	(70,817,525)	-	-
Premium on refunding bonds issued	-	-	-	-	11,143,182	-	-
Total other financing sources (uses)	<u>-</u>	<u>69,418,562</u>	<u>-</u>	<u>84,325,856</u>	<u>63,665,821</u>	<u>48,220,563</u>	<u>-</u>
<b>Special item - proceeds from sale of property</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,700,000</u>
Net change in fund balances	24,677,144	90,338,791	(71,565,040)	(15,410,353)	44,791,235	15,808,380	(22,551,007)
<b>Fund balances - beginning</b>	-	128,363,028	237,412,775	165,847,735	150,437,382	195,228,617	211,036,997
Allocation from Jordan School District	103,685,884	18,710,956	-	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ 128,363,028</u>	<u>\$ 237,412,775</u>	<u>\$ 165,847,735</u>	<u>\$ 150,437,382</u>	<u>\$ 195,228,617</u>	<u>\$ 211,036,997</u>	<u>\$ 188,485,990</u>
Debt service as a percentage of noncapital expenditures	10.1%	9.0%	10.8%	10.2%	9.9%	9.1%	8.1%

**CANYONS SCHOOL DISTRICT**  
**Comparative Balance Sheets - General Fund**  
Last Seven Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Assets:</b>							
Cash and investments	\$ 60,702,097	\$ 90,349,149	\$ 99,780,860	\$ 106,379,873	\$ 101,845,098	\$ 101,168,190	\$ 99,592,987
Accounts receivable:							
Property taxes	56,510,799	67,000,999	70,981,853	71,290,794	71,300,237	79,813,939	81,755,771
Other	592,958	300,436	139,638	358,618	413,324	252,416	322,288
State	89,289	99,120	100,806	95,903	277,963	310,166	664,184
Federal	9,936,195	7,415,201	4,348,914	2,912,625	3,184,270	3,372,724	3,675,462
Due from other funds	-	-	-	-	-	222,322	-
Inventories	1,698,000	1,492,362	1,621,452	1,139,299	1,611,467	1,956,774	1,448,952
Prepaid expenditures	354,440	400,000	400,000	-	-	-	-
Total assets	<u>\$ 129,883,778</u>	<u>\$ 167,057,267</u>	<u>\$ 177,373,523</u>	<u>\$ 182,177,112</u>	<u>\$ 178,632,359</u>	<u>\$ 187,096,531</u>	<u>\$ 187,459,644</u>
<b>Liabilities, deferred inflows of resources, and fund balances:</b>							
Liabilities:							
Accounts and contracts payable	\$ 1,765,915	\$ 1,828,526	\$ 3,371,459	\$ 3,233,857	\$ 1,835,756	\$ 3,152,215	\$ 1,843,336
Accrued payroll and related benefits	18,689,413	19,049,430	19,721,635	21,211,581	21,487,898	21,371,818	22,710,514
Unearned revenue:							
State	12,725,729	11,788,476	10,844,314	9,199,758	7,385,129	6,355,341	4,889,980
Federal	749,756	2,976,016	2,763,187	2,253,302	1,694,778	1,411,939	988,452
Total liabilities	<u>33,930,813</u>	<u>35,642,448</u>	<u>36,700,595</u>	<u>35,898,498</u>	<u>32,403,561</u>	<u>32,291,313</u>	<u>30,432,282</u>
Deferred inflows of resources:							
Unavailable property tax revenue	1,920,202	2,335,483	2,948,382	1,911,270	1,777,414	1,563,068	1,281,625
Property taxes levied for future year	54,490,936	64,663,494	68,076,754	69,522,091	69,658,438	78,206,069	80,672,284
Total deferred inflows of resources	<u>56,411,138</u>	<u>66,998,977</u>	<u>71,025,136</u>	<u>71,433,361</u>	<u>71,435,852</u>	<u>79,769,137</u>	<u>81,953,909</u>
Fund balance:							
Nonspendable	2,052,440	1,892,362	2,021,452	1,139,299	1,611,467	1,956,774	1,448,952
Restricted	1,625,392	1,719,855	3,813,674	1,190,375	1,225,228	970,026	-
Committed	21,833,913	35,915,238	35,894,919	37,824,301	37,962,608	37,089,388	36,733,425
Assigned	2,781,172	5,444,933	8,965,251	15,440,756	14,888,194	14,739,542	16,250,113
Unassigned	11,248,910	19,443,454	18,952,496	19,250,522	19,105,449	20,280,351	20,640,963
Total fund balances	<u>39,541,827</u>	<u>64,415,842</u>	<u>69,647,792</u>	<u>74,845,253</u>	<u>74,792,946</u>	<u>75,036,081</u>	<u>75,073,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 129,883,778</u>	<u>\$ 167,057,267</u>	<u>\$ 177,373,523</u>	<u>\$ 182,177,112</u>	<u>\$ 178,632,359</u>	<u>\$ 187,096,531</u>	<u>\$ 187,459,644</u>

**CANYONS SCHOOL DISTRICT**  
**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances -**  
**General Fund**  
Last Seven Fiscal Years and Proposed Budget for 2017

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Proposed Budget 2017</u>
<b>Revenues:</b>								
Property taxes	\$ 58,555,843	\$ 66,652,969	\$ 74,710,870	\$ 78,072,752	\$ 77,051,730	\$ 77,396,259	\$ 85,804,556	\$ 86,151,001
Interest earnings	374,360	396,624	826,496	1,360,881	1,339,529	1,319,006	1,380,037	1,150,000
Other local	3,802,365	5,063,892	5,589,296	6,886,113	6,302,642	5,688,883	7,947,454	7,185,325
State of Utah	114,154,861	116,189,088	115,282,496	116,576,679	121,490,503	124,341,340	128,843,478	131,609,846
Federal government	17,688,416	19,322,016	13,469,238	15,188,946	14,151,578	14,345,265	15,677,608	16,382,136
Total revenues	<u>194,575,845</u>	<u>207,624,589</u>	<u>209,878,396</u>	<u>218,085,371</u>	<u>220,335,982</u>	<u>223,090,753</u>	<u>239,653,133</u>	<u>242,478,308</u>
<b>Expenditures:</b>								
Current:								
Instruction	118,816,244	124,029,593	127,852,245	134,456,779	136,863,789	138,398,131	146,258,365	151,149,579
Supporting services:								
Students	7,336,484	7,575,667	8,347,281	8,925,363	9,510,956	10,099,532	10,931,039	11,760,172
Instructional staff	11,483,579	12,649,687	11,908,506	10,710,531	11,977,361	11,536,564	16,254,028	16,529,037
District administration	2,272,323	2,086,863	1,999,219	2,013,203	1,862,037	2,377,553	2,408,396	2,641,178
School administration	13,618,836	13,615,074	14,754,707	15,361,909	16,408,467	16,654,114	18,313,983	19,052,172
Central	10,503,447	10,146,693	11,210,661	11,564,452	12,069,592	12,693,640	13,510,173	13,815,546
Operation and maintenance of school buildings	19,819,997	20,911,730	21,550,141	22,305,809	23,711,132	23,180,718	23,770,303	24,050,342
Student transportation	6,027,206	6,175,797	6,768,574	7,243,946	7,506,685	7,520,312	7,702,864	8,006,543
Community	-	-	-	-	-	-	288,934	347,052
Total expenditures	<u>189,878,116</u>	<u>197,191,104</u>	<u>204,391,334</u>	<u>212,581,992</u>	<u>219,910,019</u>	<u>222,460,564</u>	<u>239,438,085</u>	<u>247,351,621</u>
Excess (deficiency) of revenues over (under) expenditures	4,697,729	10,433,485	5,487,062	5,503,379	425,963	630,189	215,048	(4,873,313)
<b>Other financing sources (uses):</b>								
Transfers out	-	(169,505)	(255,112)	(305,918)	(478,270)	(387,054)	(177,676)	(201,189)
Net change in fund balances	4,697,729	10,263,980	5,231,950	5,197,461	(52,307)	243,135	37,372	(5,074,502)
<b>Fund balances - beginning</b>	-	39,541,827	64,415,842	69,647,792	74,845,253	74,792,946	75,036,081	75,073,453
Allocation from Jordan School District	34,844,098	14,610,035	-	-	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ 39,541,827</u>	<u>\$ 64,415,842</u>	<u>\$ 69,647,792</u>	<u>\$ 74,845,253</u>	<u>\$ 74,792,946</u>	<u>\$ 75,036,081</u>	<u>\$ 75,073,453</u>	<u>\$ 69,998,951</u>

**CANYONS SCHOOL DISTRICT**  
**Historical Summaries of Taxable Values of Property**  
 Last Seven Tax Years

	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015
Set by State Tax Commission: Centrally assessed	\$ 338,631,746	\$ 366,135,845	\$ 371,176,002	\$ 380,330,920	\$ 402,956,177	\$ 372,125,766	\$ 418,908,292
Set by County Assessor: Locally assessed							
Real property:							
Residential - primary use	9,981,595,507	9,749,578,181	9,317,687,375	9,099,657,373	9,577,975,016	10,286,562,858	10,947,227,875
Residential - not primary use	1,126,227,610	992,921,370	949,725,290	886,405,890	875,621,450	868,631,810	875,417,190
Commercial and industrial	4,062,614,430	4,013,081,600	4,036,937,230	4,055,443,220	4,274,741,900	4,437,987,170	4,843,000,590
Agriculture and Farm Assessment Act (FAA)	1,345,120	1,263,820	1,165,820	1,267,660	1,360,590	1,287,570	1,380,670
Unimproved non FAA - vacant	8,309,820	6,685,550	8,526,650	7,488,090	7,890,400	9,318,870	9,197,390
Total real property	15,180,092,487	14,763,530,521	14,314,042,365	14,050,262,233	14,737,589,356	15,603,788,278	16,676,223,715
Personal property:							
Fee in lieu property	459,879,455	460,097,588	426,523,415	440,977,619	448,489,267	460,258,425	493,162,625
Mobile home - primary residential use	8,950,292	8,322,805	7,993,397	7,704,279	7,401,793	7,178,846	6,926,044
Mobile home - other use	447,978	560,203	399,872	480,657	529,984	281,757	352,816
Other personal property	782,423,532	691,828,448	660,777,105	700,153,826	750,405,109	804,615,171	799,226,452
Total personal property	1,251,701,257	1,160,809,044	1,095,693,789	1,149,316,381	1,206,826,153	1,272,334,199	1,299,667,937
Total locally assessed	16,431,793,744	15,924,339,565	15,409,736,154	15,199,578,614	15,944,415,509	16,876,122,477	17,975,891,652
Total taxable property	\$ 16,770,425,490	\$ 16,290,475,410	\$ 15,780,912,156	\$ 15,579,909,534	\$ 16,347,371,686	\$ 17,248,248,243	\$ 18,394,799,944

Source: Property Tax Division of the Utah State Tax Commission - List of Final Values by Year

**CANYONS SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
 Last Seven Tax Years

Tax Year	Taxable Assessed Value				Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Residential	Industrial & Commercial	Agriculture & Unimproved	Personal			
2009	\$ 11,117,221,387	\$ 4,401,246,176	\$ 9,654,940	\$ 1,242,302,987	0.007180	\$ 24,484,628,961	68.49%
2010	10,751,382,559	4,379,217,445	7,949,370	1,151,926,036	0.008060	23,814,114,992	68.41%
2011	10,275,805,934	4,408,113,232	9,692,470	1,087,300,520	0.008165	22,984,491,191	68.66%
2012	9,994,248,199	4,435,774,140	8,755,750	1,141,131,445	0.008418	22,981,512,941	67.79%
2013	10,461,528,243	4,677,698,077	9,250,990	1,198,894,376	0.008111	24,189,952,711	67.58%
2014	11,162,655,271	4,810,112,936	10,606,440	1,264,873,596	0.007823	25,670,400,546	67.19%
2015	11,829,923,925	5,261,908,882	10,578,060	1,292,389,077	0.007859	27,357,289,514	67.24%

Source: Property Tax Division of the Utah State Tax Commission - List of Final Values by Year

**CANYONS SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
 Last Seven Tax Years  
 (rate per \$1 of assessed value)

	Tax Year 2009	Tax Year 2010	Tax Year 2011	Tax Year 2012	Tax Year 2013	Tax Year 2014	Tax Year 2015
<b>Canyons School District rates:</b>							
General fund:							
Basic state supported program (1)	0.001433	0.001495	0.001591	0.001651	0.001535	0.001419	0.001736
Voted local (2)	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600	0.001600
Board local (3)	-	-	-	0.001881	0.001729	0.001614	0.001477
School board leeway program*	0.000400	0.000400	0.000406	-	-	-	-
Board K-3 reading program*	0.000121	0.000121	0.000121	-	-	-	-
Tort liability*	0.000022	0.000024	0.000100	-	-	-	-
Special transportation*	0.000020	0.000078	0.000300	-	-	-	-
10% of basic*	-	0.000559	0.000744	-	-	-	-
<b>Total general fund</b>	<b>0.003596</b>	<b>0.004277</b>	<b>0.004862</b>	<b>0.005132</b>	<b>0.004864</b>	<b>0.004633</b>	<b>0.004813</b>
Capital projects fund:							
Capital local (4)	0.001514	0.001585	0.000928	0.001067	0.001028	0.000971	0.000827
County-wide equalization (5)	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600
<b>Total capital projects fund</b>	<b>0.002114</b>	<b>0.002185</b>	<b>0.001528</b>	<b>0.001667</b>	<b>0.001628</b>	<b>0.001571</b>	<b>0.001427</b>
Debt service fund:							
Debt service (6)	0.001400	0.001520	0.001619	0.001619	0.001619	0.001619	0.001619
Other:							
Community recreation*	0.000070	0.000078	0.000156	-	-	-	-
<b>Total direct rate</b>	<b>0.007180</b>	<b>0.008060</b>	<b>0.008165</b>	<b>0.008418</b>	<b>0.008111</b>	<b>0.007823</b>	<b>0.007859</b>
<b>Overlapping rates:</b>							
Salt Lake County	0.002756	0.003125	0.003251	0.003622	0.004101	0.003931	0.003668
Alta	0.000980	0.001114	0.001084	0.001065	0.001091	0.001200	0.001204
Cottonwood Heights	0.002399	0.002517	0.002586	0.002654	0.002522	0.002386	0.002239
Draper	0.001818	0.001896	0.001996	0.002009	0.001887	0.001791	0.001701
Midvale	0.002262	0.002669	0.002701	0.000687	0.000658	0.000623	0.000609
Sandy	0.001356	0.001402	0.001481	0.001520	0.001483	0.001413	0.001426
Central Utah Water Conservancy District	0.000400	0.000421	0.000436	0.000455	0.000446	0.000422	0.000405
Other special districts	0 - 0.002635	0 - 0.003171	0 - 0.003803	0 - 0.003773	0 - 0.003360	0 - 0.001253	0 - 0.001198

\*Beginning in the 2012-2013 fiscal year the School Board, Reading, Tort, Transportation, 10% of Basic and Community Recreation levies are combined into one Board Local levy. See HB 301 - 2011 Utah Legislative Session.

Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.002000
- (3) Maximum rate is 0.002500. See HB 301 - 2011 Utah Legislative Session.
- (4) Maximum rate is 0.003000
- (5) Rate established by state law for districts located in first-class counties
- (6) No maximum rate, but must have voter approval for bonds issued

Source: Property Tax Division of the Utah State Tax Commission - Approved Property Tax Rates by Year

**CANYONS SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
Current Calendar Year and Seven Years Ago

Taxpayer	2015			2009		
	Taxable Value	Rank	Percent of Total Taxable Value	Taxable Value	Rank	Percent of Total Taxable Value
ST Mall Owner, LLC	\$ 159,942,700	1	0.89 %	\$ 116,801,369	4	0.72 %
Old Mill Corporate Center	146,609,500	2	0.82 %	79,472,300	6	0.49 %
Rocky Mountain Power (Pacifcorp)	141,281,401	3	0.79 %	130,146,230	3	0.80 %
Larry H. Miller Companies	137,338,234	4	0.77 %	147,351,265	1	0.90 %
NOP Cottonwood Holdings (Real Estate Holdings)	116,448,400	5	0.65 %	71,558,820	8	0.44 %
Becton Dickinson	108,628,490	6	0.61 %	133,778,785	2	0.82 %
Coca Cola Bottling Corp	100,306,000	7	0.56 %	-	-	-
Questar Gas	85,351,910	8	0.48 %	-	-	-
Snowbird Ltd	82,670,053	9	0.46 %	76,230,539	7	0.47 %
Excel Ft. Union LLC	82,463,710	10	0.46 %	-	-	-
Redevelopment Agency of Midvale	-	-	-	103,194,600	5	0.63 %
CenturyLink, Inc. (Qwest Communications)	-	-	-	66,673,288	9	0.41 %
DDR Corp.	-	-	-	59,297,900	10	0.36 %
	<u>\$ 1,161,040,398</u>		<u>6.49 %</u>	<u>\$ 984,505,096</u>		<u>6.04 %</u>
Total taxable value	\$ 17,901,637,319			\$ 16,310,546,035		

Total taxable value as used in this table excludes all tax equivalent property associated with motor vehicles

Source: Property Tax Division of the Utah State Tax Commission and Salt Lake County Assessor's Office

**CANYONS SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
Last Seven Fiscal Years

Tax Year	Taxes Levied	Collections			Total Collections to Date	
		In the Year of Levy	Percentage of Levy	In Subsequent Years	Amount	Percentage of Levy
2009	\$ 123,870,539	\$ 116,066,380	93.70%	\$ 4,878,293	\$ 120,944,673	97.64%
2010	128,270,889	123,657,127	96.40%	4,568,571	128,225,698	99.96%
2011	125,220,579	120,535,487	96.26%	3,591,688	124,127,175	99.13%
2012	126,809,112	122,743,569	96.79%	2,856,511	125,600,080	99.05%
2013	128,474,716	124,669,505	97.04%	2,417,615	127,087,120	98.92%
2014	131,221,676	127,676,803	97.30%	1,887,928	129,564,731	98.74%
2015	140,421,316	137,095,865	97.63%	-	137,095,865	97.63%

Taxes are due by November 30.

This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis.

Source: Salt Lake County Treasurer's Office

**CANYONS SCHOOL DISTRICT**  
**Ratios of Outstanding Debt**  
Last Seven Fiscal Years

Year Ended June 30,	Outstanding General Obligation Bonds *	Net General Bonded Debt As Percentage of Taxable Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student **
2010	\$ 154,455,650	0.92%	\$ 814	\$ 4,652
2011	206,608,333	1.27%	1,085	6,196
2012	186,581,954	1.18%	966	5,572
2013	250,687,602	1.61%	1,279	7,483
2014	300,491,591	1.84%	1,510	8,932
2015	330,766,657	1.92%	1,644	9,845
2016	312,441,693	1.70%	1,531	9,448

\*Includes unamortized deferred amounts for issuance premiums.

\*\* Based on average daily membership

Source: District records

**CANYONS SCHOOL DISTRICT**  
**Debt Service Schedule of Outstanding General Obligation Bonds Shared with the Jordan School District**  
As of June 30, 2016

	2017	2018	2019	2020	2021	2022	Total
Series 2007							
\$ 196,000,000	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,700,000
	Interest	-	-	-	-	-	582,250
Series 2014 Refunding							
\$ 104,665,000	Principal	23,820,000	23,970,000	13,385,000	9,650,000	9,355,000	89,700,000
	Interest	4,009,000	2,818,000	1,619,500	950,250	467,750	14,349,500
<b>Total</b>		<b>\$ 28,287,250</b>	<b>\$ 26,788,000</b>	<b>\$ 15,004,500</b>	<b>\$ 10,600,250</b>	<b>\$ 9,822,750</b>	<b>\$ 118,331,750</b>
<b>Total Principal</b>		<b>\$ 23,220,000</b>	<b>\$ 23,970,000</b>	<b>\$ 13,385,000</b>	<b>\$ 9,650,000</b>	<b>\$ 9,355,000</b>	<b>\$ 103,400,000</b>
<b>Total Interest</b>		<b>5,067,250</b>	<b>2,818,000</b>	<b>1,619,500</b>	<b>950,250</b>	<b>467,750</b>	<b>14,931,750</b>
<b>Total</b>		<b>\$ 28,287,250</b>	<b>\$ 26,788,000</b>	<b>\$ 15,004,500</b>	<b>\$ 10,600,250</b>	<b>\$ 9,822,750</b>	<b>\$ 118,331,750</b>
Canyons SD Principal	\$ 11,211,000	\$ 11,255,000	\$ 10,775,000	\$ 10,535,000	\$ 9,650,000	\$ 9,355,000	62,781,000
Canyons SD Interest	3,079,455	2,578,500	2,015,750	1,477,000	950,250	467,750	10,568,705
Jordan SD Principal	12,009,000	12,565,000	13,195,000	2,850,000	-	-	40,619,000
Jordan SD Interest	1,987,795	1,430,500	802,250	142,500	-	-	4,363,045
<b>Total</b>	<b>\$ 28,287,250</b>	<b>\$ 27,829,000</b>	<b>\$ 26,788,000</b>	<b>\$ 15,004,500</b>	<b>\$ 10,600,250</b>	<b>\$ 9,822,750</b>	<b>\$ 118,331,750</b>

These bonds payable are obligations of the former Jordan School District prior to its division on July 1, 2009. According to the statute governing the division, Canyons School District (CSD) is responsible for 58% of the outstanding debt and Jordan School District (JSD) is responsible for the remaining 42%. In April 2014, the District's agreed to refund all eligible bonds. This refunding will annually save CSD \$550,000 in principal and interest expense. At the time of the refunding CSD elected to accelerate its building program and still remain committed to its taxpayers the debt rate would not exceed 0.001619. CSD choose to reduce its annual payment until the bonds are retired in June 2022. For the next few fiscal years CSD will transfer a lesser amount from its Capital Outlay Fund to service the debt, if such a transfer is needed. JSD opted to increase their debt tax levy for the fiscal years 2014-2015 through 2019-2020 to payoff their portion earlier. Therefore, the Series 2014 is not a straight 58% for CSD and 42% for JSD.

**Bonds Payable Summary**

Bonds payable, June 30, 2016	Principal	Total
Reported by Jordan School District	\$ 103,400,000	\$ 118,331,750
Reported by Canyons School District	(40,619,000)	(44,982,045)
	\$ 62,781,000	\$ 73,349,705

**CANYONS SCHOOL DISTRICT**  
**Debt Service Schedule of Outstanding General Obligation Bonds**  
As of June 30, 2016

Year Ending June 30,	Series 2011 \$68,000,000		Series 2012 \$80,000,000	
	Principal	Interest	Principal	Interest
	2017	\$ 2,845,000	\$ 2,189,350	\$ 1,325,000
2018	2,935,000	2,104,000	1,375,000	2,468,938
2019	3,020,000	2,015,950	1,425,000	2,448,313
2020	3,110,000	1,925,350	1,500,000	2,426,938
2021	3,220,000	1,800,950	1,550,000	2,366,938
2022	3,350,000	1,672,150	1,650,000	2,304,938
2023	3,485,000	1,538,150	5,350,000	2,238,938
2024	3,620,000	1,398,750	5,625,000	2,078,438
2025	3,765,000	1,253,950	5,900,000	1,853,438
2026	3,920,000	1,103,350	6,150,000	1,676,438
2027	4,075,000	946,550	6,350,000	1,461,188
2028	4,240,000	783,550	6,600,000	1,207,188
2029	4,400,000	608,650	6,850,000	943,188
2030	4,590,000	421,650	7,050,000	737,688
2031	4,780,000	215,100	7,325,000	455,688
2032	-	-	7,550,000	235,938
	<u>\$ 55,355,000</u>	<u>\$ 19,977,450</u>	<u>\$ 73,575,000</u>	<u>\$ 27,393,008</u>

Year Ending June 30,	Series 2013 \$60,000,000		Series 2015 \$42,000,000		Total
	Principal	Interest	Principal	Interest	
	2017	\$ 690,000	\$ 2,354,038	\$ 825,000	
2018	700,000	2,333,338	1,300,000	1,819,350	15,035,626
2019	725,000	2,312,338	1,775,000	1,754,350	15,475,951
2020	760,000	2,290,588	1,860,000	1,665,600	15,538,476
2021	790,000	2,252,588	1,950,000	1,572,600	15,503,076
2022	835,000	2,213,088	2,050,000	1,475,100	15,550,276
2023	3,875,000	2,171,338	2,175,000	1,372,600	22,206,026
2024	4,040,000	1,977,588	2,275,000	1,263,850	22,278,626
2025	4,200,000	1,775,588	2,375,000	1,150,100	22,273,076
2026	4,370,000	1,639,088	2,500,000	1,031,350	22,390,226
2027	4,550,000	1,464,288	2,575,000	906,350	22,328,376
2028	4,735,000	1,282,288	2,650,000	777,600	22,275,626
2029	4,930,000	1,092,888	2,725,000	645,100	22,194,826
2030	5,150,000	895,688	2,815,000	536,100	22,196,126
2031	5,375,000	689,688	2,875,000	423,500	22,138,976
2032	5,625,000	474,688	2,975,000	322,875	17,183,501
2033	5,875,000	249,688	6,250,000	218,750	12,593,438
	<u>\$ 57,225,000</u>	<u>\$ 27,468,796</u>	<u>\$ 41,950,000</u>	<u>\$ 18,795,775</u>	<u>\$ 321,740,029</u>

Source: District records

**CANYONS SCHOOL DISTRICT**  
**Direct and Overlapping General Obligation Debt**  
June 30, 2016

Taxing Entity (1)	2015 Taxable Value (3)	Canyons School District's Portion of Taxable Value	Canyons School District's Percentage (4)	Entity's General Obligation Debt	Canyons School District's Portion of G.O. Debt
Overlapping:					
CUWCD (2)	\$ 132,705,805,757	\$ 17,966,760,145	13.5%	\$ 243,215,000	\$ 32,834,025
Salt Lake County	83,935,068,237	17,710,299,398	21.1%	195,979,209	41,351,613
Draper City	4,441,050,045	4,441,050,045	100.0%	4,490,000	4,490,000
Midvale City	1,971,030,722	1,971,030,722	100.0%	1,470,000	1,470,000
Cottonwood Heights Parks and Recreation Service Area	2,024,406,852	2,024,406,852	100.0%	4,900,000	4,900,000
Sandy Suburban Improvement District	3,232,085,155	3,232,085,155	100.0%	8,820,000	8,820,000
Total overlapping general obligation debt					93,865,638
Direct:					
General obligation debt					290,886,000
Deferred amounts					21,555,693
Total direct debt					312,441,693
Total direct and overlapping general obligation debt					<u>\$ 406,307,331</u>

Notes:

- (1) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.
- (2) Central Utah Water Conservancy District's (CUWCD) outstanding general obligation bonds are limited to ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law, CUWCD may levy a tax rate of up to 0.000400 to pay operation and maintenance expenses and any outstanding limited ad valorem tax bonds.
- (3) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.
- (4) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the District's boundaries and dividing it by each unit's total taxable assessed value.
- (5) This schedule is based on each entity's general obligation debt which is serviced from property taxes. Other outstanding debt information for each entity is not included nor is it readily available.

Source: Salt Lake County-Comprehensive Annual Financial Report for 2015

**CANYONS SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
Last Seven Tax Years

Tax Year	Estimated Fair Market Value	Debt Limit (1)	Less Net General Obligation Debt (2)	Legal Debt Margin	Percentage of Debt to Debt Limit
2009	\$ 24,484,628,961	\$ 979,385,158	\$ 154,455,650	\$ 824,929,508	15.77%
2010	23,814,114,992	952,564,600	206,608,333	745,956,267	21.69%
2011	22,984,491,191	919,379,648	186,581,954	732,797,694	20.29%
2012	22,981,512,941	919,260,518	250,687,602	668,572,916	27.27%
2013	24,189,952,711	967,598,108	300,491,591	667,106,517	31.06%
2014	25,670,400,546	1,026,816,022	330,766,657	696,049,365	32.21%
2015	27,357,289,514	1,094,291,581	312,441,693	781,849,888	28.55%

(1) The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incurring capacity of the District) is based on estimated fair market value.

(2) Includes unamortized deferred amounts for issuance premiums.

Source: District records

**CANYONS SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
 Last Seven Fiscal Years

Year Ended June 30,	Canyons School District Estimated Population *	Salt Lake County Estimated Population **	Salt Lake County Total Personal Income (in thousands) **	Salt Lake County Per Capita Income **	Salt Lake County Unemployment Rate **	Salt Lake County Estimated New Construction **	Number of Students of Minority Ancestry
2010	189,773	1,029,655	\$ 38,580,658	\$ 37,057	6.8%	\$ 1,545,119,400	5,049
2011	190,426	1,033,196	39,083,765	37,827	7.8%	1,042,645,900	5,755
2012	193,107	1,047,746	40,995,436	39,081	6.5%	1,560,324,400	8,442
2013	196,074	1,063,842	43,658,167	41,038	5.5%	1,581,414,900	8,450
2014	199,001	1,079,721	45,552,565	42,189	4.2%	1,568,718,500	8,486
2015	201,216	1,091,742	46,437,317	42,535	3.7%	1,868,836,000	8,486
2016	204,086	1,107,314	N/A	N/A	3.3%	2,059,529,200	8,566

\* Based on District estimates and U.S. Census Bureau data available to District personnel.

\*\* The District covers the southeast section of Salt Lake County, which encompasses several municipalities and unincorporated areas making statistics for the District impractical to obtain. These statistics for Salt Lake County are given since those are representative of the District. These statistics were obtained from the County's year-end financial reports. The actual per capita income as provided by the Bureau of Economic Analysis lags one year behind. Therefore, it is not available for 2016.

Source: Salt Lake County - Comprehensive Annual Financial Report by year, District records

**CANYONS SCHOOL DISTRICT**  
**Principal Employers**  
Current Calendar Year and Six Years Ago

Employer *	2015				2009			
	Number of Employees	Rank	Percent of District's Total Estimated Population	Percent of District's Total Estimated Workforce	Number of Employees	Rank	Percent of District's Total Estimated Population	Percent of District's Total Estimated Workforce
Intermountain Healthcare	5,000	1	2.6%	3.7%	5,000	1	2.6%	3.8%
Canyons School District	5,000	2	2.6%	3.7%	5,000	2	2.6%	3.8%
Wal-Mart Stores	2,000	3	1.0%	1.5%	2,000	3	1.1%	1.5%
Smith's Food Stores	1,500	4	0.8%	1.1%	1,500	4	0.8%	1.1%
Jet Blue Airways Corporation	1,500	5	0.8%	1.1%				
Utah State Prison	1,500	6	0.8%	1.1%	1,500	5	0.8%	1.1%
eBay	1,500	7	0.8%	1.1%	1,500	6	0.8%	1.1%
Snowbird Corporation	1,500	8	0.8%	1.1%				
General Dynamics	1,400	9	0.7%	1.0%				
Becton Dickinson	1,000	10	0.5%	0.7%	1,000	10	0.5%	0.8%
1-800 Contacts					1,000	9	0.5%	0.8%
ACS Business Solutions					1,500	7	0.8%	1.1%
Coca-Cola					1,000	8	0.5%	0.8%
<b>Totals</b>	<b>21,900</b>		<b>11.4%</b>	<b>16.1%</b>	<b>21,000</b>		<b>11.0%</b>	<b>15.9%</b>

\* The number of employees within the District's boundaries for these employers is unavailable. Therefore, the number of employees listed represents an approximate range of the number of employees per the Utah Department of Workforce Services and the Salt Lake County, Sandy, Draper and Cottonwood Heights comprehensive annual financial reports by year.

**CANYONS SCHOOL DISTRICT**  
**Full-Time Equivalents by Functional Category**  
Last Seven Fiscal Years

<b>Function:</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction	1,671.9	1,667.2	1,674.1	1,708.2	1,763.2	1,740.4	1,752.0
Supporting services:							
Students	96.9	98.3	106.7	110.8	118.6	118.3	119.5
Instructional staff	65.4	70.3	70.1	78.8	83.1	84.2	135.8
District administration	15.0	15.0	10.1	9.1	9.0	12.0	12.0
School administration	163.0	165.5	173.8	174.8	173.9	177.7	190.2
Central	96.0	92.0	99.0	98.0	99.0	101.8	101.0
Operation and maintenance of school buildings	180.0	179.0	189.6	188.6	187.6	184.0	183.0
Student transportation	102.3	102.5	109.3	115.9	112.4	111.9	116.2
Nutrition services	130.4	124.3	119.2	114.7	110.2	106.1	91.4
Non K-12 programs	77.0	101.2	64.1	67.9	67.3	69.5	7.1
Capital outlay	<u>12.0</u>	<u>10.0</u>	<u>11.0</u>	<u>12.0</u>	<u>13.0</u>	<u>12.0</u>	<u>12.0</u>
Total full-time equivalents	<u>2,609.9</u>	<u>2,625.3</u>	<u>2,627.0</u>	<u>2,678.8</u>	<u>2,737.3</u>	<u>2,717.9</u>	<u>2,720.2</u>

Source: District records - contract employees only

**CANYONS SCHOOL DISTRICT**  
**Expenses by Function - Statement of Activities**  
Last Seven Fiscal Years

<b>Function:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Instruction	\$ 148,539,711 59.66%	\$ 156,986,377 60.39%	\$ 160,383,775 59.53%	\$ 175,359,995 61.07%	\$ 176,722,124 60.02%	\$ 170,720,170 58.26%	\$ 181,436,410 58.29%
Support services:							
Students	7,390,809 2.97%	7,723,388 2.97%	8,433,794 3.13%	9,089,873 3.17%	9,744,940 3.31%	9,986,468 3.41%	11,008,439 3.54%
Instructional staff	11,709,415 4.70%	12,969,300 4.99%	12,187,116 4.52%	10,984,333 3.83%	12,170,323 4.13%	11,499,804 3.92%	16,248,963 5.22%
District administration	2,334,128 0.94%	2,254,582 0.87%	2,119,628 0.79%	2,799,252 0.97%	2,386,958 0.81%	2,760,688 0.94%	2,466,002 0.79%
School administration	13,773,164 5.53%	13,944,188 5.36%	14,976,976 5.56%	15,769,736 5.49%	16,888,958 5.74%	16,610,365 5.67%	18,506,081 5.95%
Central	11,304,689 4.54%	11,154,831 4.29%	12,124,999 4.50%	12,378,486 4.31%	12,102,194 4.11%	12,325,943 4.21%	13,414,345 4.31%
Operation and maintenance of school buildings	20,325,380 8.16%	21,586,479 8.30%	21,957,201 8.15%	23,332,856 8.13%	24,709,276 8.39%	23,415,762 7.99%	24,470,385 7.86%
Student transportation	7,138,925 2.87%	7,475,764 2.88%	8,139,130 3.02%	8,725,403 3.04%	9,062,643 3.08%	8,673,079 2.96%	9,047,092 2.91%
Nutrition services	12,408,460 4.98%	12,204,115 4.69%	12,563,572 4.66%	12,678,765 4.42%	12,923,579 4.39%	12,910,906 4.41%	13,251,932 4.26%
Contributions to other governments	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	8,764,277 2.99%	9,978,475 3.21%
Community services	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	291,441 0.09%
Non K-12 programs	6,301,400 2.53%	6,652,431 2.56%	6,905,505 2.56%	6,785,693 2.36%	7,155,707 2.43%	5,296,554 1.81%	- 0.00%
Interest on long-term liabilities	7,757,267 3.12%	7,000,592 2.69%	9,640,250 3.58%	9,227,299 3.21%	10,573,788 3.59%	10,091,030 3.44%	11,158,159 3.58%
<b>Total expenses</b>	<b>\$ 248,983,348</b>	<b>\$ 259,952,047</b>	<b>\$ 269,431,946</b>	<b>\$ 287,131,691</b>	<b>\$ 294,440,490</b>	<b>\$ 293,055,046</b>	<b>\$ 311,277,724</b>
Average Daily Membership	33,202	33,343	33,483	33,500	33,644	33,598	33,069
Average Expenses Per Pupil	\$ 7,499	\$ 7,796	\$ 8,047	\$ 8,571	\$ 8,752	\$ 8,722	\$ 9,413

**CANYONS SCHOOL DISTRICT**  
**Expenses by Function Per Pupil - Statement of Activities**  
Last Seven Fiscal Years

<b>Function:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Instruction	\$ 4,474 59.66%	\$ 4,708 60.39%	\$ 4,790 59.53%	\$ 5,235 61.07%	\$ 5,253 60.02%	\$ 5,081 58.26%	\$ 5,487 58.29%
Support services:							
Students	223 2.97%	232 2.97%	252 3.13%	271 3.17%	290 3.31%	297 3.41%	333 3.54%
Instructional staff	353 4.70%	389 4.99%	364 4.52%	328 3.83%	362 4.13%	342 3.92%	491 5.22%
District administration	70 0.94%	68 0.87%	63 0.79%	84 0.97%	71 0.81%	82 0.94%	75 0.79%
School administration	415 5.53%	418 5.36%	447 5.56%	471 5.49%	502 5.74%	494 5.67%	560 5.95%
Central	340 4.54%	335 4.29%	362 4.50%	370 4.31%	360 4.11%	367 4.21%	406 4.31%
Operation and maintenance of school buildings	612 8.16%	647 8.30%	656 8.15%	697 8.13%	734 8.39%	697 7.99%	740 7.86%
Student transportation	215 2.87%	224 2.88%	243 3.02%	260 3.04%	269 3.08%	258 2.96%	274 2.91%
Nutrition services	374 4.98%	366 4.69%	375 4.66%	378 4.42%	384 4.39%	384 4.41%	401 4.26%
Contributions to other governments	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	261 2.99%	302 3.21%
Community services	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	9 0.09%
Non K-12 programs	190 2.53%	200 2.56%	206 2.56%	203 2.36%	213 2.43%	158 1.81%	- 0.00%
Interest on long-tem liabilities	234 3.12%	210 2.69%	288 3.58%	275 3.21%	314 3.59%	300 3.44%	337 3.58%
<b>Total expenses</b>	<b>\$ 7,499</b>	<b>\$ 7,796</b>	<b>\$ 8,047</b>	<b>\$ 8,571</b>	<b>\$ 8,752</b>	<b>\$ 8,722</b>	<b>\$ 9,413</b>
Average Daily Membership	33,202	33,343	33,483	33,500	33,644	33,598	33,069

**CANYONS SCHOOL DISTRICT**  
**Expenditures by Function - General Fund**  
Last Seven Fiscal Years

<b>Function:</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Instruction	\$ 118,816,244 62.58%	\$ 124,029,593 62.90%	\$ 127,852,245 62.55%	\$ 134,456,779 63.25%	\$ 136,863,789 62.24%	\$ 138,398,131 62.21%	\$ 146,258,365 61.08%
Support services:							
Students	7,336,484 3.86%	7,575,667 3.84%	8,347,281 4.08%	8,925,363 4.20%	9,510,956 4.32%	10,099,532 4.54%	10,931,039 4.57%
Instructional staff	11,483,579 6.05%	12,649,687 6.41%	11,908,506 5.83%	10,710,531 5.04%	11,977,361 5.45%	11,536,564 5.19%	16,254,028 6.79%
District administration	2,272,323 1.20%	2,086,863 1.06%	1,999,219 0.98%	2,013,203 0.95%	1,862,037 0.85%	2,377,553 1.07%	2,408,396 1.01%
School administration	13,618,836 7.17%	13,615,074 6.90%	14,754,707 7.22%	15,361,909 7.23%	16,408,467 7.46%	16,654,114 7.49%	18,313,983 7.65%
Central	10,503,447 5.53%	10,146,693 5.15%	11,210,661 5.48%	11,564,452 5.44%	12,069,592 5.49%	12,693,640 5.71%	13,510,173 5.64%
Operation and maintenance of school buildings	19,819,997 10.44%	20,911,730 10.60%	21,550,141 10.54%	22,305,809 10.49%	23,711,132 10.78%	23,180,718 10.42%	23,770,303 9.93%
Student transportation	6,027,206 3.17%	6,175,797 3.13%	6,768,574 3.31%	7,243,946 3.41%	7,506,685 3.41%	7,520,312 3.38%	7,702,864 3.22%
Community services	- -	- -	- -	- -	- -	- -	288,934 0.12%
<b>Total expenditures</b>	<b>\$ 189,878,116</b>	<b>\$ 197,191,104</b>	<b>\$ 204,391,334</b>	<b>\$ 212,581,992</b>	<b>\$ 219,910,019</b>	<b>\$ 222,460,564</b>	<b>\$ 239,438,085</b>
Average Daily Membership	33,202	33,343	33,483	33,500	33,644	33,598	33,069
Average Expenditures Per Pupil	\$ 5,719	\$ 5,914	\$ 6,104	\$ 6,346	\$ 6,536	\$ 6,621	\$ 7,241

**CANYONS SCHOOL DISTRICT**  
**Expenditures by Function Per Pupil - General Fund**  
Last Seven Fiscal Years

<b>Function:</b>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction	\$ 3,579 62.58%	\$ 3,720 62.90%	\$ 3,818 62.55%	\$ 4,014 63.25%	\$ 4,068 62.24%	\$ 4,119 62.21%	\$ 4,423 61.08%
Support services:							
Students	221 3.86%	227 3.84%	249 4.08%	266 4.20%	282 4.32%	301 4.54%	331 4.57%
Instructional staff	346 6.05%	379 6.41%	356 5.83%	320 5.04%	356 5.45%	344 5.19%	492 6.79%
District administration	68 1.20%	63 1.06%	60 0.98%	60 0.95%	56 0.85%	71 1.07%	73 1.01%
School administration	410 7.17%	408 6.90%	441 7.22%	459 7.23%	488 7.46%	496 7.49%	554 7.65%
Central	316 5.53%	304 5.15%	335 5.48%	345 5.44%	359 5.49%	378 5.71%	408 5.64%
Operation and maintenance of school buildings	597 10.44%	627 10.60%	644 10.54%	666 10.49%	705 10.78%	690 10.42%	719 9.93%
Student transportation	182 3.17%	185 3.13%	202 3.31%	216 3.41%	223 3.41%	224 3.38%	233 3.22%
Community services	- -	- -	- -	- -	- -	- -	9 0.12%
Total expenditures	<u>\$ 5,719</u>	<u>\$ 5,914</u>	<u>\$ 6,104</u>	<u>\$ 6,346</u>	<u>\$ 6,536</u>	<u>\$ 6,621</u>	<u>\$ 7,241</u>
Average Daily Membership	33,202	33,343	33,483	33,500	33,644	33,598	33,069

**CANYONS SCHOOL DISTRICT**  
**Average Daily Membership vs. Average Daily Attendance**  
 Last Seven Fiscal Years

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<b>Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Average Daily Attendance</b>	<b>Ratio of ADA to ADM</b>	<b>Official State October 1 Enrollment Count</b>
2010	33,202	31,756	95.64%	33,184
2011	33,343	31,931	95.77%	33,469
2012	33,483	32,106	95.89%	33,490
2013	33,500	32,106	95.84%	33,528
2014	33,644	32,441	96.42%	33,677
2015	33,598	31,800	94.65%	33,676
2016	33,069	31,983	96.72%	33,899

Source: District records

**CANYONS SCHOOL DISTRICT**  
**History of High School Graduates**  
 Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Alta*	711	716	753	815	721	787	794	535	419	365
Brighton*	581	622	645	570	613	565	579	562	546	483
Corner Canyon***	-	-	-	-	-	-	-	257	391	490
Hillcrest*	399	405	386	435	422	368	444	480	423	429
Jordan*	539	523	527	478	478	507	491	510	473	433
Diamond Ridge	-	-	-	-	-	-	-	-	-	15
Entrada**	-	-	-	254	145	104	136	78	140	69
South Park**	-	-	-	331	378	338	358	276	241	107
Total	<u>2,230</u>	<u>2,266</u>	<u>2,311</u>	<u>2,883</u>	<u>2,757</u>	<u>2,669</u>	<u>2,802</u>	<u>2,698</u>	<u>2,633</u>	<u>2,391</u>

\*Graduates for these traditional schools are comparable to when these schools were in the former Jordan School District (JSD), 2007-2009.

\*\*Entrada and South Park are adult high schools. Graduation rates prior to 2010 are not comparable when they existed under JSD.

\*\*\*Corner Canyon opened in 2014.

Source: District records

**CANYONS SCHOOL DISTRICT**  
**Capital Asset Information**  
Last Seven Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014**</u>	<u>2015</u>	<u>2016</u>
Buildings:							
Elementary:							
Number	29	29	29	29	29	29	29
Square feet	1,805,833	1,805,833	1,805,833	1,844,813	1,844,777	1,844,777	1,849,736
Capacity	19,509	19,509	19,509	20,375	20,375	19,215	19,215
Enrollment	17,958	18,108	18,208	18,295	15,488	15,389	15,465
Middle Schools:							
Number	8	8	8	8	8	8	8
Square feet	1,267,103	1,267,103	1,267,103	1,290,263	1,304,281	1,304,281	1,347,426
Capacity	10,565	10,565	10,565	10,450	9,418	9,506	9,506
Enrollment	7,499	7,403	7,441	7,491	7,762	7,723	7,800
High Schools:							
Number	4	4	4	4	5	5	5
Square feet	1,372,991	1,372,991	1,372,991	1,372,991	1,748,503	1,748,503	1,748,503
Capacity	9,321	9,321	9,321	9,321	12,431	11,553	11,553
Enrollment	7,592	7,725	7,624	7,624	10,178	10,355	10,424
Special Schools:							
Number	3	3	4	4	4	4	2
Square feet	148,569	148,569	147,719	136,757	136,757	136,757	136,757
Capacity *							
Enrollment	135	233	217	220	249	209	210
Total School Buildings:	44	44	45	45	46	46	44
Square feet	4,594,496	4,594,496	4,593,646	4,644,824	5,034,318	5,034,318	5,082,422
Capacity	39,395	39,395	39,395	40,146	42,224	40,274	40,274
Enrollment	33,184	33,469	33,490	33,630	33,677	33,676	33,899
Other Buildings:							
Number	7	6	6	5	6	5	4
Square feet	397,990	336,950	336,950	340,426	340,426	340,426	251,505
Acres of Land	784	784	784	794	794	794	770
Number of Portables	82	82	88	91	81	82	82
Number of Vehicles	289	329	346	345	338	347	329

\* Information for special school varies depending on needs of students.

\*\* Grade configuration occurred in 2014 with the sixth graders moving to the middle schools and the ninth graders moving to the high schools.

Source: District records

**CANYONS SCHOOL DISTRICT**  
**Teacher Compensation Data**  
 Last Ten Fiscal Years

<u>Year Ending June 30,</u>	<u>Bachelor Degree 1st Year Teacher Wage</u>	<u>Doctorate Degree Veteran Teacher Wage</u>	<u>District Average* Teacher Wage</u>	<u>District Average* Teacher Benefits**</u>	<u>Total District Average* Teacher Compensation</u>	<u>State Median* Teacher Compensation</u>
2007	27,859	56,175	39,933	19,809	59,742	62,223
2008	30,139	58,794	42,299	20,256	62,555	66,397
2009	34,168	65,457	44,921	21,713	62,555	69,757
2010	33,640	63,264	45,230	19,195	64,425	69,531
2011	32,759	61,608	45,230	19,008	64,238	69,785
2012	34,157	64,237	45,165	19,580	64,745	70,883
2013	33,343	62,694	45,707	20,390	66,097	71,099
2014	33,831	62,799	45,522	20,536	66,058	74,028
2015	33,215	62,571	46,453	27,722	74,175	76,664
2016	33,998	64,147	N/A	N/A	N/A	N/A

\* As calculated and reported by the Utah State Office of Education in the Annual Statistical Report.

\*\* Includes all benefits including State retirement, but does not include District retirement benefits.

N/A - The 2016 numbers were not available when this schedule was prepared.

Note 1 - Data from 2007-2009 is from Jordan School District. The numbers will be used for comparability purposes.

Note 2 - The 2011 teacher compensation data for the District is shown net of a decrease due to 5 furlough days

**CANYONS SCHOOL DISTRICT**  
**Students Per Teacher**  
**Last Ten Fiscal Years**

Grade	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Kindergarten	46.2	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
1	22.0	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
2	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
3	23.8	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
4	26.4	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3
5	26.4	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3
6	26.4	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3	26.3
7	26.8	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3
8	26.8	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3	27.3
9	27.0	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	25.3
10	27.0	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3
11	27.0	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3
12	27.0	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3	28.3

Note - Data from 2007 - 2009 is from Jordan School District. The numbers will be used for comparability purposes.

Source: District Records

**CANYONS SCHOOL DISTRICT**  
**Nutrition Services - Facts and Figures**  
 Last Seven Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Participating schools:							
Lunch	43	43	43	43	44	43	43
Breakfast	25	25	25	26	30	33	36
Student lunches served:							
Free	944,856	1,028,671	1,129,915	1,090,227	1,040,685	1,041,709	1,034,851
Reduced	217,170	211,707	219,019	204,531	183,451	183,443	190,927
Fully paid	<u>2,179,799</u>	<u>1,999,634</u>	<u>1,990,611</u>	<u>1,712,160</u>	<u>1,614,055</u>	<u>1,648,908</u>	<u>1,666,635</u>
Total	<u>3,341,825</u>	<u>3,240,012</u>	<u>3,339,545</u>	<u>3,006,918</u>	<u>2,838,191</u>	<u>2,874,060</u>	<u>2,892,413</u>
Student breakfasts served:							
Free	230,401	243,532	275,848	260,808	261,970	313,316	443,942
Reduced	27,922	24,960	26,102	19,918	22,264	31,820	55,369
Fully paid	<u>74,021</u>	<u>63,926</u>	<u>67,336</u>	<u>54,474</u>	<u>63,393</u>	<u>84,961</u>	<u>158,914</u>
Total	<u>332,344</u>	<u>332,418</u>	<u>369,286</u>	<u>335,200</u>	<u>347,627</u>	<u>430,097</u>	<u>658,225</u>
Percentage of free/reduced/fully paid lunch:							
Free	28.27%	31.75%	33.83%	36.26%	36.67%	36.25%	35.78%
Reduced	6.50%	6.53%	6.56%	6.80%	6.46%	6.38%	6.60%
Fully paid	65.23%	61.72%	59.61%	56.94%	56.87%	57.37%	57.62%
Percentage of free/reduced fully paid breakfast:							
Free	69.33%	73.26%	74.70%	77.81%	75.36%	72.85%	67.45%
Reduced	8.40%	7.51%	7.07%	5.94%	6.40%	7.40%	8.41%
Fully paid	22.27%	19.23%	18.23%	16.25%	18.24%	19.75%	24.14%
Average daily participation:							
Lunch	18,774	18,514	18,761	16,893	15,945	16,146	16,250
Breakfast	1,867	1,900	2,075	1,883	1,953	2,416	3,698
Average daily membership	33,202	33,343	33,483	33,500	33,644	33,598	33,069
Percentage participating in school lunch/breakfast							
Lunch	56.55%	55.53%	56.03%	50.43%	47.39%	48.06%	49.14%
Breakfast	5.62%	5.70%	6.20%	5.62%	5.80%	7.19%	11.18%

Source: District records